



SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED



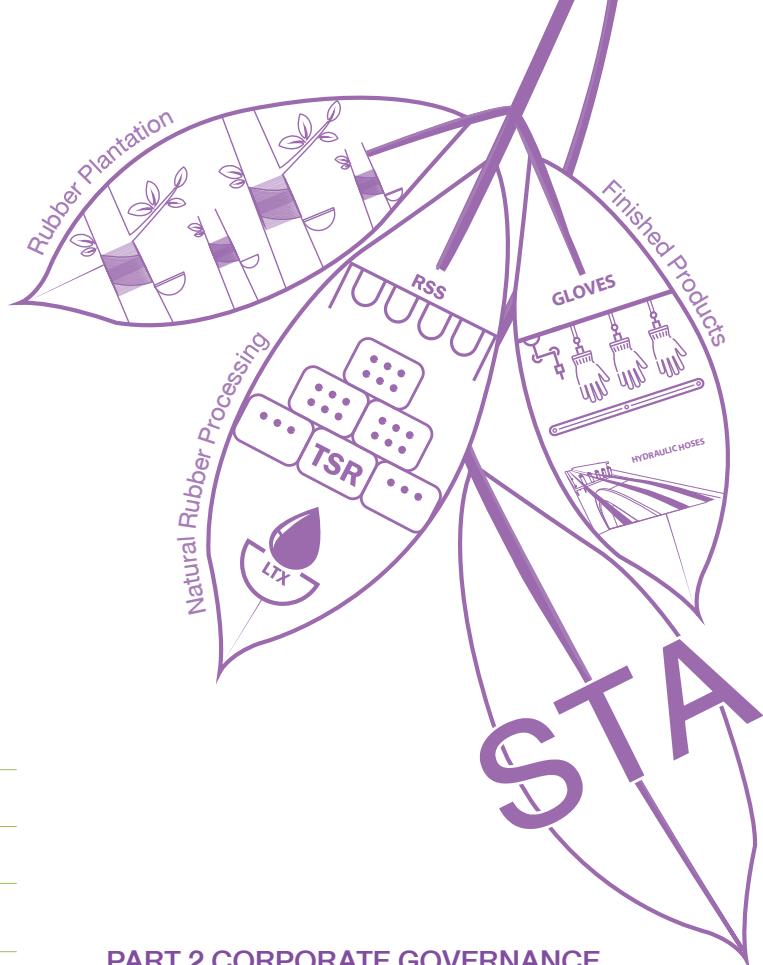
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SCAN ME



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ABOUT SRI TRANG



Upstream

STA owns land in Thailand, which is prepared for rubber plantations and other economic crops.



7,200 hectares
of rubber plantations in
19 provinces of Thailand

Midstream

With the industry's largest production capacity and a focus on cutting-edge technology in the production process, we are secure in our position as a leading player in the natural rubber industry.



34 processing facilities for TSR, RSS and LTX located in Thailand, Indonesia and Myanmar



2.81 million tons in annual production capacity at the end of 2021, the largest in the industry



60% of total revenue in 2021



1.3 million tons in sales volume in 2021



10% of global NR consumption in market share in 2021



32% of Thailand's NR production output in 2021



The World's Leading Fully Integrated Natural Rubber Company

Sri Trang Agro-Industry Public Company Limited (“STA”) was established in 1987. With over 30 years of expertise and industry experience, STA has grown to become currently **the world's leading fully integrated natural rubber company.**



Downstream

With the use of cutting-edge technology and automation in the production of latex and nitrile gloves for medical and industrial uses, a secure access to the prime source of natural rubber latex, and a production capacity that ranks among the third largest in the industry, we are confident of our long-term competitiveness in the industry.



4 Factory locations in Thailand (In Songkhla, Suratthani, and Trang)



40.3 Billion pieces in annual production capacity at the end of 2021



40% of revenues from sale of goods and services in 2021



27.3 Billion pieces of gloves sold at the end of 2021



7% Market share of global rubber glove consumption in 2021

Sales and Distribution

Our sales offices are located in 6 strategic locations, namely Thailand, Indonesia, Singapore, China, Vietnam, and USA.

Employees

STA always focuses and commits to taking care of our employees in all aspects such as employee potential development, comprehensive benefits support as well as encouraging employees to work happily in a good environment. In 2021, Sri Trang Group has a total of 16,730 members.



GREEN RUBBER COMPANY



Green Products

We produce high-quality products that are free of chemical substances that detrimentally affect the health and safety of end-users.

Green Process

The production process for every one of our products is based on the concept of sustainability and energy efficiency. Our production facilities do not generate hazardous substances that cause adverse impact on the environment and the neighboring communities.



“ Taking A Step Forward as the Green Rubber Company

For over three decades, Sri Trang Group has been operating in a socially and environmentally responsible manner and the symbol “Green” signifies our commitment to sustainability and transparency.



Green Procurement

We source raw materials from ethical suppliers with sustainable practices and strive to guide rubber farmers toward the sustainable management of rubber plantations.

Green Company

In every aspect of our operations, we are guided by the belief that transparency is key to building trust and achieving long-term success. We also seek to make a positive difference to the local communities and foster long-lasting relationships through various forms of community engagement



MESSAGE FROM THE CHAIRMAN



Dr. Viyavood Sincharoenkul
Chairman

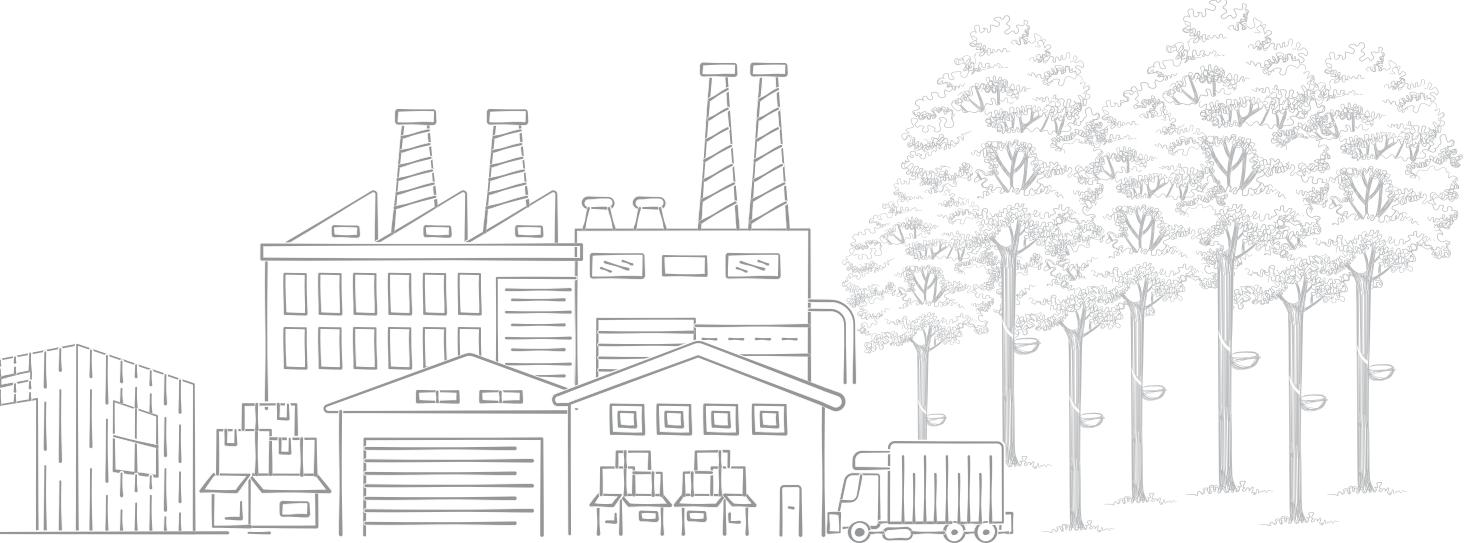
Over 34 years in the natural rubber industry

Over 34 years, we have been through good and challenging times in the industry and we have learned to be agile and quickly adapt to any changing circumstances. In 2021, we had to continue to deal with the COVID-19 pandemic, together with the many disruptions brought about in the workplace as well as in society. Amid these changes, STA was able to achieve a record THB 118,275 million in revenue and a record profit of THB 15,847 million. But we are not complacent. We are well aware how fast things can move and change and we keep our focus on speed, scale and sustainability in every aspect of our operations.

Speed

In this changing world where things move at a fast pace, speed is embedded in the work ethos of Sri Trang Group, whether it is the speed of deploying new technology to improve production efficiency, the speed of increasing our production capacity in advance of our competitors, the speed of striving to increase our market share through the fighting spirit that is the hallmark of Sri Trang Group, and the speed of developing new projects to support our core operations.





Scale

Scale is one factor behind our capacity expansion. We are aware that, to be able to compete on the global stage, we need to be of a sufficiently sizable scale. To that end, our strategy throughout the years has always been to continue to increase our production capacity in order to enhance our competitiveness and create economies of scale.

As of now, we have the largest production capacity in the global natural rubber industry, a market share of 10% of global natural rubber consumption and account for 32% of Thailand's natural rubber production output. Our glove business is also Thailand's largest and ranked third in the global glove industry. With this sizeable scale, Sri Trang Group is able to effectively compete on the global stage.

Sustainability

In today's world, sustainability is key to any business operation and as a "green rubber company," ESG has always been in our focus. On **environment**, we have implemented many projects to reduce green house gas emissions and increase clean energy consumption, such as the installation of solar roof and floating solar panels, which will generate two megawatts in energy for our natural rubber and glove production facilities. On **society**, we focus on the development of "human resources," which are instrumental in driving our operations forward. In accordance with our mission to "stay safe and healthy," we take great care of the health of our employees and have provided COVID-19 vaccines to all. Additionally, in 2021, our "Sri Trang Sharing the Love with Communities" project donated over 4.2 million pieces of medical gloves

STA was able to achieve a record THB 118,275 million in revenue and a record profit of THB 15,847 million. But we are not complacent. We are well aware how fast things can move and change and we keep our focus on speed, scale and sustainability in every aspect of our operations.

to various organizations. On **governance**, we are committed to operating with transparency and have received recognitions from various organizations including certification from the Thai Private Sector Collective Action Against Corruption (CAC) for the second consecutive year, "excellent" good governance award for the third consecutive year from the Thai Institute of Directors and inclusion in the sustainability index (SETTHSI) of the Stock Exchange of Thailand.

Sri Trang Group believes that our operations will help steer Thailand's natural rubber industry on the path of sustainable growth. I would like to thank our directors, management, employees, shareholders and all business partners who have supported and trusted in Sri Trang Group throughout the years. ***The year 2021 was the best in the Company history and I would like to assure everyone that we at Sri Trang Group are determined to keep growing our operations toward new heights.***

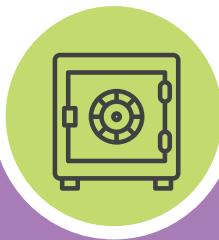


FINANCIAL HIGHLIGHTS



Revenue from sale of goods and services

118,275 MB.



Total assets

114,527 MB.



Total equities

65,049 MB.



STATEMENT OF COMPREHENSIVE INCOME

(UNIT : Baht million)

FY2017

FY2018

FY2019

FY2020

FY2021

Revenue from sale of goods and services	89,387	73,136	60,286	75,479	118,275
Earnings before interest, tax, depreciation, and amortization	1,611	5,758	3,274	20,505	32,440
Profit (loss) before tax	(1,398)	2,406	(68)	17,064	28,718
Profit (loss) attribute to owners of the Company	(1,437)	2,064	(149)	9,531	15,847



STATEMENT OF FINANCIAL POSITION

(UNIT : Baht million)

FY2017

FY2018

FY2019

FY2020

FY2021

Total assets	59,708	58,414	58,331	93,117	114,527
Total liabilities	36,431	32,003	32,842	39,720	49,479
Total equities	23,277	26,411	25,488	53,397	65,049





FINANCIAL RATIOS

(UNIT : Baht million)

FY2017 FY2018 FY2019 FY2020 FY2021

Gross profit margin (%)	4.2	9.8	8.1	28.9	32.2
Net profit margin (%)	(1.6)	2.8	(0.3)	12.6	13.4
Current ratio (times)	1.1	1.1	1.0	1.8	2.2
Debt to equity ratio (times)	1.6	1.2	1.3	0.7	0.8



Sales Volume of Natural Rubber Products

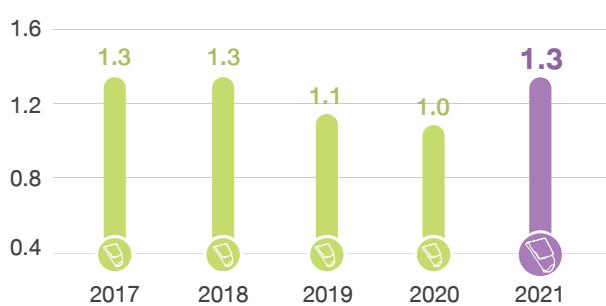
1.3 Million Tons



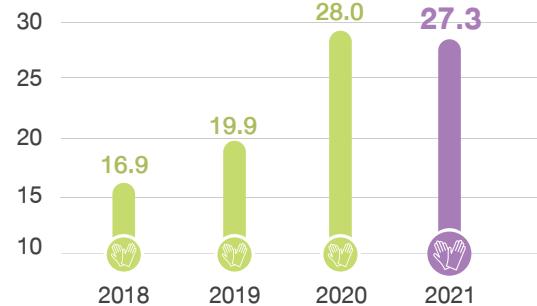
Sales Volume of Gloves

27.3 Billion Pieces

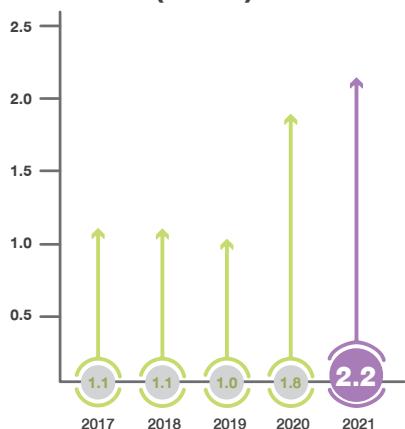
Sales Volume of Natural Rubber Products
(Million Tons)



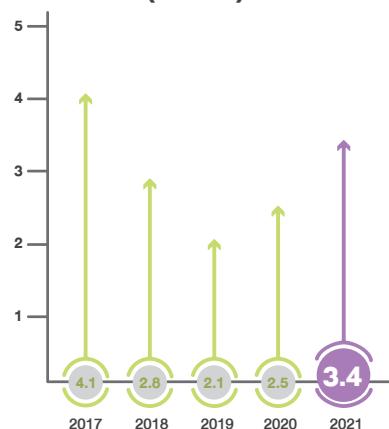
Sales Volume of Gloves
(Billion Pieces)



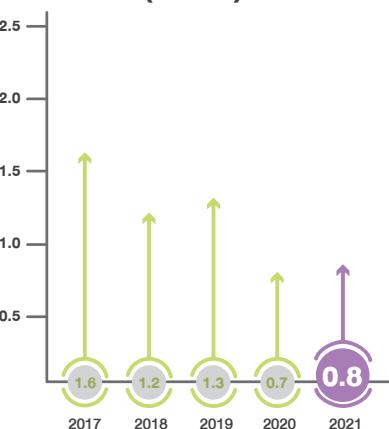
Current Ratio
(Times)



Fixed Asset Turnover
(Times)



Debt to Equity
(Times)



AWARDS AND SUCCESSES IN 2021



ENVIRONMENTAL

Green Industry Certification

(Level 4) from the Ministry of Industry (Thailand)



Good Labour Practices (GLP) Award

from the Ministry of Labour (Thailand) for two consecutive years

The 2021 Excellent Practices Establishment on labour relations and welfare, at national level, from the Ministry of Labour (Thailand) for two consecutive years



SOCIAL

Sustainability Disclosure Award 2021

for Sustainability Disclosure Recognition, for three consecutive years



Received an “Excellent” Corporate Governance Assessment

in the Corporate Governance Survey of Thai Listed Companies Year 2021 for the three consecutive years since 2019 from the Thai Institute of Directors Association (IOD).

Received an excellent assessment of the quality of the 2021 Annual General Meeting of Shareholders

(90-99 score range) continuously since 2014 from the Thai Investors Association.



GOVERNANCE



➤ STA passed the Environmental Governance assessment criteria

from the Ministry of Industry (Thailand) for two consecutive years

➤ Eco-Industrial Plant Award from the Ministry of Industry (Thailand) for two consecutive years



➤ Best Model Establishment Award for Safety, Occupational Health and Work Environment at the provincial level from the Ministry of Labour (Thailand) for three consecutive years

➤ Outstanding Organization on Disability Support from the Ministry of Labour (Thailand) for three consecutive years



➤ Disease-Free, Safe, and Happy Workplace Award, at national level, (Silver Plaque) from the Department of Disease Control, Ministry of Public Health for three consecutive years

➤ Certified for renewal of membership of the Thai Private Sector Collective Action Against Corruption in March 2021

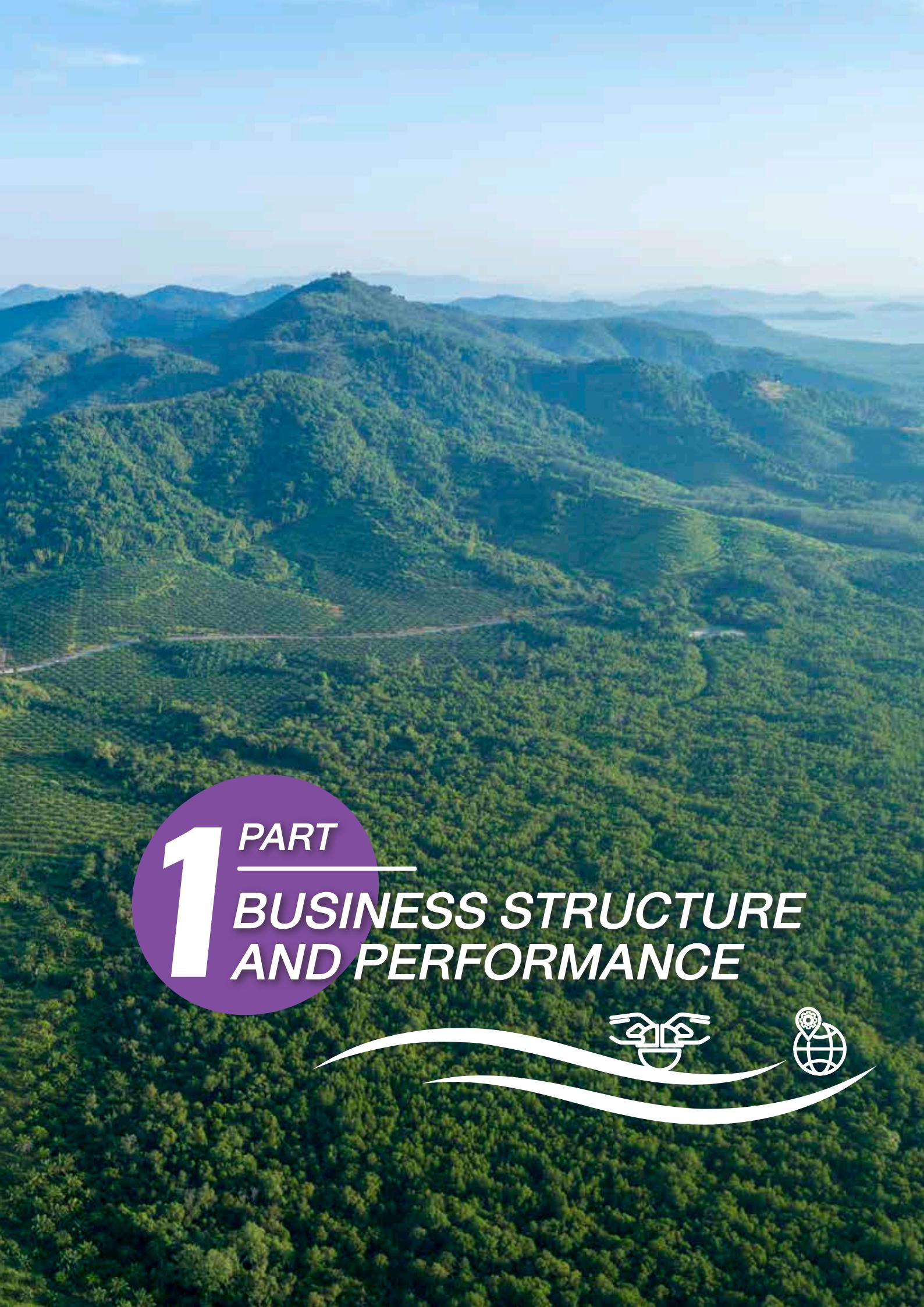


➤ CSR-DIW Continuous Award 2021 from the Ministry of Industry (Thailand) for eight consecutive years

➤ STA has selected to be one of the sustainable stocks in Thailand Sustainability Investment (SETTHSI), which is a group of stocks with outstanding qualities in the Environmental, Social and Governance for the seven consecutive years, demonstrating the commitment of STA to conduct business sustainably.





The background of the entire image is a scenic aerial photograph of a mountainous landscape. The foreground and middle ground are filled with lush green forests covering rolling hills. In the distance, more mountain ranges are visible under a bright, clear blue sky.

1

PART

**BUSINESS STRUCTURE
AND PERFORMANCE**



1

BUSINESS STRUCTURE AND OPERATIONS

1.1 Policy and Business Overview

Established in 1987, Sri Trang Agro-Industry Public Company Limited ("STA") is the world's leading fully integrated natural rubber company. In the **upstream**, we own approximately 7,200 hectares of rubber plantations located in 19 provinces of Thailand.

In the **midstream**, we are the largest midstream producer in terms of capacity with 34 processing facilities located in Thailand and Indonesia, the world's second-largest natural rubber-producing countries, as well as in Myanmar, a country with strong potential for rubber production. Together they produce a complete range of natural rubber products, from Technically Specified Rubber (TSR) and Ribbed Smoked Sheets (RSS) to Concentrated Latex and have a total production capacity of 2.81 million tons per annum. In 2021, we achieved a market share of 10% of global natural rubber consumption and 32% of Thailand's total production, up from 27% in 2020.



In the **downstream**, Sri Trang Gloves (Thailand) Public Company Limited ("STGT"), one of Sri Trang Group's flagship companies, engages in the production and distribution of latex and nitrile examination and industrial gloves to customers in over 170 countries around the world. STGT has offices in Thailand, China, and the USA. With cutting-edge production facilities located in Songkhla, Suratthani, and Trang, a total installed capacity of 40.3 billion pieces of gloves per annum at the end of December 2021, we are the largest glove producer in Thailand and is ranked among the world's leading glove producers with a market share of 7% of global glove consumption in 2021. In addition to glove production and distribution, we are also part of a joint venture that is Thailand's largest manufacturer of high-pressure hydraulic hoses for industrial purposes.

Additionally, we have various subsidiaries that provide operational support for our core businesses, from research and development to logistics to rubberwood processing.

STA is the first and the only Thai rubber company that is dually listed on both the Stock Exchange of Thailand (SET) and the Singapore Exchange (SGX).





**Passionately,
we drive possibilities**

**>>The green rubber
company>>**

Core Values



SPECIALIST

We are the best in what we do.



TEAMWORK

We work with tireless determination together as a team.



ACCOUNTABILITY

We value honesty and have a strong sense of responsibility.

1.1.1 Vision and Mission



We are committed to delivering to our shareholders, having regard to sustainable growth and reasonable, consistent returns to shareholders, the highest level of satisfaction.



We are committed to an environmentally sound approach to production, through which we strive to inspire satisfaction and confidence in our customers and suppliers.



We are committed to the practices of good corporate governance and to operating with fairness and transparency with a view to improving the living and working conditions of our stakeholders.



We are committed to providing our employees with a pleasant work environment, fair compensation, and career advancement opportunities.



We are committed to minimizing the social and environmental impact of our operations and to the sustainable consumption of natural resources.



Mission and Objective



2021: A CHANGING WORLD II

COVID-19 has changed the world. It has caused de-globalization, immobility, shutting down, and locking down of the world economy and the movement of people of the world. The pandemic hits industries and the economy hard and people are suffering and losing jobs at an unprecedented level. Worst still, the young and new graduates will have the least chance to get the jobs. The hardest hit will be more pronounced among those who are 20 to 24 years old. Most companies are in no rush to add in new staff and there is growing anxiety over job prospects among graduating students.

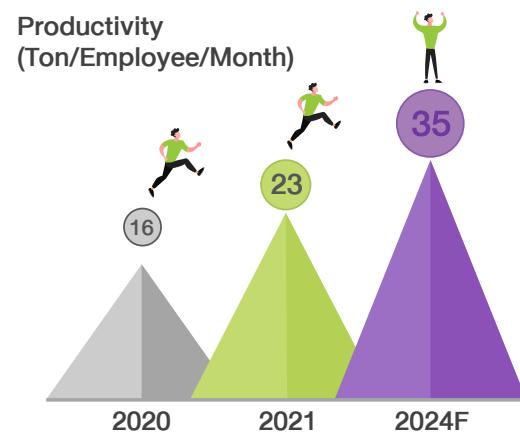
There comes a time when we heed a certain call, people suffering and there are hardships everywhere. We cannot keep on guessing day by day, someone, somewhere, somehow will soon make a change. Instead of waiting for a miracle, we should lend a helping hand and make a difference.

Though technology is always our best friend and we are steadfast in engaging ourselves to better technology for business, we do need to unlock the potential of our new generation. As a successful organization, we could do more for the schools and the students to be part of our business enhancement.

The Government has rolled out New Job Incentive Schemes for new and young graduates. We will support and participate with full force. We hope the new generation to push through, reform, and convert the agricultural base to full industrialization and incorporate AI, robotics, sensors, and digitalization to improve manufacturing.

We believe such a benevolent move is a pivotal part of the Corporate Social Responsibility of a large and successful corporation like Sri Trang Group of Companies.

In 2021, STA is committed to developing the organization with technology and empowering our employees' skills continuously. This is to step up our productivity in accordance with the goals of the organization for long-term sustainability.



1.1.2 Significant Changes and Developments



August 1991

Filed for an initial public offering (IPO) of shares in Thailand and listed the shares on the Stock Exchange of Thailand (SET).



March 1990

Jointly established Thai Tech Rubber with Southland Rubber Co., Ltd and Itochu Corporation Limited to produce TSR block rubber.

January 1989

Jointly established SSC (Presently called Sri Trang Gloves (Thailand) PLC.) with an Austria-based company to produce latex examination gloves.

March 1988

Established Rubberland Products to produce concentrated latex, the Group's first production facility for concentrated latex.

October 1987

Established Anvar Parawood to produce rubberwood used for making furniture, and to produce pallets to be used within Sri Trang Group.

April 1987

Commenced operation as producer of ribbed smoked sheets in Hat Yai, Thailand with Baht 31 million in registered capital.



March 2004

Established Sri Trang USA to manage distribution of the Group's natural rubber products in USA and Canada.

April 2002

Established Sri Trang International in Singapore, the natural rubber purchasing hub, to manage global distribution of the Group's natural rubber products.

March 1996

Jointly established Semperflex Asia with an Austria-based company to produce high-pressure hydraulic hoses.

January 1996

Acquired Premier System Engineering to provide support for research and development and to provide engineering services to the Group.

September 1995

Established Startex Rubber to hold ownership of and manage rubber plantations in the southern region of Thailand.



January 1994

Established Starlight Express Transport to provide logistics support for the Group.



October 2013

Jointly established Sri Trang Ayeyar with Ayeyar Hintha Holdings Company Limited to expand the Group's natural rubber processing operations into Myanmar.

January 2011

Filed for a public offering of newly issued shares in Singapore and listed the shares on the SGX-ST, becoming the first dually listed rubber company in Thailand.



August 2010

Expanded operations in the PRC by establishing Shi Dong Shanghai, the Group's first subsidiary in the PRC.

August 2009

Acquired PT Star Rubber, the Group's second production facility for TSR block rubber in Indonesia.

December 2007

Established Sri Trang Rubber & Plantation to hold ownership of and manage rubber plantations.

October 2004

Established PT Sri Trang Lingga in Indonesia, the Group's first natural rubber procurement center and production facility outside Thailand.



1987-1991

1994-2004

2004-2013





October 2017

STA offered the allotment of newly-issued ordinary shares to existing shareholders in proportion to their respective shareholding (Rights Offering), with the ratio of 5 existing ordinary shares for 1 newly-issued ordinary share at the offering price Baht 10 per share. As the result of this, the paid-up capital was increased from Baht 1,280,000,000 to Baht 1,535,999,998.

July 2017

STA jointly established Thai Rubber Joint Venture Limited with the Rubber Authority of Thailand (RAOT) and four other natural rubber producers and exporters following the government policy to engage in the domestic and international trade of rubber with Baht 1,200,000,000 in registered capital, with STA investing in the portion of 16.67%.

March 2017

Startex Rubber established a subsidiary, Shi Dong Medical Equipment, in the PRC with USD 1,650,000 in registered capital to manage the sales and distribution of gloves in the PRC.

March 2017

STA and the Austria-based company completed the demerger of the joint venture and associate companies*. The demerger resulted in STA increasing its shares in Siam Sempermed Corporation which was subsequently renamed Sri Trang Gloves (Thailand) Co., Ltd to 90.2% of the total shares.

April 2016

STA increased its investment in Thai Tech Rubber from 33.5% to 42.5% via share purchase from Itochu Corporation.

December 2013

Established Sri Trang Indochina in Ho Chi Minh, the Group's first subsidiary in Vietnam, to manage sales and exports of natural rubber products in Vietnam.



2013-2017



Note:

*with the exception of Semperflex Asia, which will continue to operate as a joint venture company until Semperit Technische Produkte exercises the call option to buy the shares from STA and other shareholders during 2021 - 2026.

December 2020

The restructuring of Premier System Engineering and Sadao P.S. Rubber, by selling all shares owned by the Company to Sri Trang Gloves (Thailand) PLC. to support the expansion of glove business in accordance with the Extraordinary General Meeting of Shareholders of Sri Trang Gloves (Thailand) PLC.

July 2020

Sri Trang Gloves (Thailand) PLC filed for an initial public offering (IPO) of shares in Thailand and listed the shares on the Stock Exchange of Thailand (SET).



June 2020

The disposal of the investment in Pattana Agro Futures Co., Ltd. to a shareholder of that company with a gain from the sale amounting to Baht 0.2 million.

June and September 2019

The restructuring of Shi Dong Shanghai Medical Equipment and Sri Trang USA, located in the PRC and the USA respectively, by selling all shares to Sri Trang Gloves (Thailand) PLC. to exclusively operate the glove business.

June 2019

Established Sri Trang IBC with Baht 10,000,000 in registered capital to operate in the provision of technical, innovation, information, and advisory services.

April 2019

The Amalgamation between Sri Trang Gloves (Thailand) Co., Ltd. and Thaikong Public Company Limited, which runs the rubber gloves manufacturing business in Thailand, completed and transformed to be Sri Trang Gloves (Thailand) PLC.

August 2018

STA's Board of Directors Meeting resolved to approve the investment in Thaikong Public Company Limited ("TK"), which runs the rubber gloves manufacturing business in Thailand, by the amalgamation of TK and Sri Trang Gloves (Thailand) Co., Ltd.



November 2021

Sri Trang Gloves (Thailand) PLC established a new subsidiary in Vietnam, Sri Trang Gloves Vietnam, to operate the business of distributing rubber gloves with a registered capital of USD 1,000,000.



October 2021

Sri Trang Rubber & Plantation, a subsidiary of the Company received a license to cultivate hemp from the Food and Drug Administration.



Sri Trang Gloves (Thailand) PLC established a new subsidiary in Indonesia, PT Sri Trang Gloves Indo, to engage in the business of distributing rubber gloves with registered capital IDR 10,000,000,000.



August 2021

Sri Trang Gloves (Thailand) PLC established a new subsidiary in Singapore, Sri Trang Gloves Global, to operate a financial asset management business and financial investment with a registered capital of USD 100,000,000 and Sri Trang Gloves (Singapore) to operate rubber gloves distribution business and product research and development (R&D) with a registered capital of USD 1,000,000.

2021



1.1.3 Our Expenditure from the Debenture Issuance

STA's debenture issuance No.1/2021 in the amount of Baht 3,500 million as of 1 April 2021, with the details as follows:

Expenditure	Approximate Amount (Million Baht)	Approximate Period	Details/ Progress
1. To expand Concentrated Latex (LTX) factories ¹	689	Within 1-3 Years	To expand LTX factories in Chumphon, Surat Thani, Narathiwat. (However, the factory's locations may be changed based on appropriateness and market environment).
2. To increase registered capital of Sri Trang Rubber & Plantation	160	Within 1-3 Years	-
3. To repay debenture, matured in May 2021	1,455	2 Years	-
4. To repay long-term loans to Siam Commercial Bank PCL	1,196	2 Years	-

STA's debenture issuance No.2/2021 in the amount of Baht 2,000 million as of 22 July 2021, with the details as follows:

Expenditure	Amount (Million Baht)	Period	Details/ Progress
1. Working capital	2,000	Within July 2025	-

STA's debenture issuance No.3/2021 in the amount of Baht 4,500 million as of 3 December 2021, with the details as follow:

Expenditure	Amount (Million Baht)	Period	Details/ Progress
1. Working capital	3,900	Within three months after the issued date	-
2. To expand Concentrated Latex (LTX) factories ¹	100	Within September 2022	-
3. To expand Technically Specified Rubber (TSR) factories ²	400	Within September 2022	-
4. To expand raw material warehouse	100	Within September 2022	To expand raw material warehouse in Trang, Pattani, and Chaing Rai

Note :

¹ The Company has planned to expand concentrated latex factories in Bueng Kan, Suratthani and Narathiwat province to increase the production capacity by approximately 184,000 tons/year, with an investment capital of Baht 950 million. For the excess capital of debentures issuance, we planned to use the capital from retained-earnings and long-term loan instead.

² The Company has planned to expand warehouse and TSR factories in Trang province to increase the production capacity by approximately 70,080 tons/year, with an investment capital of Baht 600 million. For the excess capital of debentures issuance, we will use the capital from retained-earnings and long-term loan instead.

1.1.4 Obligations

None

1.1.5 General Information of Company

Name of the Company (Thai)	:	บริษัท ศรีตรังแอโกรอินดัสทรี จำกัด (มหาชน)
Name of the Company (English)	:	Sri Trang Agro-Industry Public Company Limited
Head Office	:	10 Soi 10, Phetkasem Road, Hatyai, Songkhla, 90110 Thailand
Telephone	:	0-7434-4663 (Automatic 14 Lines)
Fax	:	0-7434-4677, 0-7423-7423, 0-7423-7832
Type of Business	:	Production and export of RSS, TSR and Concentrated Latex
Registration No.	:	0107536001656
Website	:	www.sritranggroup.com
Type of Shares	:	Ordinary shares
Registered Capital	:	Baht 1,535,999,998
Paid-up Capital	:	Baht 1,535,999,998
Issued Shares	:	1,535,999,998 shares with a par value of Baht 1 each



1.2 Business Overview

1.2.1 Revenue Structure of Sri Trang Group

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

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2019		2020		2021	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Revenue from TSR products		39,019.7	64.4	37,657.8	49.7	61,422.8	51.8
STA	-						
Sri Trang International	99.99						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
PT Sri Trang Lingga	90.00						
Shi Dong Shanghai	100.00						
PT Star Rubber	98.99						
Sri Trang Ayeyar	58.99						
Revenue from Examination Glove products		12,194.8	20.1	30,750.4	40.6	47,497.2	40.0
STA	-						
Sri Trang Gloves (Thailand)	56.18						
- <i>Shi Dong Shanghai Medical</i>	100.00						
- <i>Sri Trang USA</i>	100.00						
- <i>Sadao P.S. Rubber</i>	99.99						
- <i>Sri Trang Gloves Global</i>	100.00						
- <i>Sri Trang Gloves (Singapore)</i>	100.00						
- <i>Sri Trang Gloves Vietnam</i>	100.00						
- <i>PT Sri Trang Gloves Indo</i>	100.00						
Sri Trang IndoChina (Vietnam)	99.99						

Type of Business / Operated by	% Share holding by STA	Year ended 31 December					
		2019		2020		2021	
		Baht million	(%)	Baht million	(%)	Baht million	(%)
Revenue from RSS products		6,117.3	10.1	4,336.0	5.7	6,027.4	5.1
STA	-						
Sri Trang International	99.99						
Nam Hua Rubber	99.99						
Shi Dong Shanghai	100.00						
Revenue from Concentrated Latex products		2,906.6	4.8	2,684.2	3.5	3,230.8	2.7
STA	-						
Sri Trang International	99.99						
Shi Dong Shanghai	100.00						
Rubberland Products	99.99						
Nam Hua Rubber	99.99						
Revenue from other products and services¹		48.0	0.1	50.3	0.1	77.0	0.1
STA	-						
Anvar Parawood	99.94						
Sri Trang International	99.99						
Premier System Engineering	99.99						
Starlight Express Transport	99.99						
Startex Rubber	99.99						
Rubberland Products	99.99						
Shi Dong Shanghai	100.00						
Sri Trang Rubber & Plantation	99.99						
Sri Trang IBC	99.99						
Other income		279.2	0.5	347.3	0.5	420.6	0.3
Total revenue		60,565.6	100.0	75,826.0	100	118,696.0	100.0
Share of profit from investments in associates and joint ventures		132.3		168.6		241.4	

Note :

¹ Comprises (i) the sale of rubber wood and wood packing products and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties.



1.2.2 Products and Services

Overall Products and Services

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

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

1 Natural Rubber Business

STA is the world's largest fully integrated natural rubber producer and distributor. As of 31 December 2021, Sri Trang Group had a total of 34 production facilities, of which were 30 located in Thailand, 3 in Indonesia, and 1 in Myanmar. Altogether, the facilities provided a total production capacity of 2.81 million tons per annum. In 2021, our capacity utilization rate was at approximately 70 percent of total production capacity and a market share of approximately 10 percent of natural rubber demand around the world as well as having a share of Thailand's natural rubber production at 32 percent, which covers all basic types of natural rubber products, namely Technically Specified Rubber (TSR), Ribbed Smoked Sheet (RSS) and Concentrated latex (LTX) for distribution to tire manufacturers and manufacturers which produces latex gloves both in Thailand and in many countries around the world.

STA has introduced more technology and automation in the production process to increase production efficiency, reduce energy consumption, and be environmentally friendly. The Company has a long-term goal to maintain a relationship with the existing customer base continually and increase market share to reinforce its leadership in the industry. Natural rubber products are one of the main products that generate revenue for the Company accounting for 60 percent of revenue from sales and services in 2021. The Company produces and sells basic natural rubber products covering all types of rubber, namely Technically Specified Rubber (TSR), Ribbed Smoked Sheet (RSS), and Concentrated Latex (LTX) for distribution to tire manufacturers and manufacturers of latex gloves both in Thailand and abroad.



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The raw materials used in the production of TSR, RSS and Concentrated Latex are cup lump, unsmoked rubber sheets and fresh latex, respectively. Because raw materials accounted over 90% of our production costs, we have established procurement centres in the vicinity of raw material sources. Moreover, we have launched the application called **“SRI TRANG FRIENDS”** for buying raw materials from rubber farmers in Thailand. This application helps facilitate and create a new experience for all rubber suppliers to sell rubber anywhere and anytime which considered as a disruptor in rubber trading business for the sustainable rubber industry in Thailand.

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Technically Specified Rubber (TSR)

Product Type

Produced in Thailand

- STR
- STR CV
- STR Mixture

Produced in Indonesia

- SIR
- SIR Mixture

Produced in Myanmar

- Myanmar Block Rubber

Use

Raw material for the manufacture of automotive tires.



Ribbed Smoked Sheet (RSS)

Product Type

- 5 grades of RSS: RSS1, RSS2, RSS3, RSS4 and RSS5
- ADS (Air-Dried Sheets)
- RSS 1XL

Use

Raw material for the manufacture of automotive tires and automotive parts, belts, pipes, and shoes, etc.



Concentrated Latex (LTX)

Product Type

- 60% Concentrated Latex
- HA – High Ammonia Latex
- MA – Medium Ammonia Latex
- LA – Low Ammonia Latex
- Double Centrifuge Latex

Use

Raw material for the manufacture of examination gloves, condoms, elastic, and adhesives, etc.





2 Gloves Business

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group’s flagship companies, engages in the production and distribution a wide variety of medical examination gloves, industrial gloves, and general purpose gloves from both latex and nitrile rubber. The gloves are available powdered or powder-free to suit various uses and user preferences. In addition to supplying products as an OEM (Original Equipment Manufacturer), we also market and distribute our products under our own “**Sri Trang Gloves**” brand, both in the domestic and overseas markets.

In 2021, we achieved our installed capacity target of 40.3 billion pieces of gloves per annum. By considering to production capacity, we are widely regarded as Thailand’s largest and the world’s leading glove producers and the World’s top producer of gloves. Our glove product is one of the key products driving the continuous growth of the Group’s revenue and net profit, accounting for about 40% of the Group’s total revenues in 2021.

STGT is the largest producer of latex gloves in Thailand and the top rubber glove manufacturer in the world. In 2021, we had a market share of 7 percent of the global consumption of rubber gloves. In 2021, we already had a total capacity production of 40.3 billion pieces. We will keep expanding our installed capacity with an intention to achieve an annual production capacity of 48 billion pieces by 2022, 80 billion pieces by 2024, and 100 billion pieces by 2026 to keep up with the steadily growing demand for gloves.

3 Other Businesses

Rubber Plantation Business

STA operates our rubber plantation systematically and in a full supply chain through our subsidiary, Sri Trang Rubber & Plantation. As of 31 December 2021, Sri Trang Group had obtained approximately 7,200 hectares of land suitable for the cultivation of rubber trees in 19 provinces of Thailand. We planted rubber trees and some lots have been providing yield since 2015. The majority of our rubber plantations are located in the northern and northeastern regions of Thailand. This shall be an advantage for our mid-stream business both for raw material procurement and NR production. We estimate that in 2021, the rubber trees that can be tapped will make up around 49% of the total rubber trees.





Hemp Business

Sri Trang Rubber & Plantation called “SRP”, a subsidiary of STA, received a license to grow hemp from the Food and Drug Administration in October 2021 on approximately 1 hectare of Pilot Plantation at Thoen District, Lampang province in order to sell hemp seeds, leaves and roots for customers that the Company agreed to enter into a business cooperation agreement.

Additionally, to differentiate the Company's hemp products and to promote a good image in the long run, the Company has applied the principle of “Digital Traceability” to all hemp products that will be delivered to customers in sequence of creating distinctiveness, differentiation and added value for SRP's hemp plantations, as well as to maintain strong business relationships with customers in the long term.



Rubber Wood Processing Business

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

Production and Sales of Finished Products Business

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



Sales and Distribution

The Company has established a trading and distribution network of natural rubber products and rubber gloves in foreign countries covering 5 main markets, which are Singapore, China, the USA, Indonesia and Vietnam through its subsidiaries and affiliates are Sri Trang International, Shi Dong Shanghai, Shi Dong Shanghai Medical Equipment, Sri Trang Indochina, Sri Trang USA, Sri Trang Gloves Global, Sri Trang Gloves (Singapore), Sri Trang Gloves Vietnam, and PT Sri Trang Gloves Indo.



STARLIGHT EXPRESS



Transportation and Logistics

Starlight Express Transport Co., Ltd. is a transportation and logistics service provider for the sale of the Company's natural rubber products within Thailand. Such services include the preparation of the movement of goods onto the ship and the preparation of documents relating to both import and export.

Maintenance and Research and Development

Premier System Engineering Co., Ltd. is a service provider for the maintenance of machinery and equipment including inventing and developing advanced production processes. In addition, it is also a researcher and develops products to achieve unique quality according to customer needs.



Research and Development (R&D)

The Company has had R&D projects covering all product groups such as Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS), Concentrated Latex, and rubber glove products. We have focused on the development to increase productivity in our production processes, to improve product quality in order to meet customer needs, and to enhance environmental performance for sustainable development which leads to the increase in the Company's opportunities and competitiveness. In addition, the Company has a research and development policy with the aim to develop R&D projects covering three aspects as follows:

Innovation Development Projects in 2021

**39
PROJECTS**

To enhance STA competitiveness
(to increase productivity and reduce cost)

**3
PROJECTS**

To encourage the sustainable and environmentally-friendly operation

**5
PROJECTS**

To create business opportunities and support new businesses



**47
TOTAL PROJECTS**



**BAHT 43.4 MILLION
TOTAL R&D EXPENSES**



Solar floating in our TSR factory at Mukdahan branch



Example of Research and Development (R&D) Projects

Project related to automation systems for TSR (Technically Specified Rubber), RSS (Ribbed Smoked Sheet), and Concentrated Latex Factories

The Company has promoted and invested in research, innovation, and technology development covering Automation and Smart system to increase production efficiency, to reduce production costs and to make ourself more competitive in the industry. Automation and robotic systems have been developed to replace labor-intensive jobs and promote higher safety of the production process.



Solar power system installation project at the TSR (Technically Specified Rubber) factory and a rubber glove factory

The Company has approved the investment budget for the installation of solar power generation systems to be installed solar floating in an area of approx. 6,000 square meters with a maximum production capacity of approx. 1 megawatt on the TSR (Technically Specified Rubber) factory in Mukdahan branch and installed solar roof in an area of approx. 6,000 square meters with a maximum production approx. 1 megawatt on the rubber glove factory in Trang province to meet the goal of increasing renewable and clean energy use, as well as reducing greenhouse gas emissions into the atmosphere.

Total Installed Area
12,000 SQ.M.
Total Energy Production
2 MW.



Project to develop a latex-free from allergenic proteins

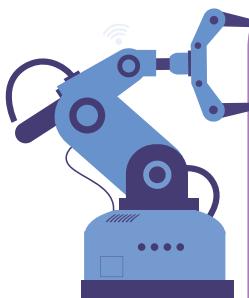
The Research and Development Department of the Company has seen a business opportunity to develop an allergenic protein-free latex that can be produced at an industrial level under a reasonable cost to support the use of various industry. The research has been tested by world-class institutes for protein content in latex from LEAP Testing Service Donald Guthrie Foundation, Akron Rubber Development Laboratory, and Icosagen.



“

To provide a good atmosphere for innovation and the development of our R&D projects, the Company also rent some area in Southern Thailand Science Park, in Prince of Songkla University, as this science park provides full equipment for R&D activities. This helps create and transform the conceptual idea to concreate projects effectively which benefits Thailand's rubber industry in the long-run.

”



SRI TRANG Group has realized the development of intellectual property; therefore, the Company has encouraged patent registration with the Department of Intellectual Property. In 2021, the Company received a patent namely "System and Method for Quality Determination of Cup Lump by Near Infrared Spectroscopy." In addition, the Company has registered material trademarks such as the Sri Trang logo and Green Rubber logo both domestically and internationally for natural rubber products such as TSR, RSS, and Concentrated Latex, and for glove products such as



(2) Marketing and Competition

(2.1) Marketing

Sales, Marketing and Distribution Channels of Natural Rubber Products

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

In addition to direct distribution from our factories in Thailand, Indonesia and Myanmar, the Company has established and managed sales and distribution systems to target customers, which are tyre manufacturers in countries. Our global sales and distribution function is located in and managed out of Singapore, a global purchasing hub for natural rubber products. We have established three trading and distribution networks based in Singapore, the PRC and Vietnam for the Natural Rubber Products that we sell, through our subsidiaries Sri Trang International, Shi Dong Shanghai and Sri Trang Indochina, respectively.

Sales, Marketing and Distribution Channels of Disposable Examination Gloves

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

We sell our glove products directly to customers, through selling agents in many markets globally, through retail channels such as modern trade, convenience store, as well as through online channels. These are to extend and strengthen customer network of our glove products. We have established five distribution networks based in PRC, the United States, Singapore, Vietnam, and Indonesia for the glove products that we sell, through our subsidiaries -- Shi Dong Shanghai Medical Equipment, Sri Trang USA, Sri Trang Gloves (Singapore), Sri Trang Gloves Vietnam, and PT Sri Trang Gloves Indo, respectively.

Target Customers and Market Shares by Geography

We have distributed our products to customers worldwide which mainly are world-class tire producers. In the last three years, our sales revenue's portion by geography are as follows:

Region	Sales Revenue					
	FY2019		FY2020		FY2021	
	Baht million	(%)	Baht million	(%)	Baht million	(%)
Asia	37,625.2	62.4%	45,835.9	60.7%	62,973.4	53.2%
America	5,961.6	9.9%	11,688.8	15.5%	25,501.0	21.6%
Europe	4,862.7	8.1%	8,064.8	10.7%	12,043.3	10.2%
Others	808.9	1.3%	1,324.8	1.8%	3,227.5	2.7%
Total Export Markets	49,258.4	81.7%	66,914.3	88.7%	103,745.1	87.7%
Total Domestic Market	11,028.0	18.3%	8,564.4	11.3%	14,530.2	12.3%
Total Sales Revenue	60,286.4	100.0%	75,478.7	100.0%	118,275.4	100.0%

During 2019-2021, there was no any customer contributing over than 30% of as total sales revenue.



(2.2) Industry

2.2.1 Natural Rubber Industry

As the global economy started to emerge from the pandemic-induced downturn and economic activities picked up, one change brought about by COVID-19 as part of the so-called “new normal” is a decline in the use of public transport and an increase in the use of personal vehicles. This is reflected in an increase in the average distance traveled by personal cars in the US, a result of the switch to personal cars from airlines in interstate travel and the switch to land freight because of the global shipping congestion. This development has led to an increase in NR demand in the replacement market for tires for bicycles, motorcycles, cars as well as trucks. This brought about a resumption of natural rubber consumption in 2021. According to the latest report by the IRSG*, global NR demand in 2021 was 13.9 million tons, up by 9.4% from 2020. The average SICOM price of TSR20 in 2021 was 167.8 cent/kg, increased 27.6% from 2020.

Source: *The World Rubber Industry Outlook, Review and Prospects to 2030, December 2021, by International Rubber Study Group (IRSG)

Natural Rubber Demand and Supply in 2021

According to the World Rubber Industry Outlook, Review and Prospects to 2030, published by the International Rubber Study Group (IRSG) in December 2021, global NR demand in 2021 was 13.9 million tons, rose 9.4% from 2020, because of demand from tire manufacturers, who accounted for about 71.7% of total NR consumption, jumped 9.3% from 2020. At the same time, demand from non-tire consumers increased 9.7% from 2020, driven by demand for LTX from glove producers in Thailand and Malaysia, which rose in tandem with the continued high demand for gloves.

Global NR supply in 2021 was 13.8 million tons, up 5.7% from 2020 mainly due to the easing of lockdown measures in some countries driving the demand to recover, as well as the high price level of NR that induces rubber farmers to increase tapping activities. However, when considering the output of the world's second-largest producing country, Indonesia, it was found that Indonesia's NR output in 2017 was 3.50 million tons. Then, in late 2018, a rubber plantation in Indonesia faced an outbreak of leaf fall disease caused by the fungus. This disease was outbreak during the low NR prices and impacted rubber trees, which were lacked of maintenance and fertilizers, as well as affected Indonesia's NR supply in the long term. As a result, we have seen that Indonesia's NR supply has been decreased since 2017. In 2020 and 2021, Indonesia had NR rubber output of 2.8 and 2.9 million tons, respectively.

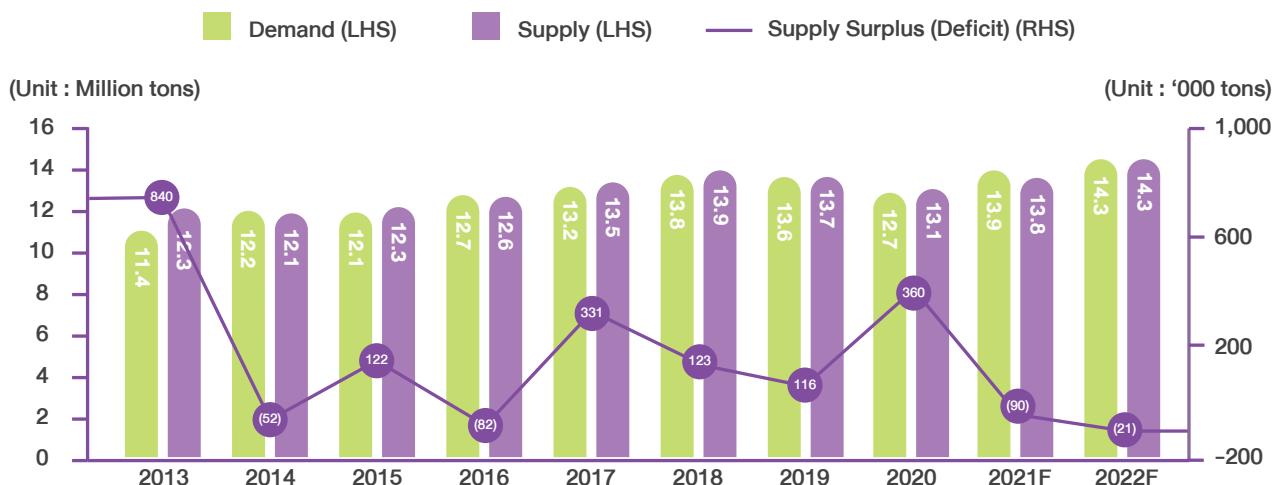


Natural Rubber Demand and Supply in 2022

According to the IRSG, global NR demand is projected to increase by 3.0% to 14.3 million tons in 2022, with China remaining the world's largest consumer, followed by the European countries, India, the US, and Thailand. Demand growth in India and the US is expected to be higher than the overall growth rate because of increased consumption. Malaysia and Thailand also are expected to see a higher growth in demand, driven by increased demand from glove producers.

Meanwhile, the IRSG forecasts that global NR supply will increase by 3.5% to 14.3 million tons in 2022, as supply from Thailand is expected to go back to normal levels once tapping resumes.

Diagram exhibits Demand and Supply of Natural Rubber during 2013 – 2022



Source: The World Rubber Industry Outlook, Review and Prospects to 2030, December 2021, by International Rubber Study Group (IRSG)

Balance of Natural Rubber Demand and Supply

Previously, IRSG estimated that in 2021 there was an oversupply of natural rubber due to the expansion of natural rubber plantations during 2010-2012 as the natural rubber prices were at a high level, so the natural rubber plantation area in Asia-Pacific and Africa had greatly expanded during that time. However, due to the COVID-19 epidemic situation, the harvesting activities have not been as continuous as they should be, the spread of leaf fall disease in rubber trees in Indonesia has resulted in lower than expected natural rubber's output; while, the recovery in consumption from both tire manufacturers and other natural rubber industries has been continued. As a result, IRSG has recently revised its forecast, showing that in 2021 and 2022, natural rubber has been in a supply deficit at 90,000 tons and 21,000 tons, respectively.





2.2.2 Rubber Glove Industry

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

Demand for gloves from all industries, especially the healthcare industry, has been growing steadily. The Malaysian Rubber Glove Manufacturers Association (MARGMA) estimated that demand for gloves in 2019, 2020, 2021 was 300 billion pieces, 360 billion pieces and 420 billion pieces, respectively, reflecting an annual growth of 16%.

Rubber Glove Demand and Supply in 2021

The COVID-19 outbreak, which originated in China before becoming a global pandemic, led to a paradigm shift in glove consumption. Gloves, which constitute an essential personal protective equipment (PPE), have become a mainstay in daily life and in different various industries. Prior to the outbreak of COVID-19, The Malaysian Rubber Glove Manufacturers Association (MARGMA) anticipated demand for gloves to grow by 10% to 330 billion pieces. There was an estimation that, in 2020, demand could grow by

as much as 20%-50% to 360-585 billion pieces as a result of the protracted nature of the outbreak, which has been still ongoing and mutating as well. Meanwhile, in 2020, MARGMA forecasted supply for gloves to be only 370 billion pieces. This meant that COVID-19 pandemic has caused gloves shortage more than 100 billion pieces. Furthermore, in 2021, MARGMA estimated demand for gloves to grow by 17% to 420 billion pieces.

In Post COVID-19 era, demand for gloves tends to increase continuously due to the increase in world population and public health awareness, aging society, the growth of the middle class in developing countries. Then, it would be anticipated demand for gloves to grow at 15% per annum.

While gloves are widely consumed in countries around the world, glove production is still concentrated in Southeast Asia and China. MARGMA estimated that in 2021, 67% of the global glove supply came from Malaysia and 18% came from Thailand, while China and Indonesia accounted for 10% and 3% of global production, respectively.

*Source: *Malaysian Rubber Glove Manufacturers Association "MARGMA", 2020 Market Report by HIDA Research & Analytics and Frost & Sullivan Glove Industry Report 2021*

(2.3) Competition

With a market share of 10% of global NR consumption in 2021, we are widely regarded as the world's largest fully integrated natural rubber company. We have operations in the three largest NR-producing and exporting countries, namely Thailand, Indonesia, and Vietnam. Our main competitors in the NR industry are Southland Group, Thai Hua Rubber Public Company Limited, and Von Bundit Company Limited, which are based in Thailand, and the Kirana Group, Halcyon Agri Corporation (Sinochem Group), and China Hainan Rubber Industry Group, which are based in other countries. In the glove business, our subsidiary, Sri Trang Gloves (Thailand) ("STGT"), is the world's leading glove producer with an installed production capacity of 40.3 billion pieces per annum as of 31 December 2021. Its main competitors are the major glove producers in Malaysia and China, namely Top Glove, Hartalega, Supermax, Kossan, and Intco Medical Technology.

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

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

"It has been a decade that the natural rubber industry has had to contend with numerous challenges, such as an extended down cycle of NR prices, high volatility of NR prices in the futures markets, the slowdown of the global economy and the slowing economic growth in China. Moreover, in 2020, Covid-19 pandemic caused many tire manufacturers globally had to suspend operations for 6 to 12 weeks, affecting the demand of NR fall to their lowest since 2016. All these factors during 2011 to 2021 impacted many of our competitors were faced financial and production problems and eventually left the industry. Therefore, STA has the potential to expand market share and the factors that enable us to maintain our competitive edge amid the challenging industry landscape are the scale of our production, the quality of our products, readiness of R&D products with our customers, the geographic diversification of our operations, our experienced management as well as the opportunity to access source of funds at the lowest financial cost in the industry."

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

Another crucial factor that has given us a competitive advantage over competitors is that our management comprises industry veterans with over three decades of experience. For a NR company to be able to successfully navigate the challenging industry landscape, its management must be able to come up with and effectively execute business strategies





The raw materials that are used in the production of TSR, RSS and Concentrated Latex are cup lump, unsmoked rubber sheets and fresh latex, respectively. Because raw materials accounted over 90% of our production costs, we have established procurement centres in the vicinity of raw material sources. Moreover, we have launched the application called "SRI TRANG FRIENDS" for buying raw materials from rubber farmers in Thailand. This application helps facilitate and create a new experience for all rubber suppliers to sell rubber anywhere and anytime which considered as a disruptor in rubber trading business for the sustainable rubber industry in Thailand.

and risk management plans to minimize the impact on the operations from factors like the global economic climate, demand/supply situation, currency movements, oil price movements, and government policy. We believe that our management's thorough understanding of the NR industry and skills will contribute to increase competitiveness and profitability and help us to reinforce our position as the world's leading natural rubber company.

Business Strategy and Future Growth Plan for the Next Three to Five Years

STA will continue to build on our strengths as an industry leader with the world's largest natural rubber production capacity and procurement centers, processing facilities and sales offices that are located in strategic locations all over the world. Our strategy to expand production to the northeast of Thailand, a region with high growth potential, plentiful natural rubber supply and less competition in raw material sourcing, has served us well. We intend to capitalize on the fact that some of the midstream producers have had to suspend or cease operation as a result of low natural rubber prices and high volatility. Our sales, research and development, quality control and sustainability teams are dedicatedly working to ensure customer satisfaction and foster customer relations. We believe that we are well positioned to increase our sales volume and market share and will continue to focus on maintaining profitability amid market volatility. Our market share in 2021 was 10% of global NR consumption.

In the glove business, we remain committed to building on our competitive advantage over competitors in the production of latex gloves, which is our ready access to quality concentrated latex. We are focused on increasing our production capacity for latex gloves while also continuing to produce nitrile gloves to satisfy the demands from customers all over the world. The adjustability of our production lines for latex powder-free and nitrile gloves enables us to readily respond to market demand. With an annual installed production capacity of 40.3 billion pieces as of ended 2021, STGT is Thailand's biggest glove producer and is ranked among the world's leading producers with a market share of 7% of global glove consumption. We will keep expanding our installed capacity with an intention to achieve an annual production capacity of 48 billion pieces by 2022, 80 billion pieces by 2024, and 100 billion pieces by 2026 to keep up with the steadily growing demand for gloves.

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

(2.4) The Company's Key Strengths



1. The World's Largest Natural Rubber Processing Company

With an engineering capacity of 2.81 million tons per annum (as of 31 December 2021), we can produce a complete range of natural rubber products that satisfy the demands of all types of customers from all over the world, enabling us to capture a market share of 10% of global natural rubber consumption, and 32% of Thailand natural rubber production in 2021. We are also able to achieve economies of scale and afforded bargaining power with both suppliers and customers thanks to our large production capacity.



2. Fully Integrated Supply Chain Business Model

Having operations in every sector of the natural rubber industry, from rubber cultivation and rubber processing to the manufacture of finished products-- examination gloves --provides us with synergy and insights that enable us to effectively manage our operations and readily respond to changes in market conditions, resulting in the competitive edge. Moreover, we are able to manage risks related to economic volatility that may impact the Group's financial performance thanks to our value creation on concentrated latex which is our mid-stream products to become rubber gloves which is one of our core businesses. These strengths our aim to become **"a fully integrated natural rubber company and emphasize our position as a leading player in the natural rubber business globally"**.



3. Extensive Network of Sales and Distribution

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



4. Production Bases in Strategic Locations

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



5. Cutting-Edge Technology and Strong R&D Capabilities

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



6. Commitment to Sustainability and Community Engagement

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



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

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



8. Highly Experienced Management

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

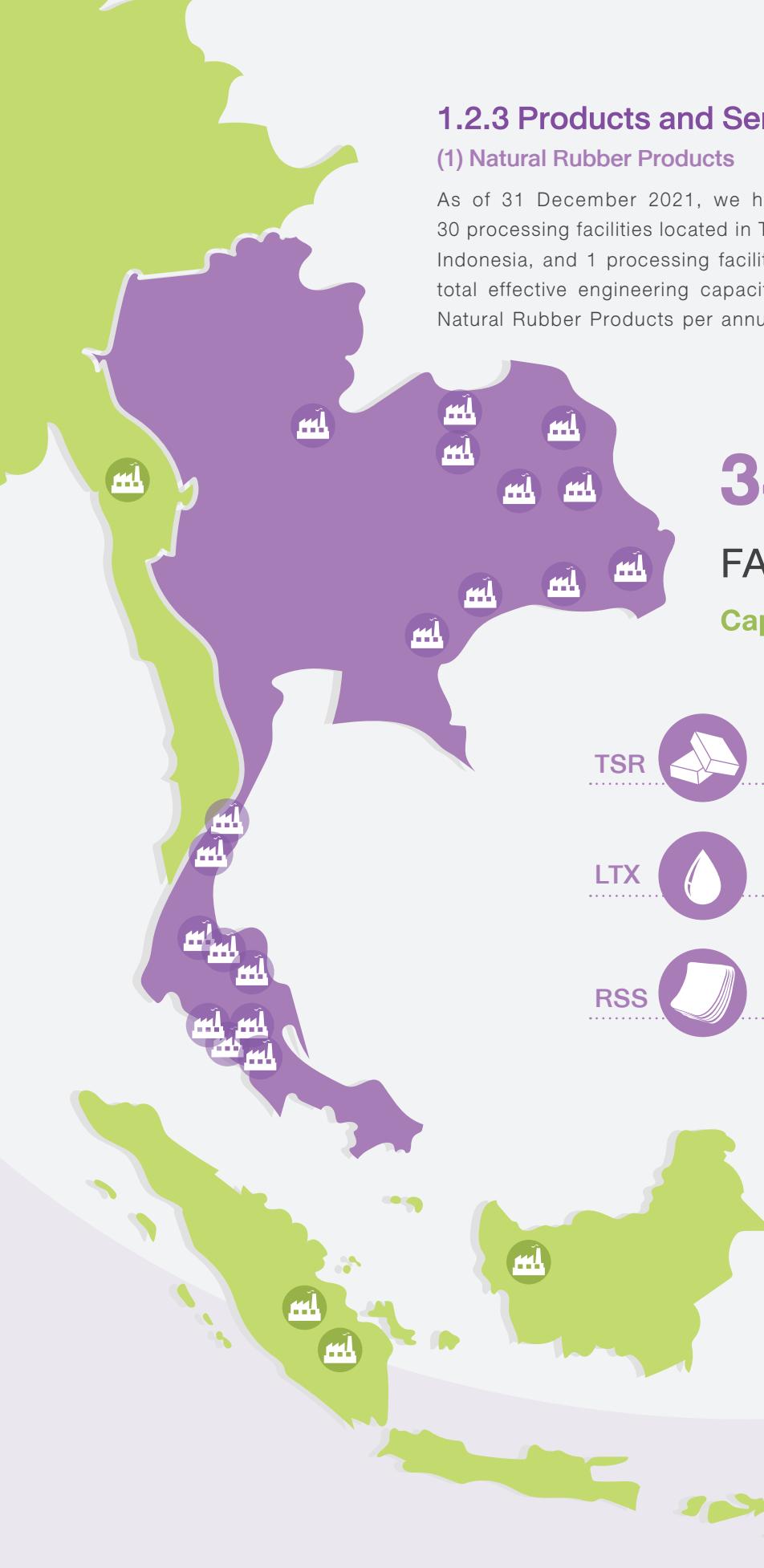
1.2.3 Products and Services

(1) Natural Rubber Products

As of 31 December 2021, we have a total of 34 processing facilities, 30 processing facilities located in Thailand, 3 processing facilities located in Indonesia, and 1 processing facility located in Myanmar with an estimated total effective engineering capacity of approximately 2.81 million tons of Natural Rubber Products per annum.

34 PROCESSING FACILITIES

Capacity : 2.81 mil. tons/annum

- 
- TSR  24 processing Facilities
 - LTX  7 processing Facilities
 - RSS  3 processing Facilities

In 2021, our capacity utilization rate of natural rubber plants increased to 70%, from 55% in 2020. A sharp increase was mainly due to the recovery of natural rubber consumption from tire manufacturers and the high demand for concentrated latex consumption from rubber glove manufacturers.



Raw Material Procurement and Management



**Rubber Farmers
2,590 persons**

**Rubber Dealers
30 persons**

**Juristic Entities/Cooperatives
51 entities**

**Rubber Center Markets
29 persons**



**Sri Trang's
Procurement Centers**

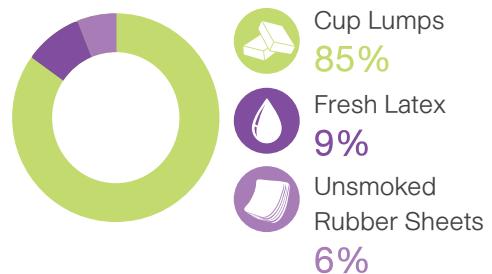
34 Centers in Thailand

**15 Centers in Indonesia
and Myanmar**

**SRI TRANG
FRIENDS**



**Portion of Raw Materials
Purchased by Type**



**Portion of Raw Materials
Purchased by Location**



The raw materials that our rubber processing facilities utilize to produce natural rubber products include cup lumps, unsmoked rubber sheets, and field latex, which respectively accounted for 85%, 6%, and 9% of raw materials purchased in the financial year ended 31 December 2021, respectively. Apart from the raw materials purchasing area in our factories, we have established a network of raw material procurement centers located strategically close to sources of raw materials supply in Thailand and Indonesia. The proportion of domestic and foreign purchasing raw material was 85:15.

We not only purchase raw materials primarily from dealers, but we also purchase raw materials directly from farmers, cooperatives, or rubber center markets where farmers carry their products to sell. Thanks to various procurement channels including procurement centers located in strategic locations, we have also purchased raw materials through the application “**SRI TRANG FRIENDS**” which has been widely accepted in Thailand. In 2021, the Company’s purchasing volumes via this application was accounted for 99.5% of total raw materials purchased in Thailand, rose from 27.6% in 2019, which was the first year that we launched this application.

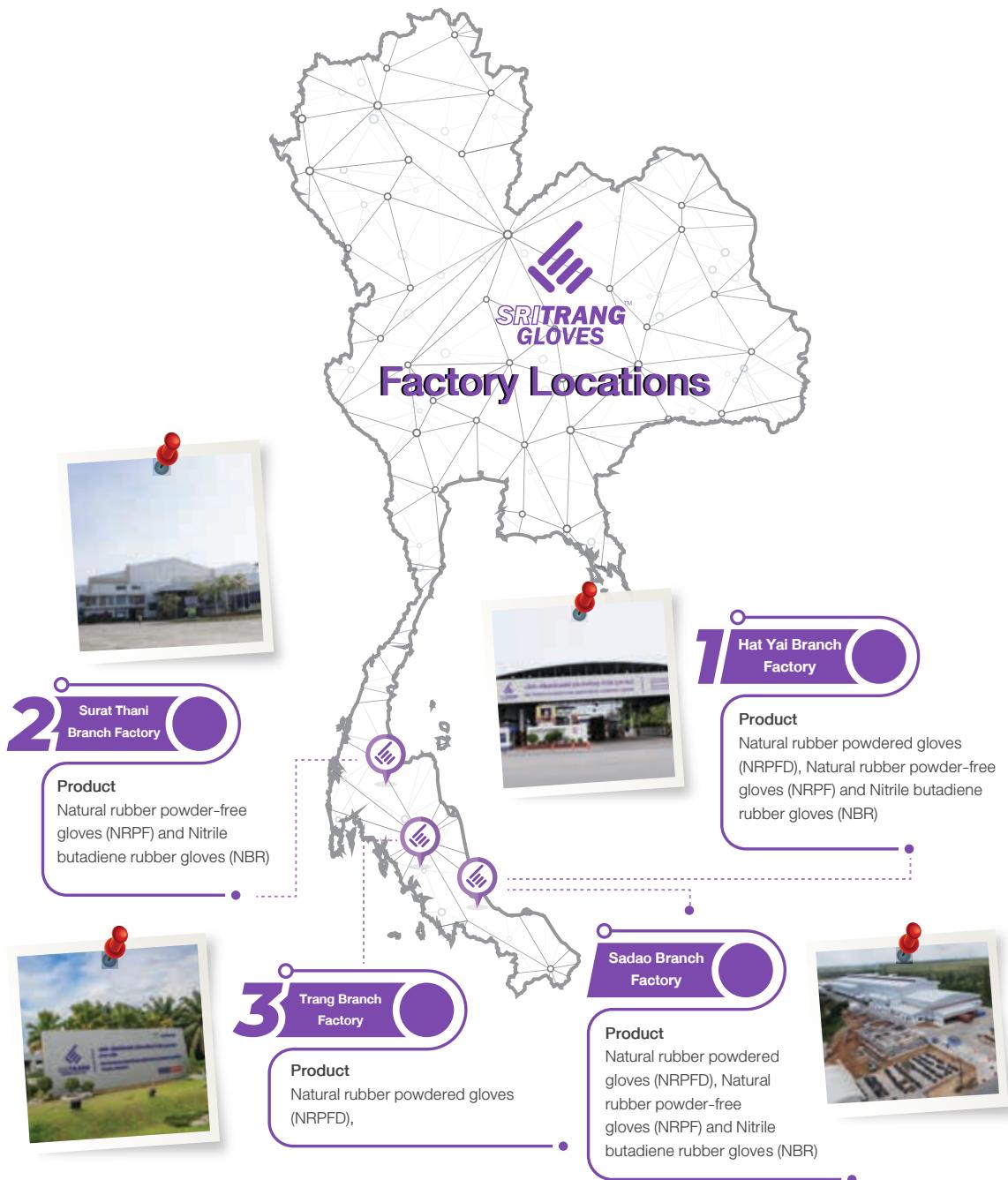
Overall, for the Company’s raw material procurement in 2021, we sourced raw materials from cooperatives, procurement centers, and rubber center markets around 80 parties in total which calculated to be 31% of total raw material volumes. We also sourced approximately from 2,620 rubber farmers and cooperatives, calculated to be 69% of total raw material volumes without any supplier of raw materials or natural rubber products who accounts over 3% or more of our raw material purchases for the recent financial year, apart from our purchases of natural rubber products from our joint venture entity, Thai Tech Rubber, which accounted not over 3.9% of our raw material purchases for the financial year ended 31 December 2021.

Our procurement team is also responsible for incoming quality assurance. The raw materials used in our production process have to meet our specifications and are subject to our strict internal quality assurance and testing. Prior to accepting delivery of raw materials, sample testing is conducted on the raw materials. The raw materials are tested for, amongst other things, their purity and dry rubber content to ensure that it meets our requirements.



(2) Glove Products

As at 31 December 2021, Sri Trang Gloves (Thailand) has four factory locations in Songkhla, Suratthani, and Trang provinces of Thailand with an installed total production capacity approximately around 40.3 billion pieces of natural rubber and nitrile gloves per annum. As a result of this, we are widely regarded as Thailand's largest and a world-leading glove producer.



In 2021, the capacity utilization rate of the rubber glove factory was at 87%, a slight decrease from 95% in the previous year, due to the COVID-19 outbreak causing temporarily suspend production for 8 days at our Suratthani location and 19 days at our Trang location during late-May to mid-June 2021.

Raw Material Management

The base raw material required for production is concentrated latex and synthetic latex. Sri Trang Group is the main provider of concentrated latex, but synthetic latex is procured from outside companies.



1.2.4 Operating Assets

(1) Fixed Assets of the Company

As of 31 December 2021, the book value of the Company's total fixed assets, less accumulated depreciation and reserves for impairment, used in business operations as shown in the consolidated financial statements of the Company is Baht 39,781.1 million or 34.7% of the total assets. The details are as follows:

Descriptions	Book Value Less Accumulated Depreciation as of 31 December 2021 ¹	Unit : Baht million	
		Contingent Liabilities	31 December 2021
Land and land improvement	11,245.2	-	-
Economic tree plantations	2,469.7	-	-
Buildings and structures	6,406.1	-	-
Machinery and equipment	7,610.5	-	-
Vehicles	333.6	-	-
Fixtures and office equipment	100.5	-	-
Assets under construction and installation	11,621.5	-	-
Total net book amount	39,787.1	-	-

Note :

¹ As of 31 December 2021, all property, plant and equipment assets are owned by the company except land and land improvements leased by the Company equals to Baht 280.3 million.

(2) Intangible Assets

The Company used intangible assets in its business operations. As of 31 December 2021, the net book value of the intangible assets is Baht 461.2 million or 0.4% of the total assets consist of computer software.

(3) Policies on Investment in Subsidiaries and Associates

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

STA has the policy to invest in and exercise corporate governance over its subsidiaries and/or associate companies. Details of the policy are as follows:

1) Policy for the investment in subsidiaries and associate companies

The Company has a policy to invest in companies in accordance with its goals, visions, and strategy on growth in order to enhance operating results or profitability. The Company intends to invest in the synergy for the enhanced competitiveness of the Company and to enable achievement of the goal of becoming a leader in the core business of the Company. The Company, its subsidiaries, and/or associate companies may consider an investment in additional businesses that have the potential growth and scalability or will be beneficial for the business of the Group with a good return on investment. The Company will carry out the feasibility of the investment including potentials and risk factors associated with the investment. The Company will follow an appropriate procedure for the investment, which shall be consented to and/or approved by the meeting of the Executive Committee, the Board of

Directors, or the general meeting of shareholders (as the case may be). The approval for the investment in subsidiaries and/or associate companies shall be in accordance with the relevant notifications of the Capital Market Supervisory Board and Board of Governors of the Stock Exchange of Thailand.

2) Corporate Governance of Subsidiaries and Associate Companies

The Company sets out a policy for the corporate governance of its subsidiaries and associate companies with the aim to determine both direct and indirect measures and mechanisms to allow the Company to monitor and manage businesses of its subsidiaries and associate companies, and to ensure that subsidiaries and associate companies comply with the defined measures and mechanisms as if they are a work unit of the Company. This includes ensuring that, in order to safeguard the investments of the Company in subsidiaries and associate companies, these subsidiaries and associate companies comply with policies of the Company, the Public Limited Company Act, the Civil and Commercial Code, securities law and relevant laws and notifications, rules and regulations of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Board of Governors of Stock Exchange of Thailand. Details of these measures and mechanisms are as follows:

1.1. The Company will nominate its representatives for appointment as directors in each of its subsidiaries and/or associate companies as appropriate. These representatives will perform the duties of supervising and ensuring that the relevant subsidiaries and/or associate companies comply with the law, the policy of good corporate governance including such other policies of the Company. However, sending representatives for directorship in each of the subsidiaries and/or associate companies shall be considered and approved by the Board of Directors' meeting first taking into consideration the suitability of each company.

1.2. If any entry into transactions or actions by the subsidiaries falls within the criteria of being an acquisition or disposal of assets for the purpose of the notification on acquisition or disposal of assets, or a connected transaction for the purpose of the notification on connected transaction thereby resulting in the Company having the duty to seek prior approval from the Board of Directors' meeting and/or the general meeting of shareholders or from the relevant regulatory authorities, the subsidiary may only proceed with such transactions or actions

when the prior approval has already been obtained from the Board of Directors' meeting and/or the general meeting of shareholders and/or the relevant regulatory agency (as the case may be).

In addition, if any entry into transactions or occurrence of certain events by the subsidiaries triggers the obligation of the Company to make a public disclosure to the Stock Exchange of Thailand in accordance with relevant requirements under the notifications of the Stock Exchange of Thailand, representative directors in the relevant subsidiaries shall have the duty to immediately report to the management of the Company as soon as they are aware of the plan of the subsidiary to enter into the transaction or upon the occurrence of the event.

1.3. The Board of Directors and executives of each of the subsidiaries and/or associate companies shall have the scope of powers, duties, and responsibilities under the applicable laws such as the obligation to disclose about financial position and operating results to the Company. Provisions under the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall be applied mutatis mutandis. This also includes the requirements for each member of the Board of Directors and executives of subsidiaries and/or associate companies to disclose and report to the Board of Directors of the Company information about the interests that they and their related persons may have including details about relationship and transactions entered into with the Company, its subsidiaries and/or associate companies which may give rise to a possible conflict of interests. The transaction with a possible conflict of interests shall also be avoided.

1.4. The Company will determine necessary work plan and actions to ensure that its subsidiaries and/or associate companies disclose the information in relation to its operating results and financial status to the parent company as well as put in place a sufficient and appropriate disclosure and internal control system.

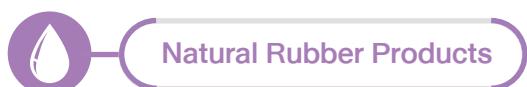
In addition, the Company will closely monitor operating results of each of its subsidiaries and/or associate companies. The Company will report any analysis including opinions and recommendations to the Board of Directors of the Company and of its subsidiaries and/or associate company to assist with policy making or for the improvement of businesses of its subsidiaries and/or associate companies with the aim to achieve continuous development and growth.



1.3 Corporate Shareholding Structure

1.3.1 Corporate Shareholding Structure

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



Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2021 (%)	Paid-up Capital as of 31 December 2021
STA	Thailand	Production of TSR, RSS, and Concentrated Latex	-	Baht 1,535,999,998
Rubberland Products	Thailand	Production of TSR and Concentrated Latex	99.99	Baht 1,600,000,000
Nam Hua Rubber	Thailand	Production of TSR, RSS, and Concentrated Latex	99.99	Baht 500,000,000
PT Sri Trang Lingga	Indonesia	Production of SIR - block rubber	90.00 ¹	USD 10,000,000
PT Star Rubber	Indonesia	Production of SIR - block rubber	99.18 ²	USD 56,000,000
Thai Tech Rubber	Thailand	Production of TSR	42.50 ³	Baht 60,000,000
Sri Trang Ayeyar	Myanmar	Production of SMR - block rubber	59.00 ⁴	USD 1,000,000



Gloves Products

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2021 (%)	Paid-up Capital as of 31 December 2021
Sri Trang Gloves (Thailand) PLC.	Thailand	Production of examination gloves	50.64 ⁵	Baht 1,431,630,705
Shi Dong Shanghai Medical Investment	PRC	Glove distribution in PRC	- ⁶	USD 4,150,000
Sri Trang USA	USA	Glove distribution in USA and Canada	- ⁶	USD 13,500,000
Premier System Engineering	Thailand	Engineering services, design, installation and maintenance machinery	- ⁷	Baht 50,000,000
Sadao P.S. Rubber	Thailand	Land rental	- ⁸	Baht 40,000,000
Sri Trang Gloves Global Pte. Ltd.	Singapore	Asset management and investment management	- ⁶	USD 100,000,000
Sri Trang Gloves (Singapore) Pte. Ltd.	Singapore	Glove distribution in Singapore and research and development (R&D)	- ⁶	USD 1,000,000
Sri Trang Gloves Vietnam Company Limited	Vietnam	Glove distribution in Vietnam	- ⁶	USD 1,000,000
PT Sri Trang Gloves Indo	Indonesia	Glove distribution in Indonesia	- ⁶	IDR 10,000,000,000



Other Finished Products

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2021 (%)	Paid-up Capital as of 31 December 2021
Semperflex Asia	Thailand	Production of high-pressure hydraulic hoses	37.50 ⁹	Baht 380,000,000





Product Distribution

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2021 (%)	Paid-up Capital as of 31 December 2021
Sri Trang International	Singapore	Natural rubber and gloves distribution	99.99 ¹⁰	USD 61,000,000
Shi Dong Shanghai	PRC	Natural rubber distribution in PRC	100.00	USD 5,000,000
Sri Trang Indochina	Vietnam	Natural rubber and glove distribution in Vietnam	99.99 ¹¹	USD 1,000,000



Other Businesses

Company	Country	Type of Businesses	Direct Shareholding as of 31 December 2021 (%)	Paid-up Capital as of 31 December 2021
Anwar Parawood	Thailand	Lumber production and manufacture of wooden furniture	99.94 ¹²	Baht 10,000,000
Startex Rubber	Thailand	Ownership and management of rubber and oil palm plantations and investment	99.99 ¹³	Baht 2,197,876,500
Starlight Express Transport	Thailand	Transportation services and import/ export documentation services	79.99 ¹⁴	Baht 15,000,000
Sri Trang Rubber & Plantation	Thailand	Ownership and management of rubber plantations and other economic crops	99.99	Baht 7,039,000,000
Shi Dong Investments	Singapore	Investment holding in PT Star Rubber	99.99 ¹⁵	USD 58,000,000
Thai Rubber Joint Venture Limited	Thailand	Domestic and international trade of rubber	16.67 ¹⁶	Baht 900,000,000
Sri Trang IBC	Thailand	Services including technical, innovation, IT, and special advice	99.99	Baht 6,000,000

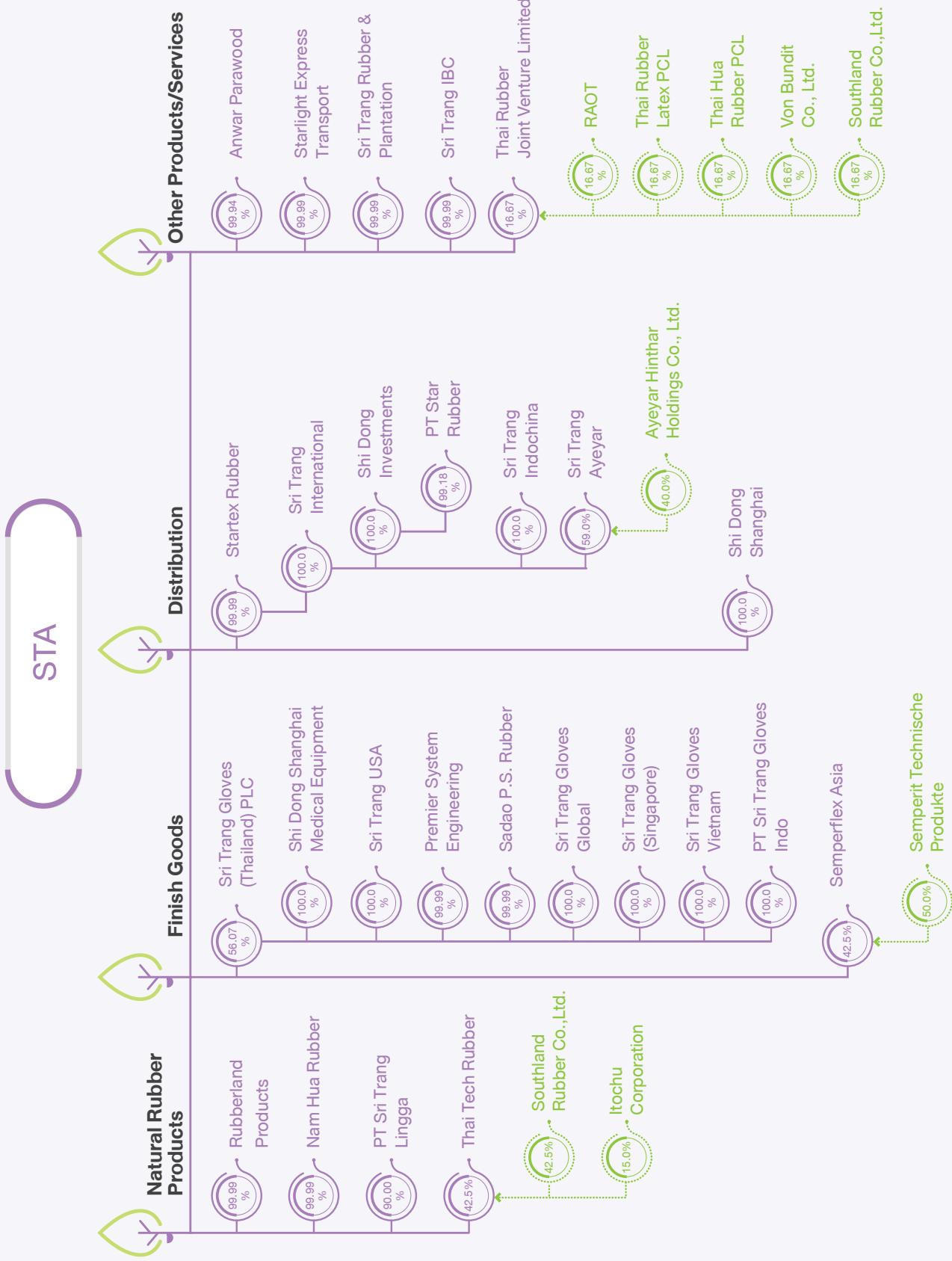


Note :

1. Held by STA and the remaining shares are held by PT Nusantara Agro Industri (which is not a person who may have conflicts of interest) 10.00%.
2. Held by Shi Dong Investments
3. Held by STA 42.50% and the remaining shares are held by Southland Rubber Co.,Ltd. (which is not a person who may have conflicts of interest) 42.50%, Itochu Corporation Limited (which is not a person who may have conflicts of interest) 15.00%, Mr. Perm Theerasarnwong (1 share), Mr. Thanasak Charnsanti (1 share), Mr. Viyavood Sincharoenkul (1 share), and Mr. Chaiyos Sincharoenkul (1 share).
4. Held by Sri Trang International 59.00% and the remaining shares are held by Ayeyar Hintha Holdings Co., Ltd. 40.00% and Mr. Kitichai Sincharoenkul 1.00%.
5. Directly held by STA 50.64% and indirectly held by Rubberland Co., Ltd. which is a subsidiary of the Company 5.43%
6. Directly held by Sri Trang Gloves (Thailand) PLC. 100%
7. Held by STGT 99.99% and the remaining shares are held by Mr. Phanlert Wangsuphadilok (3 shares) and Mr. Aram Sirisuwat (1 share)
8. Held by STGT 99.99% and the remaining shares are held by Mr. Anek Pruksanusak (1 share), Mr. Chaidet Pruksanusak (1 share), Mr. Viyavood Sincharoenkul (1 share), Mr. Somwang Sincharoenkul (1 share), Mrs. Promsuk Sincharoenkul (1 share), and Mr. Kitichai Sincharoenkul (1 share)
9. Held by STA 37.50% and the remaining shares are held by Semperit Technische 50.00%, Rubberland Co., Ltd. 5.00%, Sri Tang Holdings 5.00%, Paktai Rubber 2.50%, Ms. Poonsuk Cherdkiatgumchai (2 shares), Mrs. Promsuk Sincharoenkul (2 shares), Mr. Somwang Sincharoenkul (2 shares), Mr. Viyavood Sincharoenkul (2 shares), Chaiyos Sincharoenkul (2 shares), Mr. Anan Pruksanusak (2 shares), and Mrs. Chitraporn Panichkul (2 shares)
10. Held by Startex Rubber 100%
11. Held by Sri Trang International 100% which wholly owned by Startex Rubber 100%
12. Held by STA 99.94% and the remaining shares are held by Mr. Viyavood Sincharoenkul (1 Share), Mrs. Promsuk Sinchareonkul (1 share), Mr. Aram Sirisuwat (1 share), Mrs. Oranuch Sirisuwat (1 Share), Prukesa Mansion Ltd (1 Share), and Mr. Udom Pruksanusak (1 Share)
13. Held by STA 99.99% and the remaining shares are held by Mr. Somporn Punnarai (1 share) and Mrs. Promsuk Sinchareonkul (1 share)
14. Held by STA 79.99% and the remaining shares are held by Rubberland Products 13.33%, Nam Hua 3.33%, Startex Rubber 3.33%, Phrueksa Mansion Ltd. (1 share), and Mr. Boonyachon Sincharoenkul (1 share)
15. Held by Sri Trang International 100% which wholly owned by Startex Rubber, 100%
16. Held by STA 16.67% of the total number of issued shares in Thai Rubber Joint Venture Limited and the remaining shares are held by Rubber Authority of Thailand (RAOT) 16.67%, Thai Rubber Latex Corporation (Thailand) Public Co., Ltd. 16.67%, Thai Hua Rubber Public Co., Ltd. 16.67%, Von Bundit Co., Ltd. 16.67%, Southland Rubber Co., Ltd. 16.67%, Mr. Teetatch Suksa-ard (1 share), Mr. Vitchaphol Sinchareonkul (1 share), Mr. Patharaphol Wongsasuthikul (1 share), Mr. Korakot Kittiphol (1 share), Mr. Bundit Kerdvongbundit (1 share), and Mr. Chamnan Nopakhunkachon (1 share).



Group Structure of the Company as of 31 December 2021





Information of juristic persons in which the Company holds more than 10% of the issued shares of such juristic persons as of 31 December 2021

**Nam Hua
Rubber**

Head Office	: 10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, Thailand
Branch Office	: 1. 99 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, Thailand 2. 41 Moo 3 Samnuk Kham Subdistrict, Sadao District, Songkhla Province, Thailand
Type of Business	: Production and export of RSS, TSR and Concentrated Latex
Telephone	: 0-7437-9984-6, 0-7437-9988-9
Fax	: 0-7437-9987
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 4,999,994 shares or 99.99%

**Anwar
Parawood**

Head Office	: 101 Moo 3, Padangbazar Road, Samnuk Kham Subdistrict, Sadao District, Songkhla Province, Thailand
Type of Business	: Lumber production and manufacture of wooden furniture
Telephone	: 0-7437-9978-9
Fax	: 0-7437-9976
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 9,994 shares or 99.94%



Rubberland Products

Head Office	:	109 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, Thailand
Branch Office	:	1. 10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, Thailand 2. 17th Floor, Park Venture Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, Thailand 3. 338 Moo 2, Nonsomboon Subdistrict, Mueang Bungkan District, Bungkan Province, Thailand 4. 338 Moo 1, Kokma Subdistrict, Prakonchai District, Buriram Province, Thailand 5. 188 Moo 10, Bangsaiyai Subdistrict, Mueang Mukdahan Subdistrict, Mukdahan Province, Thailand 6. 98 Moo 2, Nonsombun Subdistrict, Muang Bungkan District, Bungkan Province, Thailand
Type of Business	:	Production of Concentrated Latex/ Block rubber
Telephone	:	0-7429-1223-4, 0-7429-1755, 0-7429-1476
Fax	:	0-7429-1477
Type of Shares	:	Ordinary shares

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

Sri Trang Gloves (Thailand)

Head Office	:	110 Kanjanavanit Road, Tahpong Subdistrict Hatyai District, Songkhla Province, Thailand
Branch Office	:	1. 10 Soi 10, Phetkasem Road, Hatyai Subdistrict Hatyai District, Songkhla Province, Thailand 2. 17th Floor, Park Venture Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, Thailand 3. 109/2, 110/3 Moo 8, Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, Thailand 4. 352 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, Thailand 5. 189 Moo 7, Plaiwas Subdistrict, Karnchanadit District, Surat Thani Province, Thailand 6. 85 Moo 6, Khuan Thani Subdistrict, Kantang District, Trang Province, Thailand 7. 10/2-3 Moo 3, Bang Mak Subdistrict, Kantang District, Trang Province, Thailand 8. 209/2 Moo 2, Phraek Sa Mai Subdistrict, Muang Samut Prakan District, Samut Prakan Province, Thailand 9. 110/19 Kao Mai Dang Village, Moo 7, Phaiwat Subdistrict, Karnchanadit District, Surat Thani Province, Thailand 10. 207/1 Padang Besar Road, Sadao Subdistrict, Sadao District, Songkhla Province, Thailand 11. 101 Moo 3, Samnak Kham Subdistrict, Sadao District, Songkhla Province, Thailand 12. 88/8 Moo 3, Samnak Kham Subdistrict, Sadao District, Songkhla Province, Thailand 13. 88/8 Moo 11, Kao Chaiyarat Subdistrict, Pathio District, Chumphon Province, Thailand
Type of Business	:	Production of examination and industrial gloves
Telephone	:	0-7447-1471 , 0-7429-1648-9 , 0-7429-1471-5, 0-7520-1199
Fax	:	0-7429-1650, 0-7520-1150
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 1,450,074,600 shares or 50.04%

Subsidiaries of Sri Trang Gloves (Thailand) Public Company Limited

**Shi Dong
Shanghai
Medical
Equipment**

Head Office	:	5 th Floor, Block B of W Square, No. 1686 Wuzhong Road, Minhang District, Shanghai, China
Type of Business	:	Distribution of rubber gloves in PRC
Telephone	:	8621-64137860-616
Fax	:	8621-64137315
Type of Shares	:	Ordinary shares

Total number of shares directly held by STGT : 100.00%

**Sri Trang
USA**

Head Office	:	5820 West Cypress Street, Suite H, Tampa, Florida, United States
Type of Business	:	Distribution of gloves in the United States
Telephone	:	1-813-606-4301
Fax	:	1-813-606-4314

Total number of shares directly held by STGT : 100.00%

**Premier
System
Engineering**

Head Office	:	123 Moo 8, Kanjanavanit Road, Ban Phu Subdistrict Hatyai District, Songkhla Province, Thailand
Type of Business	:	Engineering services, design, produce, sell, installation and maintenance machineries
Telephone	:	0-7422-2900-9
Fax	:	0-7422-2910-12
Type of Shares	:	Ordinary shares

Total number of shares directly held by STGT : 99.99%

**Sadao P.S.
Rubber**

Head Office	:	207/1 Padangbazar Road, Sadao Subdistrict, Sadao District, Songkhla Province, Thailand
Type of Business	:	Land Rental
Telephone	:	0-7446-0483-5, 086-489-5264-5
Fax	:	0-7446-0484
Type of Shares	:	Ordinary shares

Total number of shares directly held by STGT : 99.99%

**Sri Trang
Gloves
Global**

Head Office	:	50 Raffles Place #27-01 Singapore Land Tower, Singapore
Type of Business	:	Asset management and investment management
Telephone	:	65-6532-5210
Type of Shares	:	Ordinary shares and Preferred shares

Total number of shares directly held by STGT : 100.00%





Head Office	:	50 Raffles Place #27-01 Singapore Land Tower, Singapore
Type of Business	:	Distribution of rubber gloves in Singapore, R&D
Telephone	:	65-6532-5210
Type of Shares	:	Ordinary shares
Total number of shares directly held by STGT : 100.00%		



Head Office	:	Room No. 7.01A, 7th Floor, Vietnam Business Center Building, 57-59 Ho Tung Mau Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Type of Business	:	Distribution of rubber gloves in Vietnam
Telephone	:	848-3821-6869
Fax	:	848-3821-6877
Type of Shares	:	Ordinary shares
Total number of shares directly held by STGT : 100.00%		



Head Office	:	Jalan TPA2, RT.26 & 29 Keramasan, Palembang, South Sumatera, Palembang, Indonesia
Type of Business	:	Distribution of rubber gloves in Indonesia
Telephone	:	62-711-445-666
Fax	:	62-711-445-222
Type of Shares	:	Ordinary shares
Total number of shares directly held by STGT : 100.00%		



Head Office	:	110/1 Kanjanavanit Road, Pahtong Subdistrict, Hatyai District, Songkhla Province, Thailand
Branch Office	:	10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, Thailand
Type of Business	:	Production of high-pressure Hydraulic hoses
Telephone	:	0-7447-1231-5
Fax	:	0-7447-1230
Type of Shares	:	Ordinary shares

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



Head Office	:	13/1 Jingjit Road, Thupthiang Subdistrict, Mueang District, Trang Province, Thailand
Branch Office	:	18 Moo 5, Sala Lamduan Subdistrict, Muang Sa Kaeo District, Sa Kaeo Province, Thailand
Type of Business	:	Provision of domestic logistics services
Telephone	:	0-7550-2900-2
Fax	:	0-7550-2903
Type of Shares	:	Ordinary shares

Total number of shares directly held by STA : 119,998 shares or 79.99%



Startex Rubber

Head Office	: 36/82 PS Tower 23Fl. Sukhumvit 21 Road (Asoke), Klong Toe Nua Subdistrict, Watana District, Bangkok, Thailand
Type of Business	: Ownership and management of rubber and oil palm plantations and investment
Telephone	: 02-259-2964-71
Fax	: 02-259-2958
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 26,349,998 shares or 99.99%

Thai Tech Rubber

Head Office	: 2 Juti Utit 3 Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, Thailand
Branch Office	: 1) 150 Moo 13 Kamphaeng Phet Subdistrict, Rattaphum District, Songkhla Province, Thailand 2) 198 Moo 4 Na Muang Phet subdistrict, Sikao District, Trang province, Thailand 3) 6 Moo 2 Tha Kam cham subdistrict, Nong Chik District, Pattani province, Thailand
Type of Business	: Production of block rubber
Telephone	: 0-7423-0768 , 0-7423-0406-7 , 0-7423-9063-4
Fax	: 0-7423-8650
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 255,028 shares or 42.50%

Sri Trang Rubber & Plantation

Head Office	: 121 Moo 4 Nhongpakrang Subdistrict, Mueng Chiang Mai District, Chiang Mai Province, Thailand
Type of Business	: Ownership and management of rubber plantation
Telephone	: 0-5310-6198, 0-5310-6199
Fax	: 0-5310-6196, 0-5310-6197
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 71,349,993 shares or 99.99%

Sri Trang International

Head Office	: 1 Wallich Street, No. 25-02, Guoco Tower, Singapore
Type of Business	: Distribution of natural rubber and gloves in Singapore
Telephone	: 65-6532-5210, 65-6532-5321
Fax	: 65-6532-7501
Type of Shares	: Ordinary shares

Total number of shares directly held by Startex Rubber : 61,000,000 shares or 100.00%



**PT Sri Trang
Lingga**

Head Office	: Jalan TPA2, RT.26 & 29 Keramasan, Palembang, South Sumatera, Palembang, Indonesia
Type of Business	: Production of block rubber
Telephone	: 62-711-445-666
Fax	: 62-711-445-222
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 18,000 shares or 90.00%

**Shi Dong
Investments**

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

Total number of shares directly held by Sri Trang International : 58,000,000 shares or 100.00%

**Shi Dong
Shanghai**

Head Office	: 5F East, Block B of W Square, No. 1686 Wuzhong Road, Minhang District, Shanghai, China
Type of Business	: Distribution of natural rubber and gloves in PRC
Telephone	: 86-21-6413-7860
Fax	: 86-21-6413-7315
Type of Shares	: Equity

Total interest held by STA : USD 5,000,000 or 100.00%

**Sri Trang
Indochina**

Head Office	: Room No. 7.01A, 7 th Floor, Vietnam Business Center Building, 57-59 Ho Tung Mau Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Type of Business	: Trading and exporting the rubber products
Telephone	: 848-3821-6869
Fax	: 848-3821-6877
Type of Shares	: Ordinary shares

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

**PT Star
Rubber**

Head Office	: Jalan Trans Kalimantan KM. 16, Desa Jawa Tengah Kec. Sungai, Ambawang, Kab Kubu Raya-Kalbar, Pontianak, Kalimantan Barat, Indonesia
Branch Office	: Jl. Lintas Sumatera Km. 52, RT. 005 Desa Sirih Sehapur,
Type of Business	: Production of block rubber
Telephone	: 62-561-724-888, 62-561-724-591-2
Fax	: 62-561-724-593
Type of Shares	: Ordinary shares

Total number of shares directly held by Shi Dong Investment Pte. Ltd. : 55,540 shares or 99.18%

**Sri Trang
Ayeyar**

Head Office	: Mudon Crumb Rubber Factory, 848/1221 Kankalay Plot, Kyone Phite Village, Mudon Township, Mawlamyine, Mon State, Myanmar
Type of Business	: Production of block rubber
Telephone	: 959-9638-82676
Fax	: N/A
Type of Shares	: Ordinary shares

Total number of shares directly held by Sri Trang International : 59.00%

**Thai Rubber
Joint Venture
Limited**

Head Office	: 67/25 Bangkhunnon Road, Bangkhunon, Bangkoknoi, Bangkok, Thailand
Type of Business	: Domestic and international trade of rubber
Telephone	: N/A
Fax	: N/A
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 16.67%

Sri Trang IBC

Head Office	: 10 Soi 10, Phetkasem Road, Hatyai Subdistrict, Hatyai District, Songkhla Province, Thailand
Type of Business	: Services including technical, innovation, IT, and special advice
Telephone	: 0-7434-4663
Fax	: N/A
Type of Shares	: Ordinary shares

Total number of shares directly held by STA : 99,997 shares or 99.99%



1.3.2 Person who may have conflicts holds the number of shares in subsidiaries and associates more than 10%

None

1.3.3 Relationship between major shareholders and Group business

None

1.3.4 Shareholders

Major Shareholders

Top ten largest shareholders of STA according to the book closure date as of 15 December 2021¹, are as follows:

No.	Name	No. of Shares	%
1	STH	343,790,629	22.38
2	Sincharoenkul family ²	278,144,416	18.11
3	Thai NVDR Co., Ltd	117,549,677	7.65
4	Mrs. Promsuk Sinchareonkul	45,100,000	2.94
5	CITIBANK NOMS SPORE PTE LTD	40,555,821	2.64
6	CITIGROUP GLOBAL MARKETS LIMITED-PB CLIENT-NRBS COLLATERAL	26,378,735	1.72
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	25,655,836	1.67
8	THE BANK OF NEW YORK MELLON	22,477,608	1.46
9	Mr. Sompob Tingthanathikul	22,000,000	1.43
10	Mrs. Voradi Sincharoenkul	13,426,264	0.87
Total		935,078,986	60.88

Note :

¹ Information obtained from TSD and CDP

² Details of shareholding of Sincharoenkul family who perform as Director and Management of STA including related persons of those group;

No.	Name	No. of Shares	%
1	Mr. Viyavood Sincharoenkul	132,987,509	8.66
2	Ms. Lee Joyce Shing Yu	28,874,890	1.88
3	Mr. Vitanath Sincharoenkul	24,156,500	1.57
4	Mr. Vitchaphol Sincharoenkul	23,500,000	1.53
5	Mr. Veerasith Sinchareonkul	22,500,000	1.46
6	Mr. Kitichai Sincharoenkul	17,449,084	1.14
7	Mr. Paul Sumade Lee	10,814,399	0.70
8	Mrs. Susan Sun	7,372,940	0.48
9	Ms. Vannisa Sincharoenkul	5,798,694	0.38
10	Mr. Lee Tristan Chee-Zen	4,690,400	0.31
Total		278,144,416	18.11

There is no acting in concert person and no person who is specified under section 258 of the SEC Act.

³ STA has no shareholding agreement between major shareholders affected issuing and offering securities or management of STA.

The top 10 major shareholders of Sri Trang Holdings (STH)¹ are as follows;

No.	Name	As at 15 December 2021	
		No. of Shares (Par value of Baht 10 each)	Direct Shareholding (%)
1	Mr. Viyavood Sincharoenkul	1,825,700	20.75
2	BRADSHAW EQUITIES HOLDINGS LTD.	1,646,000	18.70
3	Mr. Paul Sumade Lee	967,860	10.99
4	Ms. Sukuman Sirisuwat	672,000	7.64
5	Ms. Promsuk Sinchareonkul	600,000	6.82
6	Mr. Chaiyos Sincharoenkul	542,860	6.17
7	Paktai Rubber ²	528,000	6.00
8	Nguan Chiang Food Industry Co., Ltd.	448,000	5.09
9	Mr. Kitichai Sincharoenkul	348,880	3.96
10	Mrs. Voradi Sincharoenkul	226,840	2.58
11	Others	993,860	11.29
Total		8,800,000	100.00

Note :

¹ STH engages in long-term investment for dividend income business.

² Mr. Viyavood Sincharoenkul, Mrs. Duangjai Sincharoenkul and Mr. Chaiyos Sincharoenkul are limited partners.



1.4 Issued and Paid-up Share Capital



As of 31 December 2021, STA has a registered capital of Baht 1,535,999,998 (One thousand five hundred thirty-five million nine hundred ninety-nine thousand nine hundred and ninety-eight) and paid-up capital of Baht 1,535,999,998 (One thousand five hundred thirty-five million nine hundred ninety-nine thousand nine hundred and ninety-eight), divided into 1,535,999,998 (One thousand five hundred thirty-five million nine hundred ninety-nine thousand nine hundred and ninety-eight) shares with a par value of Baht 1 each. The aforementioned shares are listed securities on both the SET and SGX-ST.

1.5 Issuing Other Securities

Debt Securities

Debentures

On 31 December 2021, there were 3 series-- 9 tranches --STA outstanding debentures, totaling a principal of Baht 10,000 million. The details of the debenture of Sri Trang - Agro Industry Public Company Limited are as follows:

1st time debenture issuance in 2021	No. 1/2021		
	Tranche 1	Tranche 2	Tranche 3
Offering to	Institutional and High Net Worth Investors		
Type of Debentures	Unsubordinated and unsecured debentures without a debenture holders' representative		
Principal amount of Debentures	Baht 1,000 million	Baht 1,800 million	Baht 700 million
Interest rate	Fixed interest rate at 2.15% per annum	Fixed interest rate at 3.70% per annum	Fixed interest rate at 4.40% per annum
Interest Payable	Semi-annually		
Term	2 years	5 years	10 years
Maturity Date	1 April 2023	1 April 2026	1 April 2031
Credit Rating	A- / Stable by Tris Rating Co., Ltd.		

2nd time debenture issuance in 2021	No. 2/2021	
	Tranche 1	Tranche 2
Offering to	Institutional and High Net Worth Investors	
Type of Debentures	Unsubordinated and unsecured debentures without a debenture holders' representative	
Principal amount of Debentures	Baht 1,500 million	Baht 500 million
Interest rate	Fixed interest rate at 1.79% per annum	Fixed interest rate at 2.75% per annum
Interest Payable	Semi-annually	
Term	3 years	4 years
Maturity Date	22 July 2024	22 July 2025
Credit Rating	A- / Stable by Tris Rating Co., Ltd.	

3rd time debenture issuance in 2021	No. 3/2021			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Offering to	Institutional and High Net Worth Investors			
Type of Debentures	Unsubordinated and unsecured debentures without a debenture holders' representative			
Principal amount of Debentures	Baht 1,000 million	Baht 1,000 million	Baht 1,250 million	Baht 1,250 million
Interest rate	Fixed interest rate at 1.98 per annum	Fixed interest rate at 2.39 per annum	Fixed interest rate at 3.12 per annum	Fixed interest rate at 3.56 per annum
Interest Payable	Semi-annually			
Term	3 years	4 years	7 years	10 years
Maturity Date	3 December 2024	3 December 2025	3 December 2028	3 December 2031
Credit Rating	A- / Positive by Tris Rating Co., Ltd.			

On 15 October 2021, Tris Rating Co., Ltd. assigned A-/Positive rating for STA.



1.6 Dividend Policy

Dividend Policy of STA

Our policy is to pay a dividend of approximately 30% of our net profit for each financial year as contained in our Company's stand-alone financial statements, but not in excess of our retained earnings. In considering the level of dividend payments, we intend to take into account various factors, including STA's financial position, results of operations and cash flow; the ability of our subsidiaries, associates, and joint venture entity to make a dividend payment to STA; STA's expected working capital requirements to support STA's future growth; and general economic conditions and such other external factors that STA believes to have an impact on the business operations of STA.

Dividend Policy of Our Subsidiaries

The dividend payment of our subsidiaries shall be approved by the Board of Directors of each subsidiary and shall be presented to the shareholders' meeting for approval. The Company does not fix the percentage of dividend payment of each subsidiary. The dividend payment made by our subsidiaries will depend on the business profits, financial position, and future investment plans and shall be according to its Articles of Association and the relevant laws of each subsidiary.

INFORMATION OF DIVIDEND PAYMENT FOR THE YEARS 2014 – 2021

Operating Year	Number of Share	Par Value (Baht)	Earnings per Share (Baht)	Dividend per Share (Baht)	Total Dividend Payment (Baht)	Dividend Payout Ratio (%)
Interim Dividend in 2021	1,535,999,998	1	9.27	3.50	5,376,000,000	37.76
2020	1,535,999,998	1	6.21	2.25	3,456,000,000	36.23
2019	1,535,999,998	1	(0.10)	0.35	538,000,000	N/A
2018	1,535,999,998	1	1.34	0.65	998,000,000	48.51
2017	1,535,999,998	1	(1.05)		No Dividend Payment	
2016	1,280,000,000	1	(0.59)	0.40	512,000,000	N/A
2015	1,280,000,000	1	0.87	0.40	512,000,000	45.98
2014	1,280,000,000	1	0.81	0.40	512,000,000	49.38

2

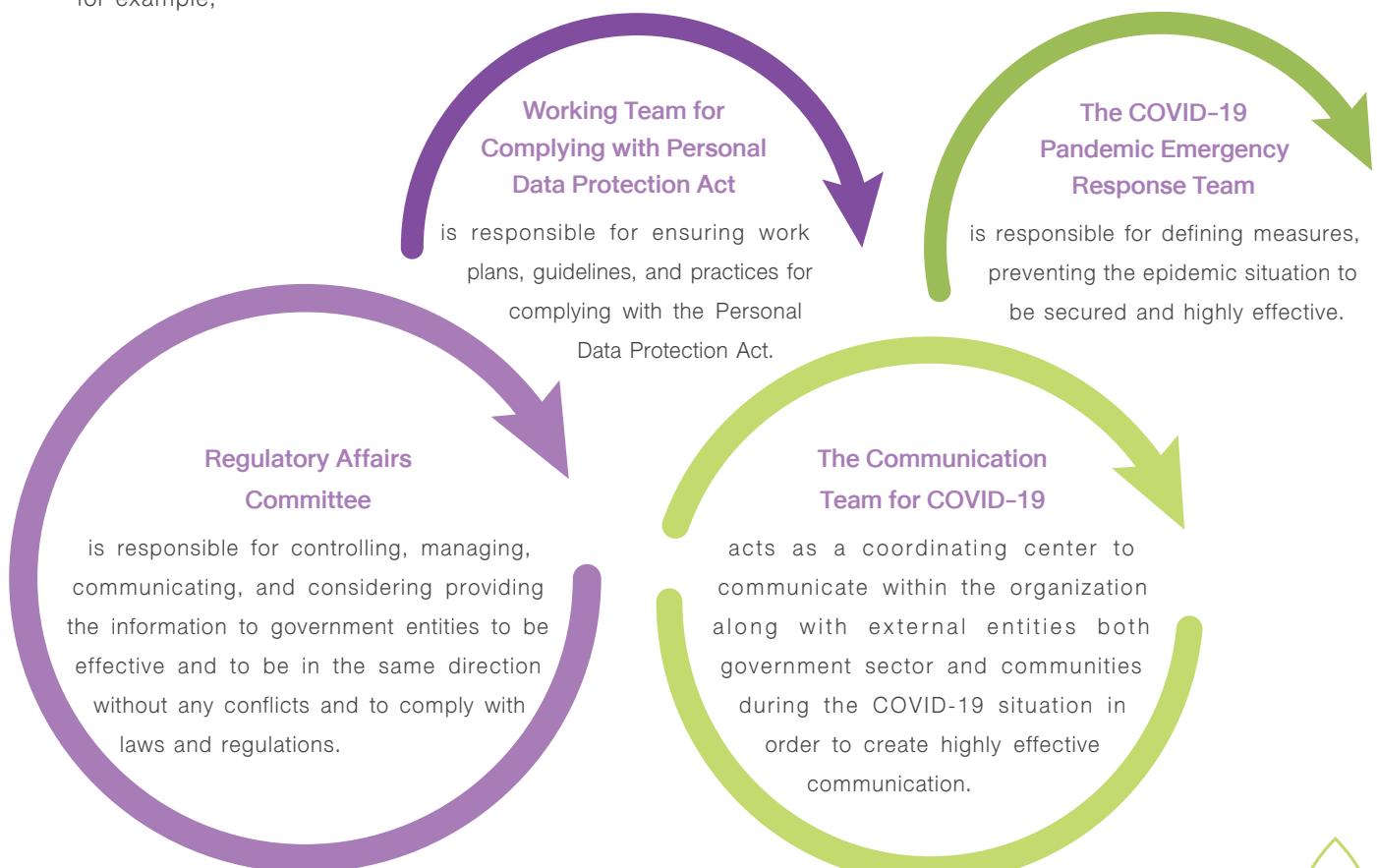
RISK MANAGEMENT

2.1 Policy and Risk Management Plan

Due to the complexity and a rapidly changing business environment currently, these may affect the ability to achieve the goal to drive the organization for sustainable successes. Risk management is an important process that helps the Company to handle business uncertainty systematically, to create business potential, to increase business opportunities, and to support the achievement of short-term and long-term organization's goals as well as to build confidence and credibility to stakeholders.

The Company has a risk management structure consisting of the Risk Management Committee (RMC), responsible for determining the policy and framework as a guideline for practice among SRI TRANG's group including supervision and support for risk management in various aspects in order to succeed at the overall organization and project levels. In addition, the RMC also sets up a Risk Working Group (RWG), consisting of executives from several departments, which is responsible for following-up risk management operations regularly to comply with the policy, objectives, acceptable risk levels, and the risk management framework approved by the Risk Management Committee. Moreover, the RWG's responsibility is to promote and cultivate employees at all levels to understand the importance of risk management and to be able to bring risk management concepts in practices to create as a corporate culture.

In addition, to increase management flexibility and align with business operation in various environments, the Company has been established risk management at the level of business groups/lines or specific committees, for example;





Risk Management Performance

In 2021, the Risk Management Committee held a total of four meetings with 100% participation from all Risk Management Committee's members. The key matters of the meeting are shown as follows:

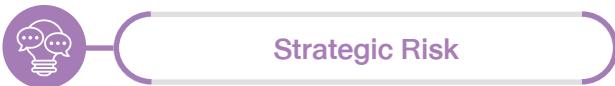
- Considering, suggesting, and approving risk management including the preparation of yearly corporate risk management plan in order to align with the strategy, mission, and goals of the organization
- Considering the Key Risk Indicator (KRI) to be used in the risk management process in terms of risk monitoring and risk reporting for management to use as information in determining measures to prevent and mitigate potential risks
- Giving opinions and suggestions in preparing a Business Continuity Management Plan (BCP) to cope with any incidents or crises including preventing and mitigating potential impacts

- Reviewing the risk management policy and the Risk Management Committee's charter to be in line with good practice, rules and regulations of the SEC and SET
- Establishing a Risk Management Working Committee and organizing training courses on risk management following international standards COSO (The Committee of Sponsoring Organizations of the Treadway Commission) or ERM COSO (2017) for the working group

The Company has implemented a risk management system in accordance with international standards, COSO (The Committee of Sponsoring Organizations of the Treadway Commission) or ERM COSO (2017) to be applied along with several standards involved in the business. The Company has paid attention to manage four key risk factors namely strategic risks, operational risks, financial risks, and compliance risks as well as other emerging risks and project investment risks. In case that there is any improper management, it will affect the achievement of the vision, mission, objectives, and goals of the Company.

2.2 Risk Factors Affect The Company's Operations

2.2.1 Risk factors affect to Sri Trang Group's operation



(1) Natural Rubber Price Volatility

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

Natural rubber supply and demand

An increase in the supply of natural rubber or a decrease in the global consumption of natural rubber could create a supply surplus, which could result in a decrease in prices of natural rubber and, in turn, the average selling prices of the natural rubber products that we sell. Additionally, global demand for such products, in particular TSR, is significantly dependent upon the tire manufacturing industry, which accounts for around 70% of global natural rubber consumption. A slowdown in the tire manufacturing industry may lead to decreased demand for the natural rubber products that we sold and our business, financial condition and operating results may be adversely affected;

Prices of crude oil, energy, and oil-based chemicals

Crude oil prices may affect the prices of natural rubber and other input materials such as oil-based chemicals used in rubber processing. In addition, prices of synthetic rubber usually move in the same direction as crude oil prices, and fluctuations in the prices of synthetic rubber usually have an impact on natural rubber prices and demand. Nowadays, there are varieties of synthetic rubber available in the market that can be used as substitutes for natural rubber in the manufacture of some rubber-based finished products. Factors such as increased global demand for rubber,

volatility in natural rubber prices, an increase in natural rubber prices when compared to prices of synthetic rubber, risks of supply disruption caused by political events, regional constraints, and seasonal supply patterns may lead to an increase in demand for such synthetic rubber substitutes. This may result in decreased demand for natural rubber, which may have a material adverse effect on our business, financial condition, and operating results. As of December 31, 2021, revenue from natural rubber products accounted for 60% of our total revenue.

Currency fluctuations

As natural rubber is traded mainly in US Dollars, any fluctuations in the natural rubber exporting currencies against US Dollars may result in corresponding fluctuations in natural rubber prices in the respective exporting countries; and

Speculation

As natural rubber and some of the natural rubber products that we sell are traded on various commodity futures exchanges, they are susceptible to price speculation in addition to local and global economic factors.

Risk Management

The Company has policies to manage risks related to natural rubber price volatility, including raw material sourcing management in terms of prices and quantities and the use of rubber futures and physical forward contracts when applicable. Such contracts are recorded at their fair value on the date of the statement of financial position. Moreover, the Company has applied fair value hedge accounting to reduce the change in fair values resulted from changing in the prices of rubber and foreign exchange rates. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 4.22.)



(2) Discrepancy between The Growth in Demand for Natural Rubber and Expectations

Because natural rubber and gloves are consumed by a wide variety of consumers in countries all over the world, market demand for both is subject to such factors as changes in consumer preference, the existence of replacement products, and changes in laws and regulations, for example, the ban on the use of powdered medical gloves by the US Food and Drug Administration (FDA). Demand can also be affected by new technological inventions, for instance, the experiment by tire manufacturers to use guayule and dandelion in place of natural rubber in tire manufacturing during a period of high natural rubber prices. These factors can lead to changes in market demand for both natural rubber and gloves, and our business opportunity, revenue, and financial results can be affected as a result.

Risk Management

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

(3) Operations and Investments in Foreign Countries

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

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

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

Risk Management

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



(4) Dependence upon Services of Key Management

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

Risk Management

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



(1) Supply Chain Management

As the world's largest fully integrated natural rubber company, our business operations need to focus on supply chain management, which requires cooperation between internal and external parties. The majority of our dealings with external suppliers relate to the procurement of quality raw materials including unsmoked rubber sheets, cup lumps, and fresh latex at reasonable prices. Because we have approximately around 2,700 suppliers who provide us with raw materials of different quality, the raw material management, therefore, requires an effective procurement system with efficient utilization of resources as well as production that is friendly to the environment and the local communities which consistent with the Company's goal.

Risk Management

The Company recognizes the values of effective supply chain management. We have therefore expanded our operations to all levels of the supply chain, from upstream and midstream to downstream. The Company's wide product range, from RSS, TSR, LTX to examination gloves, enables us to diversify our sources of income and customers. In 2021, no single customer who is not a related person accounted for more than 7% of our total sale volume of natural rubber products and 7% of our total sale volume of gloves. Moreover, the Company has established an extensive network of raw material procurement and has located processing facilities in various strategic areas in the south, north, and northeast of Thailand as well as in Indonesia and Myanmar for geographical raw material management and continuous flow production.



(2) Production Disruption and/or Production Stoppage

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

Risk Management

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

(3) Environmental Management

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

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

Risk Management

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

1. Resource management and pollution control

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

2. Compliance with regulations

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

(4) Information Technology Risk (IT Risk)

According to the rapid changes of business circumstances, the Company has brought innovation and new technology to continuously enhance our business operation and to create business opportunities for any changes in the future. For example, the Company has used SAP and adopted the “*SRI TRANG FRIENDS*” application to help facilitate buying raw materials from rubber suppliers in Thailand which helps reduce the number of procurement centres located in many areas and reduce fixed costs of the Company as well. Increased dependence on technology leads to increased risk of IT to our operating platforms that rely on internet connections. Theft of important information or business interruptions would affect our reliability, credibility, and reputation.

Risk Management

The Company realized IT risk and cyber threats by defining policies to manage IT risk in many aspects. This is to support business continuity by providing a data-backup system, disaster recovery plan for emergency cases, and incident management system. Moreover, practically, the Company has monitored and been alert for new cybersecurity threats at both production plants and offices by performing penetration tests and vulnerability assessments regularly to be proactive in planning preventive mitigation measures for possible attacks. The Company also continuously foster cybersecurity awareness through email, announcement, and training so that our employees may exercise caution when using IT communication platforms.



Financial Risk

(1) Exchange Rate Volatility

While our financial report is shown in Baht, our raw materials purchasing for the natural rubber products are transacted in Baht and Indonesian Rupiah, and our raw materials purchasing for Gloves are transacted in Baht and US Dollar. However, approximately 84% of our total revenues is denominated in US Dollars. (approximately 12% of our total revenues is denominated in Baht.) Therefore, the fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah, US Dollars, or other currencies, could adversely affect our business, financial position, and operating results. Any fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah, and Malaysian Ringgit could adversely affect our price competitiveness to other natural rubber and glove producers from Indonesia and Malaysia, respectively.

Risk Management

The Company has attempted to mitigate foreign exchange risks by using financial derivatives to hedge our foreign exchange exposure arising from the purchase and sale of products in currencies other than Baht. Such derivatives are recorded at their fair value on the date of the statement of financial position. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 37.1.)



(2) Interest Rate Volatility and Credit Market Risk

As of 31 December 2021, the Company had an aggregate of Baht 41,296.0 million in bank short-term loans, debentures, and financial lease for the purchase of raw materials such as unsmoked rubber sheets, cup lump, and field latex, for support business expansion accounted around, and for support normal business operation. The majority of the loans are short-term loans and the average interest rate was at 2.66%, which was lower than the Minimum Loan Rate (MLR). Movements in the global financial markets and/or the situation of the rubber industry could adversely impact the costs or other terms of our existing financing (Please find more details in Note to the Consolidated and Separate Financial Statements under item 22.) as well as our ability to obtain new credit facilities or access the capital markets on favorable terms. A significant increase in our borrowing costs could impair our ability to compete effectively in the industry relative to competitors who may have lower amounts of debt financing.

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

Risk Management

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

To maintain the financial ratios as required by related parties, we closely communicate with and keep them inform for our operational status in any given period. If the Company is unable to maintain the required financial ratio, the Company would request for exemption from the financial institution(s) without triggering the loan default.

(3) Goodwill Impairment Risk

On 15 March 2017, the Company acquired additional shares of Sri Trang Gloves (Thailand) Co., Ltd., representing 50% of paid-up capital, for Baht 6,320 million. As a result of the acquisition, the Company recognized goodwill of Baht 2,954 million in its consolidated financial statements. Then, on 1 April 2019, the amalgamation of Sri Trang Gloves (Thailand) Co., Ltd. and Thaikong Public Company Limited was completed and the new company is named Sri Trang Gloves (Thailand) Public Company Limited. After the completion of the amalgamation, the Company recorded goodwill of Baht 220.9 million in its consolidated financial statements. In accordance with the generally accepted accounting principles for business acquisition, the Company is required to assess the fair value of the acquired assets and liabilities as well as the considerations of the share acquisition. Any difference would be recorded as goodwill or profits from acquiring assets at lower than their fair value. Accordingly, assets generating cash including goodwill are required to undertake impairment tests on a yearly basis. In case there is an impairment (the carrying value of the business is greater than the expected recoverable value), such impairment would adversely affect the profit of the Company.

Risk Management

The Company has continuously expanded the production capacity of the glove business and implemented various business strategies to strengthen its competitiveness and increase its profitability in the long run. As of 31 December 2021, the Company recorded Baht 3,174.7 million in goodwill which there is no impairment. (Please find more details in Note to the Consolidated and Separate Financial Statements under item 20.)



Compliance Risk

(1) Legal and Compliance Risk

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

Risk Management

The Company has established a business unit that is responsible for monitoring the amendments of the relevant laws and regulations. The unit will then analyze the impacts on the Company's operations and information management and employees of significant issues to ensure that the Company will be able to conduct the business in compliance with the relevant laws and regulations. In addition, the Company has published internal regulations and established various schemes to ensure compliance with the relevant laws and regulations, such as the Good Corporate Governance and Business Ethics Handbook, the Anti-Corruption Policy, and the whistle-blower system as well as the annual review of compliance and regulations, etc.

(2) Government Intervention

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

Such interventions aim to solve the problem of low natural rubber prices. However, the measures implemented may cause domestic natural rubber prices to be inconsistent with prices on the global markets or may cause the Company's sales volume to be inconsistent with market demand, which may impact the cost structure, revenue, and profit of the Company. If the Company is unable to effectively manage the discrepancy between raw material costs and selling prices, our profitability may be adversely affected. Moreover, if the market prices of the Natural Rubber Products sold by the Company become volatile, our business, financial position, and operation results could be materially and adversely affected.

Risk Management

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





Emerging Risk

(1) Risks of Epidemics (COVID-19)

According to the epidemic situation of the coronavirus (COVID-19) since the beginning of 2020, it has had a wide impact on both living and economies over the world. It also posted infection risk to our employees and may result in the production halt affecting the business temporary slowdown or stoppage.



Risk Management

The Company has urgently assessed the situation and risks that may affect business operations and closely monitored as well as improved the management system in many aspects, such providing as supply chain management via online system both with partners and customers, communicating in the organization via video conference systems such as Microsoft Teams, Google Meeting, and Zoom, etc., as well as establishing various measures to constructively and immediately handle with crisis situation as follows:

- Appointed the emergency working team to communicate with staff and visitors for COVID-19 prevention consisting of customers, suppliers, government officers, monitored staff's temperature before entering into office venue and provided sufficient sanity alcohol gel/liquid and necessary sanitary equipment all over working places;
- Announced the COVID-19 preventive actions in the office aiming to avoid visiting risky destinations and avoided or refrained from any physical meetings or conferences either in or outside the office;
- Defined screening measures at the entrance of factories and offices for all staff and a third party such as temperature check, no entry without mask-wearing, etc. In case anyone shows a temperature over 37.5°C or potential illness symbols of COVID-19, such persons will be referred to the emergency team immediately;
- Set up the procedures in case there is any staff tested positive for COVID-19 to ensure the continuance of operation, smooth and clear communication, collaboration with the government agencies will be conducted effectively promptly;
- Manpower planning if moving to work location and setting up the work system if some employees are unable to work;
- Provided alternative vaccines for our employees at all levels to strengthen immunity to all SRI TRANG team.

(2) Climate Change Risks and Regulations, Standards, and Sustainability Goals

The sudden disaster of climate change is a global environmental concern. Manufacturers in every supply chain aim to reduce waste emission and enhance production efficiency in order to achieve the highest goal of being environmental-friendly manufacturer. There have been rigid regulations and new standards created by related government agencies in order to push changes in consumer behavior and manufacturing under higher environmental concerns. The Company, therefore, has to formulate guidelines for managing and coping with climate change to mitigate the impact that may affect production costs competitiveness and sustainability of future business operations.

Risk Management

The Company defines continuously implemented measures to reduce greenhouse gas (GHG) emissions and expanded its practices for the value chain in the future, as described below:

- Established policy and frameworks to support investments in low-carbon projects to elevate the Company's GHG reduction initiatives;
- Established carbon footprint project to identify significant origins and take measures to reduce the Company's GHG, such as energy management and productivity enhancement;
- Promoted the use of renewable energy;
- Joined as a Member of Thailand Carbon Neutral Network (TCNN), established by Thailand Greenhouse Gas Management Organization (Public Organization);
- Consistently monitored progress, review GHG reduction strategies and target and improve operations; following policies, rules, regulations continuously;
- Participated in the project of the Greenhouse Gas Management Organization. (Public Organization) TGO such as T-VER, LESS.

2.2.2 Project Investment Risks

In addition to considering the consistency of corporate strategy and return on investment, project investment risk management is another crucial component of business success. Therefore, every investment project must have a systematic risk analysis by the relevant work in each field and has determined significant investment projects that a thorough feasibility study is required and the Board's approval. This ensures that projects implemented can mitigate corporate risks and must not affect the community and the environment in parallel with the achievement of the organization's goals.

2.2.3 Risks Relating to Investment in Our Shares

(1) Currency Fluctuation Risk for Shareholders Holding the Company's Shares on the SGX-ST

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

Risk Management

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

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



3

DRIVING BUSINESS FOR SUSTAINABILITY

3.1 Sustainability Management Policies and Goals

The Company is committed to being a fully-chain global leader in the rubber business. It conducts business with environmental and social responsibility throughout the business value chain through operational excellence, transparency, emphasis on participation, and continuous business development to become an organization of determination to Passionately We Drive Possibility “the Green Rubber Company” through the operation, delivery of environmentally friendly products and services and social value creation for all groups of stakeholders according to the Company's vision.

The Company, therefore, announced the **“Corporate Sustainability Development Policy”** as the best practice for sustainable business development along with the environment and society and to build confidence in business operations for all groups of stakeholders. The policy addresses operations in existing and new businesses on the issue of sustainability in the dimensions of governance and

economy, the environment, and society, with major practices, such as good corporate governance focusing on governance structure management to create business growth and benefits for stakeholders; business operations with transparency and fairness in accordance with business ethics and related regulations, including anti-corruption in all aspects and an emphasis on sustainability risk management in the supply chain from upstream to downstream. To create an environmentally friendly production process and a pleasant environment for surrounding communities, the Company focuses on sustainable resource and environmental management by implementing ISO 14001 Environmental Management System and prioritizes greenhouse gas (GHG) emissions reduction, water-related risk management, air quality management, and sustainable waste management as important sustainability topics. Respecting and complying with human rights principles for stakeholders, cultivating awareness of social participation, responsibilities, and development to help solve social problems and improve the quality of life of communities, as well as creating a society of generosity and caring for one another, are social practices that the Company places a strong emphasis on and prioritizes. (The Company's comprehensive Corporate Sustainability Development Policy is disclosed on STA's website at www.sritranggroup.com/en/sustainability/report.)

For sustainable operations, the Company has established a sustainability strategy, **“4 GREEN”** for the operations in response to the corporate sustainability goal of being “The Green Rubber Company”, the Sustainable Development Goals (SDGs), and stakeholders' needs and expectations with the following strategies:





Green Products

We produce high-quality products that are free of chemical substances that detrimentally affect the health and safety of end-users.



Green Process

The production process for every one of our products is based on the concept of sustainability and energy efficiency. Our production facilities do not generate hazardous substances that cause adverse impact on the environment and the neighboring communities.



Green Company

In every aspect of our operations, we are guided by the belief that transparency is key to building trust and achieving long-term success. We also seek to make a positive difference to the local communities and foster long-lasting relationships through various forms of community engagement.



Green Procurement

We source raw materials from ethical suppliers with sustainable practices and strive to guide rubber farmers toward the sustainable management of rubber plantations.



3.2 Management of Impacts on Stakeholders in the Business Value Chain

3.2.1 Business value chain

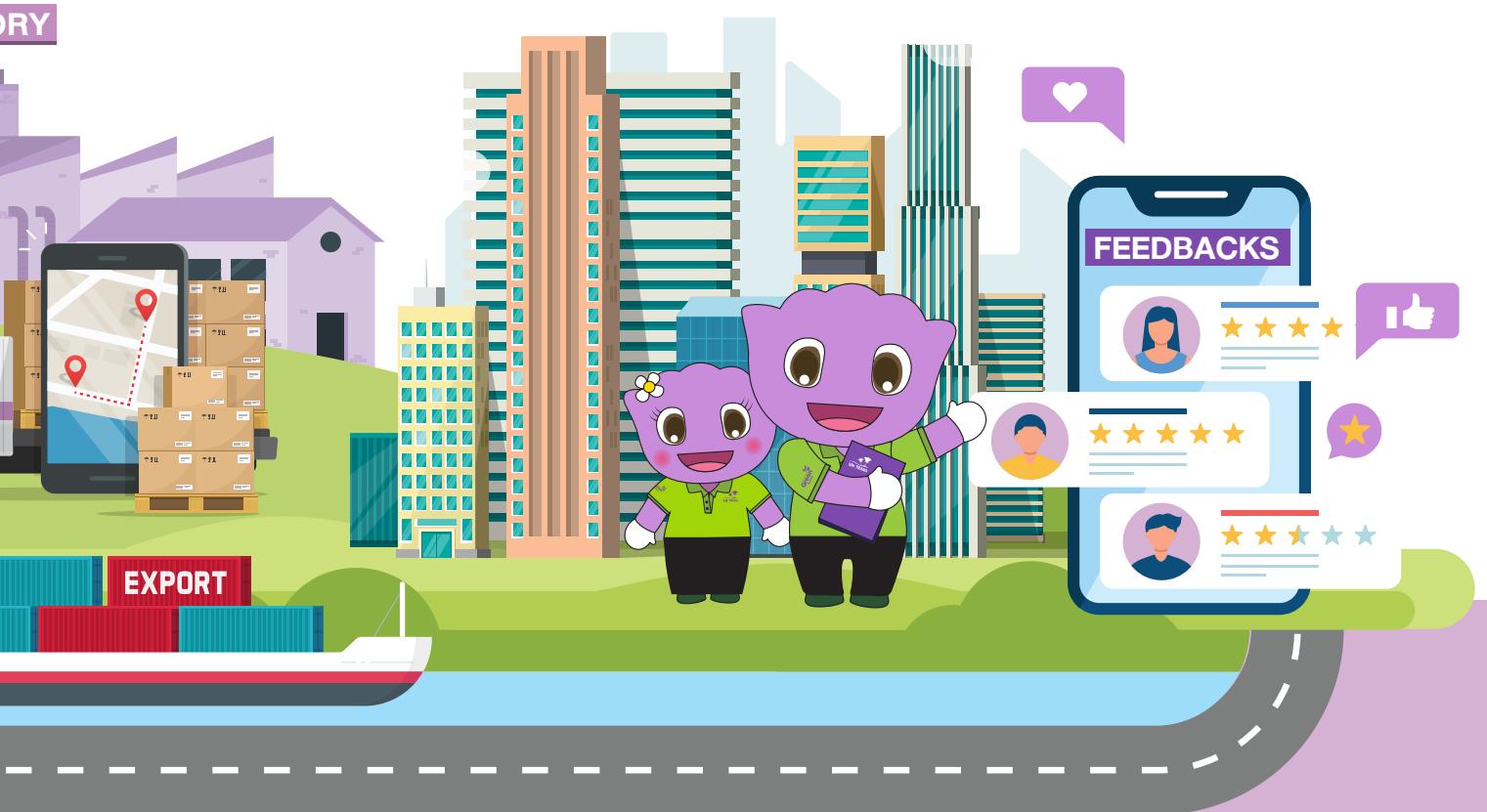
The Company gives the importance to stakeholders throughout the business value chain from upstream to downstream as follows:



Procurement of Raw Materials (Rubber Farmers)

The Company supports educating rubber farmers and raw material suppliers about the quality of rubber required by the factory, as well as reducing environmental impacts, such as the project of "Bun Tuk Yang Tid Rang Srang Roi Yim" and the use of the "SRI TRANG FRIENDS" application for rubber trading, which facilitates accessibility, convenience, speed, transparency, and the reduction of complexity and costs of sale and purchase.

The Company has the environmental friendly manufacturing process by using biomass fuel for rubber drying process, reduction of energy consumption, and efficient wastewater treatment system, where 100% of treated wastewater can be reused (STR factory); the implementation of the bio-filter odor treatment system, waste management by using the 3R principle; using recycled plastic bags for packing STR, as well as utilization of waste in accordance with the Circular Economy guidelines.



Logistics

The Company implements logistics and warehouse management to reduce empty travel of lorries and energy consumption. The Company also provides new ports and transport routes which can transport goods to be delivered to customers rapidly and efficiently.



Sales

The Company provides product information and communicates with customers through a variety of channels, comply with the Code of Conduct for Customer Relationships, and has systematic trading, channels for receiving complaints, and complaint handling procedures to provide a quick and efficient response to issues related to product quality and the protection of customer confidentiality.

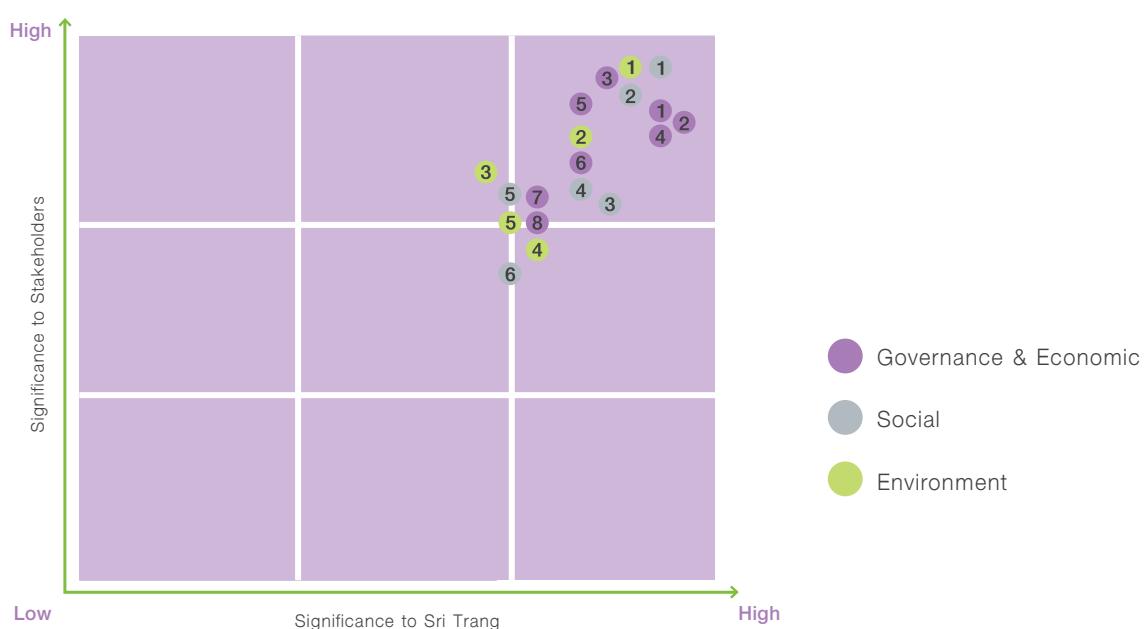
In 2021, the Company took various measures with stakeholders throughout the supply chain to cope with the COVID-19 pandemic situation, including effective management systems, coordination, and communication with government agencies, raw material suppliers, and customers to diversify risks in every situation. As a result, the Company was able to continue operating its business without interruption.



3.2.2 Stakeholder analysis in business value chain

The Company places importance on stakeholder engagement by conducting surveys, analysis, and prioritization of stakeholders to respond to stakeholders' needs and expectations appropriately. The Company has assigned responsible departments, duties, and operations to be consistent with the guidelines defined by the Company. Moreover, the stakeholders' needs and expectations are reviewed once a year, and the response methods are improved as appropriate. In 2021, the Company continued to classify stakeholders into eight groups, arranged in order of importance as follows: customers, shareholders/investors/analysts, employees, raw material suppliers/rubber farmers, trading partners/suppliers, communities, government agencies/enterprises/private sectors involved, and creditors/banks.

To ensure the economic, social and environmental operations of the company achieving the sustainable development targets, which are measurable and respond to the expectations of stakeholders appropriately, the Company collected, assessed, and prioritized potential material sustainability topics which can affect the Company's businesses from relevant departments to find guidelines and plans for management appropriately by using material sustainability disclosure guidelines of GRI Sustainability Reporting Standards (GRI Standards). Materiality topics from the analysis and prioritization were reviewed by the working groups and presented to the Board of Directors for the approval for the disclosure in the Sustainability Report 2021. The 2021 materiality topics of the Company are as follows:



Governance & Economic Dimension

1. Good Business Performance and Consistane returns
2. Risk Management and Business Continuity
3. Anti-corruption
4. Customer Relations
5. Code of conduct and Good Corporate Governance
6. Supply Chain Management
7. Supplier/Rubber Farmer Development
8. R&D and Innovation

Social Dimension

1. Occupational Health and Safety
2. Complaints Management
3. Quality of Products and Services
4. Employee Stewardship and Development
5. Human Rights
6. Supporting and Participation with Community

Environment Dimension

1. Air Emission Control
2. Water Consumption and Waste Water Management
3. GHG Emission Reduction
4. Energy Consumption
5. Waste Management

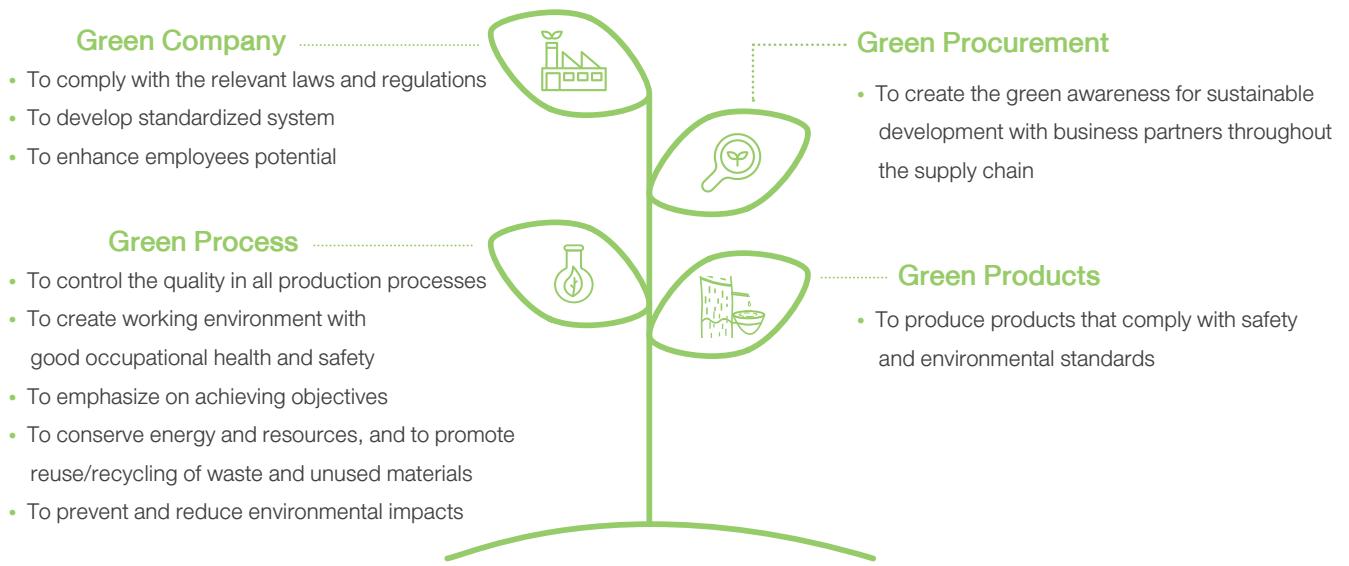
Materiality topics are disclosed in the 2021 Sustainability Report on the Company's website:
<https://www.sritranggroup.com/en/sustainability/report>



3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental policy and practices

The Company recognizes and values the importance of business operations in harmony with environmental management, which contribute to sustainability of the business. The Company has improved and integrated the Environmental Management Policy, Quality Assurance Policy, Occupational Health and Safety Policy, and Environment Protection Act to align with the corporate strategies through the Safety, Occupational Health, Environment and Energy Conservation, Quality Policy - "Committed to being The Leader of The Green Rubber Industry". The Company is committed to the following operations:



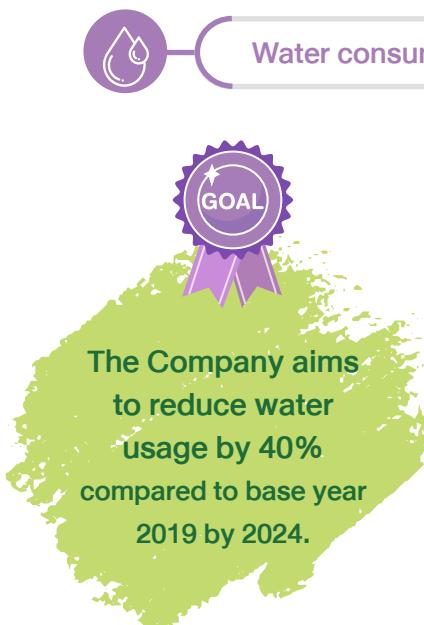
Environmental management

The Company implements an environmental management systems to manage environmental aspects continuously, particularly for STR factories which have risks on causing environmental impacts more than other businesses of the Company. The Company has set environmental targets for newly constructed factories to be certified with ISO 14001 Environmental Management System within one year after being certified with ISO 9001 Quality Management System. A total of 15 factories were certified with ISO 14001 in 2021. Each factory was audited internally following the annual plans by internal auditors. External audits by third parties were also conducted in accordance with international standards.

The Company has identified and reviewed external and internal sustainability topics which were relevant to corporate objectives and their impacts on competency of the Company in order to align with and meet stakeholders' needs and expectations as well as environmental targets of the Company. Environmental issues arising from operations of the Company, whether from activities, products and services, were identified and assessed their impacts through conducting life-cycle assessments. Environmental issues which have significant impacts were taken into consideration for setting management plans and considered risks and opportunities related to the environmental issues, related laws and regulations, external and internal topics which were related to the corporate objectives for constructing action plans, setting targets or environmental projects, such as the reduction of resource consumption, chemical use, energy consumption, waste management for reducing waste disposal, and the reduction of water consumption within factories. In addition, the Company set up environmental monitoring and measurement plans to evaluate the effectiveness of environmental operations, such as the monitoring of water quality, air quality and chemical vapor. In case of non-compliance with environmental standards and controlled values, the Company will immediately conduct collective action plans in accordance with the management system.



3.3.2 Environmental performance



The Company aims to reduce water usage by 40% compared to base year 2019 by 2024.

The Company has standard wastewater treatment plants, and test the quality of treated water from the wastewater treatment plant every month to ensure that effluents discharged from the factories meet the legal water discharge standards. Furthermore, activated sludge wastewater treatment systems are used in the Company's TSR factories in the northeast of Thailand. The activated sludge wastewater treatment systems have preliminary wastewater treatment processes to increase efficiency of wastewater treatment plants and enable the Company to recycle 100% of treated water for the use in production which helps reduce new water withdrawal and minimize environmental impacts. In addition, the Company wastewater treatment plants are the close system which do not discharge effluents to public water bodies. From the lab testing the treated wastewater also contains nitrogen which is significant nutrition for plants.

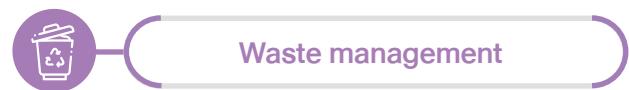
Furthermore, the Company has improved the efficiency of the odor treatment system from wet scrubber to bio-filter system which help greatly reduce a large amount of water consumption. Furthermore, the Company has improved the efficiency of the odor treatment system from wet scrubber to bio-filter system which help greatly reduce a large amount of water consumption.

Performance

Indicator	Unit	FY2019	FY2020	FY2021
Water consumption	million cubic meters	2.3	1.9	1.9



Sri Trang has installed odor control systems according to the type of production facilities. At STR facilities, where odor occurs from cup lump storage, wood vinegar is used for mitigating the odor. An odor treatment system is also used in the process of rubber drying and the production of compound rubber. In addition, our factories using boilers for drying rubber are equipped with a multi-cyclone air filter system to treat air quality before emitting air outside. The air quality test shows that treated air quality of the Company's production facilities satisfies air quality standards.



Sri Trang implements the 3Rs (Reduce, Reuse and Recycle) principle as the guidelines for waste and unused material management waste in the factories. Moreover, the Company has deployed the Circular Economy as a guideline for maximizing the effective use of resources by focusing on the recycling of waste and unused material for the use in factories, such as using sludge from the wastewater treatment system to be the alternative fuels for boiler system instead of sending it for the disposal, and the use of ash from boilers for producing bricks for paving the walkway, which has already passed the strength test from construction department of Kalasin Technical College.

To comply with related law and regulations, the Company has developed the procedure of waste and unused material management, set monthly data collection, and conducts random checks operations of the factories. For waste disposal, the Company sends waste and unused materials to waste disposal providers which are registered with the Department of Industrial Works.

Waste Management Performance

Indicators	Unit	FY2019	FY2020	FY2021
Total weight of waste generated	ton	4,129	4,708	8,417
- Hazardous waste generated	ton	39	71	73
- Non-hazardous waste generated	ton	4,090	4,637	8,344



The Company has set a target to reduce total waste generated per product produced by 10% compared to the base year 2019 by 2024.



Energy conservation and climate change

Sri Trang attaches the great importance of energy management and climate change mitigation. Because of this, the Company has the Energy Conservation Policy in place, and appointed the Energy Conservation Committee as well as responsible persons for energy management of each factory to develop energy conservation measures to respond to the annual energy-related targets through the selection of energy-saving equipment and the use of biomass fuel as alternative energy instead of using diesel and to reduce the use of LPG in boilers for the rubber drying process.

In 2021, the Company received third-party verification, conducted by LRQA (Thailand) Limited, for the Company's 2021 scope 1 and scope 2 GHG emissions following the disclosure requirements of the GRI Sustainability Reporting Standards (GRI Standards), and the calculation method provided by Thailand Greenhouse Gas Management Organization (Public Organization).



The Company has set a target to reduce electricity consumption per product produced by 7% compared to the base year 2019 by 2024.

Performance

Electricity Consumption Intensity* (kWh/ton product produced)

FY2018	FY2019	FY2020	FY2021
161	174	187	176

*NR Group: STA, LTX and RSS

Scope 1 & Scope 2 GHG Emissions (tCO₂-eq)

Year	Scope 1	Scope 2	Total
2021	32,983	108,513	141,497

GHG Emissions Intensity (tCO₂-eq/ ton product produced)

FY2019	FY2020	FY2021
0.12	0.10	0.11

*GHG emissions and GHG emissions intensity cover all factories of STA operating in Thailand

(More details of environmental performance can be found in the 2021 Sustainability Report on the company's website : www.sritranggroup.com/en/sustainability/home under the topic of sustainability)



3.4 Sustainability Management in Social Dimension

3.4.1 Corporate social responsibility policy and practices



Throughout third decades of the business sustainability, Sri Trang Group is determined to maintain the leadership in natural rubber businesses at international level with recognizing that every step of our business growth, we will grow together with communities and society. Because of this, we recognize and value the importance of business operations along with conducting social and community relation activities, such as producing quality products with environmentally friendly production processes, creating transparent and fair trading system to be widely acknowledged and trusted by farmers, suppliers and customers. In addition, the Company concerns impacts from the business operations which may affect stakeholders including shareholders, employees, customers, suppliers, consumers, communities, and government agencies. Furthermore, the Company cultivates good corporate core values, promote perception and corporate culture to create responsibility to society for employees.

The Company has established social policies and practices which are consistent with the laws, rules and regulations related to international standards. the ten principles of the UN Global Compact, and the Sustainable Development Goals (SDGs). The Company also respects the human rights throughout the value chain, such as fair labor practices, responsible production and service to customers, and the participation in community and social development.



1. Human rights

The Company has established the Human Rights and Non-Discrimination Policy which is in line with the UN Guiding Principles on Business and Human Rights (UNGPs) on the “Protect, Respect and Remedy” Framework, when human rights violations occur, and Children Rights and Business Principles (CRBPs) to express our intention to conduct business with respects for human rights and non-discrimination against any persons. The policy also includes surveillance by conducting comprehensive assessments of Human Rights Due Diligence (HRDD) in business operations, conducting human rights risk assessments, and establishing preventive and remedial measures for the incidents of human rights violations.





2. Occupational health and safety

Sri Trang operates the businesses responsibly under legal frameworks, rules, and regulations related to occupational health and safety. Because of this, the Company regularly organizes sufficient and effective training, operating rules, and action plans of occupational health and safety operations and create safe working environment for employees, contractors and relevant stakeholders.

The Company therefore places the safety management measures as below:



Governance in accordance with laws and regulations: The Company strictly complies with laws and regulations related to occupational health and safety. Safety monitoring of factories is conducted regularly to control and govern business operations to be safe. Safety officers are assigned for all working levels. In addition, Safety Committee and Safety Department have established a safety action plans to operate safety work and monitor safety performance.



Safety awareness: The Company provides safety training, communication, and knowledge to raise awareness and developing competencies of staff and related departments to be able to plan and monitor areas that are at risk of accidents along with preparation plan for emergency suspension more efficiently.



Safety management: The Company establishes safety working standards of Sri Trang Group to be one, such as the identification of relevant laws and other requirements, the determination of roles and responsibilities of safety officers, safety risk assessments, preparation of safety work manuals, the control of contractors and visitors, the control and monitoring of safety operations, emergency preparation and responses, employee health check, working environment control and measurement, chemicals and hazardous substances control, safety knowledge of the Company, occupational health and safety record control and reporting, and providing suitable personal protective equipment for employees. In addition, the Company has provided audits of the management system of affiliated companies. Safety incident statistics are collected for the analysis and providing collective actions and prevention. Safety meetings with high-level executives are organized for the consideration and review of safety operations continuously.

In addition to safety of employees, the Company also recognizes safety of contractors, third parties and stakeholders who are involved in the Company's operations. The Company has established the contractor control handbook, provided training, and supervised contractors or staff who operates work in the Company's areas to ensure the safety of all persons.





3. Employee stewardship

Employees are the most vital resources in business operations and contribute to the success of the Company. Sri Trang , therefore, places the importance of creating good human resource management system including employee recruitment, standard compensation management, and setting targets and plans for human capital development to promote career advancement, job security as well as safety and health of employees. In addition, the Company gives freedom and respect to employees' rights of employee representative and collective bargaining to perform various appropriate activities within the Company. In addition to employees' benefits provided in accordance with related laws, such as social security funds and compensation funds, our employees receive overtime compensation, extra compensation for hard-shift employees, vacation-leave compensation, annual bonuses, and basic welfares to provide good livelihood for employees, including uniforms, house-renting subsidies, housing welfares, allowances for offsite operations, health and accident insurances, provident funds, retirement compensation, financial aids for employees who experience disasters, Happy Workplace activities, and field trips.



4. Responsibility to customers and consumers

Sales and Marketing Department adheres the Business Code of Conduct in terms of customer relationship with an aim to create satisfaction and confidence for the customers through quality products and services at the reasonable price, the disclosure of comprehensive and correct information of products and services, the on-time product delivery, product guarantees under proper time conditions, as well as communication channels for customers complaints regarding products and services. The Company is also responsible for collecting customers' information and maintain information security. The Company organizes factory site visit for customers to ensure that they have full understanding about our operations and products. This also facilitate the understanding of needs and expectations of customer for further improvements of the Company.



5. Participation in communities and social development

The Company believes that effective and sustainable corporate social responsibility (CSR) is founded on awareness rising for employees in every level from all departments. They need to have positive attitudes to follow policies and guidelines, and have responsibility to society and others. Our people also volunteer to participate in the community development and the improvement of business partners to have better quality of life. The Company promotes and supports employees to be good people of the society who participate in voluntary and social activities, and help alleviate natural disaster victims, or appropriately and continuously support any kinds of shortages in the community to create a benevolent society and social care for each other to remain forever.

3.4.2 Social Performance



In 2021, the Company conducted human rights due diligence assessments in two main areas, namely the significant human rights risks to employees and the significant human rights risks to communities and society in the area surrounding the location of the Company's factories. Comprehensive human rights due diligence assessments are planned for the coming years.

Although the human rights due diligence assessment of the two areas mentioned above found that there was no identified risks because there had never been any incidents that had significant impacts. Nevertheless, the Company attaches great importance to issues of safety, health and hygiene (in the context of the COVID-19 pandemic) and protection of personal information. Therefore, there are measures to prevent and mitigate possible impacts from business operations as follows:



Protection of Personal Information

The Company has established a committees and working group in compliance with the Personal Data Protection Act B.E. 2562 to create understanding among the operators in the preparation process of the Company and subsidiaries, including establishing a privacy policy, processes regarding consent, support for the exercising of rights of the owner of the data, preparation of required documents, as well as the formulation of measures to maintain the security of information, etc. The working group has coordinated with department managers or representatives of departments assigned to collect information and study the processes related to the protection of personal information of the Company and the corporate group, conducting inquiries and interviews with representatives from each department in collaboration with external legal advisors to prepare gap assessment reports and to review and update documents and contracts related to the business operations of the Company and the corporate group to comply with the Personal Data Protection Act B.E. 2562.



Occupational Health

The Company's management of human rights covers emerging epidemics, especially in the case of the Covid-19 crisis, whereby the Company has set up a working group and a central communication team to formulate policies and management guidelines in the pandemic situation for the entire corporate group. All companies in the corporate group have set up emergency response teams to analyze the situation, prepare emergency plans, and provide necessary protective equipment such as masks, alcohol gel, including adjusting working hours appropriately for employees, contractors, and establishing additional measures to ensure safety at work. By operating strictly in accordance with preventive measures against COVID-19 by promoting educating and awareness of responsibility for the health and safety of oneself, colleagues as well as their families.

(Details of social activities can be found in the 2021 Sustainability Report on the Company's website :
www.sriranggroup.com/en/sustainability/home under the topic of sustainability)





Impacts on Social Responsibility from Business Operations

The production process of the Company is always operated with the awareness of impacts on the environment and communities. The Company has continually developed and improved the odors treatment system to cope with odor from the rubber drying process, and the raw material management systems of cup lump within the factories. The Company has improved cup lump storage facilities of Udonthani, Kalasin, Loei, Chiang Rai, Mukdahan, and Buriram branch factories to be the closed system. In this regard, executives still emphasize and focused on monitoring and solving the environmental impacts of factories by assigning responsibilities by region of Thailand, including eastern region, northeastern region, northern region, and southern region. The Company also gives opportunities to those affected and government agencies to conduct periodically check. Environmental topics are brought to the risk management committee for risk monitoring and managing environmental complaints regarding odor and wastewater of the factories effectively.

The Company has conducted the project of “Bun Tuk Yang Tid Rang Srang Roi Yim” continuously to promote rubber farmers, deliveries and transport contractors to transport the cup lump with standardized trucks for preventing the serum from cup lump leak into the road, particularly transportation in the northeastern region and northern region of Thailand. In 2021, the average of 99% of the total numbers of rubber transport trucks meet the standards.



Community and society development

The Company believes that to pursue sustainable business growth, we must participate in the development of communities and society in order to grow together. The Company focus on not only the surrounding communities where our factories are located, but also communities and society in all regions of the country. In addition to economic improvement contributed by the development, quality of life improvement for people in communities is another important mission that the company has carried out through activities and projects initiated by itself to respond to the stakeholders' expectations. In 2021 the Company conducted various social and community relation activities, such as:

- **STA STEM STUDENT Project:** The Company provided integrated education to make Sri Trang a learning center in communities. This project has been held for the 5th year. Based on the action plan, this project will be conducted covering all factories of the Company nationwide by bringing the STEM education principles to combine with the learning of the green rubber organization to enhance experience outside the classroom of participating students. However, due to the COVID-19 pandemic situation this year, the Company carried out the project in just one school, Wat Huai Nang School in Trang Province.

- **Educational Scholarships for Students Project:** This project promotes learning and support students who have good learning results by offering educational scholarships to students in local schools around the Company's factories. In 2021, the Company provided scholarships to 93 students from 6 schools.
- **The 3rd Year Women's Power Project:** The Company promotes women in communities to have knowledge, more career opportunities, income generation to communities, and strengthening communities. It also helps build a good relationship between the Company and communities. In 2021, the Company conducted four projects which promote learning for three products (brooms made from plastic bottles, dishwashers, herbal chili paste), attended by 72 individuals.
- **Community Career Promotion and Support Project:** The Company has the policy to promote and support occupations in communities in which the factories are located in order to create a good economy and strengthen communities through the purchase of goods, such as drinking water, brooms, wood vinegar, new year basket, souvenirs at important events, and various procurements; for example, wooden pallets for STR packaging,



and community contractor/general contract work. This project could generate income for the community in the amount of THB 8,190,646 in 2021.

- **2nd Good Quality Latex for Happiness Project :** The Company has announced its intention for farmer partners to produce good quality fresh latex, including having a standardized collection and buying point through transport vehicles meeting the standards of the Department of Land Transport to raise the standard of Thai rubber and jointly create values for good quality latex and sustainable happiness. The project is conducted through the latex business group of seven factories in both the southern and northeastern regions. In 2021, the Company provided knowledge sharing via online systems. There were total 158 participants from government agencies, raw material suppliers, farmers, and community representatives.
- **Napier Grass for Community Project:** The Company supports the planting of Napier Grass in the areas of the Company, and provides seedlings to the community to have a planting career or use Napier grass as food for animals.

- **Natural Weir Activities:** The Company, in cooperation with local agencies and other organizations, organizes activities, namely building dams, releasing aquatic species back into rivers, canals, and seas to help restore ecosystems, food chains and maintain the abundance of nature.
- **Tree Planting Activity:** To increase green areas to help preserve the natural environment and mitigate global warming by increasing green spaces to absorb carbon dioxide and help restore the balance to the forest. Therefore, the Company organizes tree planting activities inside and outside the Company by cooperating with government agencies every year.
- **Sri Trang Group Sharing Touch of Love for Communities:** To fight against the COVID-19 pandemic situation, the Company gave supports by providing medical rubber gloves to communities and various agencies for use in public health work. It delivered 4,200,000 medical rubber gloves to hospitals and government agencies covering 77 provinces of Thailand.

(More details about the participation in the community and social development can be found in the Sustainability Report 2021 on the Company's website at www.sritranggroup.com/en/sustainability/home under the topic of sustainability.)

STA STEM STUDENT Project



Educational Scholarships for Students Project



The 3rd Year Women's Power Project



Community Career Promotion and Support Project





2nd Good Quality Latex for Happiness Project



Natural Weir Activities



Napier Grass for Community Project



Tree Planting Activity

Sri Trang Group
Sharing Touch of Love
for Communities



Providing Vaccines to Our Employees at all levels



4 MANAGEMENT DISCUSSION AND ANALYSIS : MD&A

Financial Result Overview

An All-Time-High Net Profit

In FY21, on the strength of record performances from both core businesses, we recorded THB 118,275.4 million in revenue, growing 56.7% YoY, and a net profit of THB 15,846.7 million, increasing 66.3% YoY, or THB 10.3 per share, with a net profit margin of 13.4%.

Revenue from our natural rubber (NR) business

came in at THB 70,701.1 million, accounting for 59.9% of total revenue and growing 58.2% YoY on the back of a strong rebound in demand. Sales volume across all NR products was 1,294,724 tons, increasing 25.4% YoY, a growth that was higher than the growth in global NR consumption in 2021 of 9.4%. As a result, our market share in FY21 (including consumption from STGT) increased to 10% of global NR consumption, up from 9% in FY2020. Our average selling price (ASP) increased 26.0% YoY and was higher than the average price of TSR20 on SICOM in FY21 of 167.8 cent/kg. With improved competitiveness and effective cost management, gross profit margin of our NR business in FY21 was 12.5%, a new high.

Our gloves business

recorded THB 47,497.2 million in revenue, which accounted for 40.2% of total revenue and grew 54.5% YoY alongside the growing global demand. The ASP rose 58.6% on the back of robust global demand. Sales volume, meanwhile, decreased 2.6% as a result of the temporary suspension of production following an outbreak of COVID-19 in 2Q21 as well as the global container shortage and shipping congestion that persisted throughout the year.



Extraordinary Event

- 1) A shareholding restructure of Premier System Engineering and PS Sadao Rubber, where all shares held by STA were sold to Sri Trang Gloves (Thailand) Public Limited Company (STGT) to support the business expansion of STGT, in accordance with the resolution of the extraordinary meeting of shareholders of STGT on 25 December 2020, effective from 5 January 2021 onwards.
- 2) A fire incident at the expansion part of the Surat Thani Plant 2 (SR2) in February 2021, for which STGT received THB 50.9 million in insurance claims and which affected no more than 200 million pieces of our annual production capacity in FY21.
- 3) The outbreak of COVID-19 in 2Q21, which led to a temporary suspension of production for 8 days at the Surat Thani plants and for 19 days at the Trang plants in May-June and affected 800 million pieces in production output.

Income Statement Overview

(Unit : THB million)	FY2021	FY2020	%YoY
Revenue from sales of goods and services	118,275.4	75,478.7	56.7%
Cost of sales and services	(80,216.4)	(53,697.5)	49.4%
Gross profit (loss)	38,058.9	21,781.3	74.7%
SG&A	(7,927.2)	(4,782.7)	65.7%
Other income and dividend income	422.0	349.4	20.8%
Gain on exchange rates	474.4	267.8	77.1%
Other gain (loss)	(1,835.5)	(80.9)	2169.7%
Operating profit (loss)	29,192.6	17,535.1	66.5%
Share of profit (loss) from investments in JV	241.4	168.6	43.2%
EBITDA	32,440.4	20,505.0	58.2%
EBIT	29,434.0	17,703.7	66.3%
Financial incomes	113.2	51.3	120.6%
Finance costs	(828.7)	(690.9)	19.9%
Income tax (expense)	(2,541.6)	(1,667.5)	52.4%
Net Profit (loss) for the periods	26,176.9	15,396.6	70.0%
Attributed to owners of the parent	15,846.7	9,531.2	66.3%
Attributed to non-controlling interests	10,330.2	5,865.4	76.1%

Revenue

Total revenue from products and services in FY21 was THB 118,275.4 million, growing 56.7% YoY. Revenue from NR products increased 58.2% YoY to THB 70,701.1 million because of the ASP that increased 26.2% YoY alongside NR prices on the global markets and sales volume that increased 25.4% YoY as we gained higher market share. Revenue from gloves was THB 47,497.2 million, growing 54.5% YoY on the back of the ASP that rose 58.6% YoY. Sales volume, however, decreased 2.6% YoY because of the COVID outbreak at the production facilities in 2Q21 and the global container shortage and shipping congestion that persisted throughout the year. Revenue from other products and services came in at THB 77.0 million.

Sales Volume

Natural Rubber Products

Sales volume for NR products was 1,294,724 tons, increasing 25.4% YoY across all products and geographic markets as demand rebounded. Sales volume for TSR and RSS saw robust growth in tandem with a pickup in demand from the tire industry. Our production output in FY21 accounted for 10% Thailand's total production output, up from 9% in FY20 as our competitiveness improved. Our utilization rate in FY21 was 70%, up from 55% in FY20.

Geographically, China remained our largest market, accounting for 51.3% of total sales volume, followed by other countries in Asia at 17.8%. Thailand made up 17.1% of total sales volume, while the Americas and Europe accounted for 7.3% and 6.2% of total sales volume, respectively. Sales to Europe and the Americas continued to increase throughout the year.

Gloves

Sales volume for gloves was 27,304 million pieces, down 2.6% YoY as a result of the temporary suspension of production for 8 days at the Surat Thani plants and for 19 days at the Trang plants in May-June 2021 following an outbreak of COVID-19, as well as the global container shortage and shipping congestion that persisted throughout the year. Our utilization rate in FY21 was 87%, down from 95% in FY20. Revenue from NR gloves accounted for 59% of total revenue while revenue from NBR gloves made up 41% of total revenue. Geographically, Asia was our largest market at 33.4% of total sales revenue, followed by North America and Europe at 23.6% and 17.7% respectively. South America accounted for 15.0% of total sales revenue. Africa and the Middle East made up 5.8% and 4.0% of total sales revenue, respectively. Other regions accounted for 0.5% of total sales revenue.

Gross Profit

Gross profit was THB 38,058.9 million, a significant increase of 74.7% YoY from THB 21,781.3 million in FY20. Gross profit margin was 32.2%, up from 28.9% in FY20. The growth in gross profit came on the strength of both core businesses. Gross profit in the NR business grew 113.9% YoY on the back of a pickup in demand from tire manufacturers, which was reflected in the higher NR prices on the global markets. But the crucial factors that contributed to the growth in gross profit were our effective cost management and the ASP which, at 170.8 cent/kg was higher than the average NR price on the global markets. As a result, gross profit margin for the NR business increased from 9.3% in FY20 to 12.5% in FY21, the higher in over 34 years of operation. Meanwhile, gross profit for glove business grew 65.5% YoY despite lower sales volume because of the temporary suspension of production following an outbreak of COVID-19 and the global container shortage and shipping congestion that particularly affected shipments to the US and Europe. The increase in raw



material costs for both NR and NBR latex was offset by the increase in ASP. Gross profit margin for the glove business in FY21 was 61.4%, up from 57.3% in FY20. Taking account of the reversal of inventory allowance in the amount of THB 3.9 million and realized losses from hedging transactions of THB 1,294.3 million, our adjusted gross profit margin in FY21 would be 31.1%, up from 29.0% in FY20.

Operating Profit

Operating profit in FY21 was THB 29,192.6 million and operating profit margin was 24.7%, a substantial increase from THB 17,535.1 million in FY20. This can be attributed to the strong performance and improved profitability of our NR business and the growth of our glove business, despite THB 1,440.1 million in losses from currency exchange transactions, which were partially offset by THB 474.4 million in currency exchange gains in the normal course of business.

Administrative and selling expenses (SG&A) were THB 7,927.2 million, increasing 65.7% YoY. The increase is mainly attributed to freight expenses that substantially increased as well as CESS that increased in tandem with increased export volume. Administrative expenses also increased 19.3% YoY in tandem with operational growth and as a result of one-time expenses related to the temporary suspension of production at our glove production facilities in 2Q21. Other income in FY21 was THB 422.0 million, including the THB 149.6 million that STGT received from the Rubber Authority of Thailand as part of the interest rate subsidy program as well as the THB 50.9 million in insurance claims for the fire incident at the expansion part of SR2 and the THB 72.9 million from the sale of production waste. At the end of FY21 we had THB 1,229.5 million in gains from the net realizable value of inventory (NRV)*.

Share of Profit from Investments in Associates and Joint Ventures

Share of profits from investments in associates and joint ventures in FY21 was THB 241.4 million, up 43.2% YoY on the strength of the outstanding performance of both NR and high-pressure hydraulic hose joint ventures.

Net Profit

Net profit in FY21 was THB 15,846.7 million, an improvement over THB 9,531.2 million in net profit in FY20. Net profit margin was 13.4%. The growth in net profit was driven by 2 core businesses, with the glove business growing alongside global demand and the NR business experiencing a strong rebound with higher market share in both domestic and overseas markets. Finance costs in FY21 rose 19.9% YoY to THB 828.7 million as a result of the borrowings for working capital for the purchase of raw materials that increased in tandem with sales volume. Our effective interest rate, meanwhile, was lower, in contrast to the overall market trend.

In short, our glove business continued to grow alongside the growing global demand and our NR business experienced a pick up in both the ASP and sales volume. We are confident that our NR business will be able to gain more market share and achieve higher growth than the overall industry. The scarcity of NR supply in Indonesia, which caused prices NR raw materials in that country to be higher than SICOM prices, resulting in NR prices in Indonesia being the highest in the world for 3 consecutive years, has led non-China tire manufacturers, which originally preferred NR from Indonesia, to consume more NR from other countries including Thailand. As a result, we have decided to expand our production capacity to serve the growing market demand as well as to increase our market share at 14 processing facilities in Pitsanulok, Leoy, Chaingrai in the north, in Bungkarn,

Note: *Inventory balance of the Company at net realizable value (NRV), for only RSS, LTX and TSR (net of fair value hedge transactions), is at lower of cost or net realizable value. Under the Thai Financial Reporting Standards, such surplus from inventories is not allowed to be recognized in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

Sakon Nakorn, Kalasin, Buriram, Srakaew, Mukdaharn in the northeast and in Trang, Surat Thani, Narathiwat in the south. The expansion projects will require THB 6,600 million in capital expenditure, which will be funded by retained profits and bonds, to which we have access at a rate lower than the interest in the market, and is expected to be completed in 2022-2023.

Business Segmentation Analysis

Revenue breakdown by product segment

(Baht million)

	FY2021	FY2020	% YoY
Technically Specified Rubber (TSR)*	61,442.8	37,657.8	63.2%
%	51.9%	49.9%	
Gloves	47,497.2	30,750.4	54.5%
%	40.2%	40.7%	
Ribbed Smoked Sheet (RSS)	6,027.4	4,336.0	39.0%
%	5.1 %	5.7%	
Concentrated Latex (LTX)**	3,230.8	2,684.2	20.4%
%	2.7%	3.6%	
Others***	77.0	50.3	53.3%
%	0.1 %	0.1%	
Total	118,275.4	75,478.7	56.7%

Note: *Revenue from TSR is net from hedge accounting

**Revenue from LTX between the Sitrang Group increased but this amount was deducted from the consolidated financial statement.

***Comprised revenue from (i) the sale of rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other third parties.

Technically Specified Rubber (TSR)

Revenue from TSR, which accounted for 51.9% of total revenue, grew 63.2% YoY. The growth in TSR revenue came on the strength of the ASP that rose 26.4% YoY and was higher than the average price of TSR20 on SICOM in FY21 at 167.8 cent/kg. Sales volume also increased 29.1% YoY, higher than the growth in global NR consumption as we successfully increased our market share, benefiting from a less competitive industry landscape where many competitors have encountered liquidity problems and lacked financial means to purchase raw materials. Gross profit margin for TSR continued to improve and reached a record high.

Gloves

Revenue from gloves, which accounted for 40.2% of total revenue, grew 54.5% YoY. The growth in revenue came on the back of the ASP that rose 58.6% from growing global demand. Sales volume, however, declined 2.6% because of the temporary suspension of production at the Surat Thani and Trang plants following an outbreak of COVID-19, as well as the global container shortage and shipping congestion. Raw material prices went up slightly from FY20, as NR latex prices rose in tandem with NR prices on the global market while NRB latex prices decreased as a result of increased production capacity. But the increase in raw material prices was offset by the increase in ASP. As a result, gross profit margin improved from FY20.



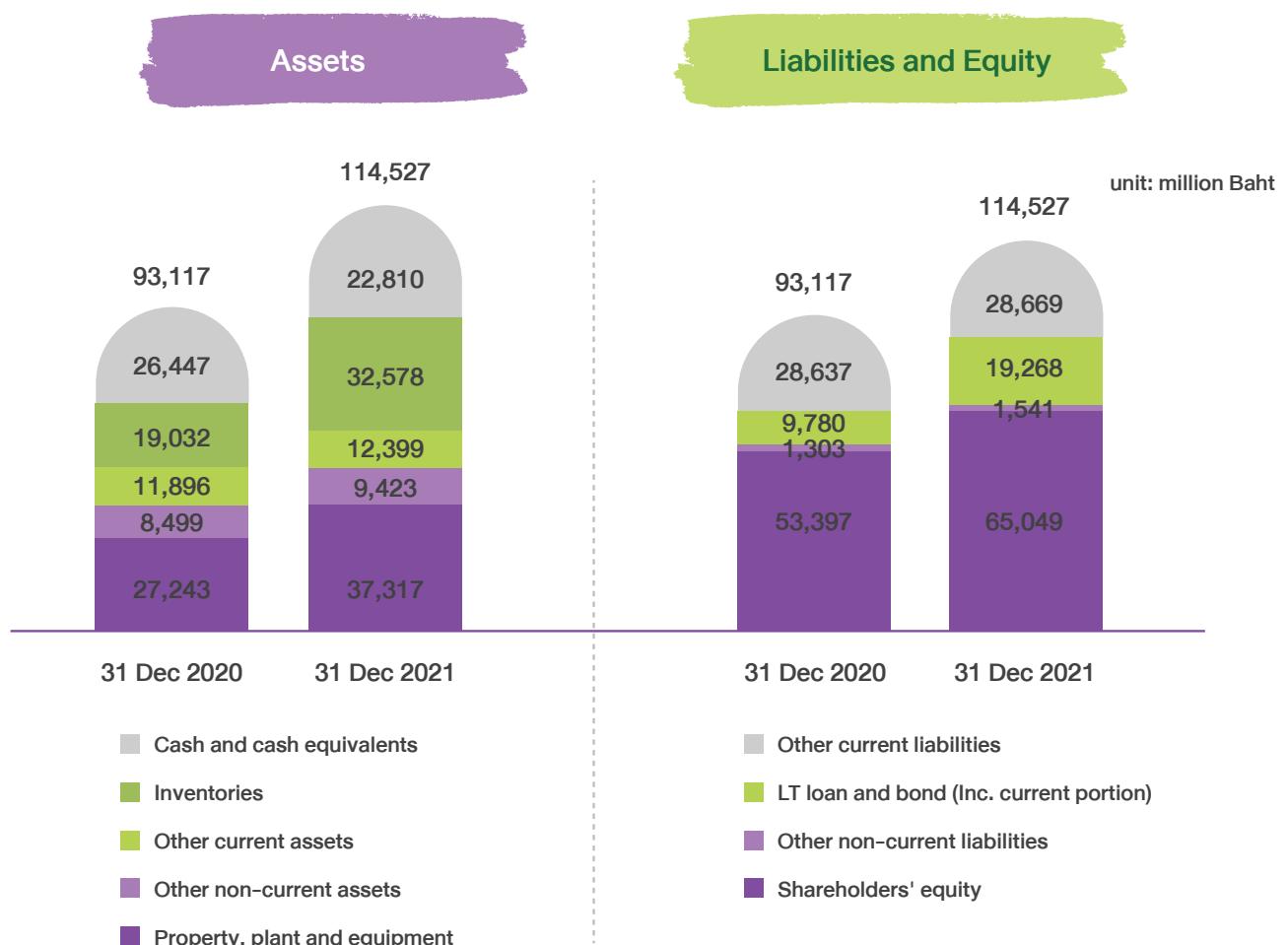
Ribbed Smoked Sheet (RSS)

Revenue from RSS, which accounted for 5.1% of total revenue, grew 39.0% YoY. The growth in RSS revenue came because of the ASP that rose 31.7% YoY and was higher than the average price of RSS3 on SICOM in FY21 at 208.1 cent/kg. Sales volume also increased 5.5% YoY as demand continued to grow. As a result, gross profit margin for RSS increased significantly from FY20.

Concentrated Latex (LTX)

Revenue from LTX, which accounted for 2.7% of total revenue, grew 20.4% YoY. The growth in LTX revenue came on the back of the ASP that rose 14.8% YoY, alongside the ASP of TSR and RSS, as well as from sales volume that increased 4.8% YoY. Despite higher sales volume to STGT, we successfully sourced enough raw materials and were able to allocate sales to customers from outside the Group (Sales to STGT are deemed connected transactions and are not stated in the consolidated financial statements.). Gross profit margin for LTX also improved significantly.

Financial Position



Assets

As of 31 December 2021, the Company and its subsidiaries had THB 114,527.1 million of total assets, an increase of THB 21,409.9 million from the previous year.

Current Assets

Current assets as of 31 December 2021 amounted to THB 67,786.6 million, representing 59.2% of total assets and up by THB 10,411.6 million or 18.1% from the previous year. The increase in current assets primarily resulted from an increase in inventory following a rise in sales order.

Non-Current Assets

Non-current assets as of 31 December 2021 amounted to THB 46,740.5 million, representing 40.8% of total assets and increasing by THB 10,998.3 million or 30.8% from the previous year. The increase in non-current assets primarily resulted from property, plants, and equipment following the capacity expansion of natural rubber and glove businesses.

Liabilities

As of 31 December 2021, the Company and its subsidiaries had THB 49,472.5 million of total assets, an increase of THB 9,758.2 million from the previous year.

Current Liabilities

Current liabilities as of 31 December 2021 amounted to THB 30,810.1 million, representing 62.3% of total liabilities and decreasing by THB 1,610.2 million or 5.0% from the previous year. The decrease in current liabilities primarily resulted from a decrease in short-term borrowings from financial institution and a redemption of debenture in May 2021.

Non-Current Liabilities

Non-current liabilities as of 31 December 2021 amounted to THB 18,668.4 million, representing 37.7% of total liabilities and increased by THB 11,368.4 million or 155.7% from the previous year. This was mainly due to an increase in debenture amount and long-term borrowings from financial institutions (minus

current portions), which almost all of long-term borrowings were loans under the interest subsidy scheme supported by the Rubber Authority of Thailand (RAOT) with not more than 3.0% per year and these loan amounts were used to support the capacity expansion of STGT.

Shareholders' Equity

Shareholders' equity as of 31 December 2021 amounted THB 65,048.6 million, increasing by THB 11,651.7 million or 21.8% from the previous year. The increase in shareholders' equity primarily resulted from an increase in unappropriated retained earnings in the amount of THB 7,945.9 million thanks to the strong earning of the Company from our two main businesses.

Capital Expenditure and Source of Funds

In 2021, our capital expenditure was THB 11,402.0 million, up 339.6% from the previous year, which primarily consisted of THB 9,777.1 million in expenditure for gloves facilities accounted around 85.7% of total capital expenditure. Followed by the maintenance expenditure of our TSR, RSS and LTX facilities THB 1,267.4 million accounted around 11.1% of total capital expenditure and the investment for rubber plantation business and others expenditure in the amount of THB 112.5 million, and THB 245.0 million respectively. Our primary sources of funds were cash, long-term borrowings from financial institutions, debentures and cash from IPO proceeds of STGT.

Research and Development (R&D) Expenditure

In 2021, we had THB 43.4 million, in expenses associated with research and development in relation to all our products, from TSR, LTX, RSS to Gloves. Such expenses went toward improving the production efficiency and product quality to satisfy customer demand and also toward sustainable environmental management. The Company has disclosed details of research and development in the annual registration statement/ annual report (Form 56-1 One Report), Title 2, "Business Operations".



The Ability to Service Debt and Comply with Loan Covenants

Short-term and long-term borrowings from financial institutions, debentures, and financial leases as of 31 December 2021 amounted to THB 41,296.0 million (Please find details about payment term, interest rate, and ending balance in each foreign currency in Note to the Consolidated and Separate Financial Statements under Item 22) with the key covenants that the Company must maintain in every quarter as follows:

Ratio	Condition (Calculated from Consolidated Financial Statements)	1Q21	2Q21	3Q21	4Q21	Results
Long-term borrowings						
Net debt to equity	No more than 3:1	0.03	0.03	0.10	0.28	Pass
Long-term debt to EBITDA	No more than 4.5:1	(0.86)*	(0.44)*	(0.35)*	(0.17)*	Pass
Debenture						
Net dept to equity	No more than 3:1	0.03	0.03	0.10	0.28	Pass

*Note: *The ratio showed minus value as the amount of cash was bigger than the amount of long-term debts. (Net long-term debts = Long-term debts - Cash)*

Credit Policy

STA defined the criteria for setting credit and payment terms for customers including the account receivable turnover not over than 40 days. This shall be the guideline for the operation, examination, and credit risk control to be at the acceptable level of the Company together with preserving and enhancing customer relation leading to a sustainable business operation. In 2021, we had the account receivable turnover at 27.7 days which was lower than the Company's policy.

Financial Ratios

Current ratio

Current ratio is calculated by dividing total current assets by total current liabilities. Our current ratio as of 31 December 2020 and 31 December 2021 was 1.77 times and 2.20 times, respectively. The increase in current ratio primarily resulted from an increase in current assets which was inventory to support an increase in sales order; while, current liabilities decreased due to a redemption of debenture in May 2021.

Fixed asset turnover ratio

Fixed asset turnover ratio is calculated by dividing the sales of goods and services by the average value of property, plants and equipment (net). As of 31 December 2020 and 31 December 2021, our fixed asset turnover ratio was 2.53 and 3.41 times, respectively. The increase in fixed asset turnover ratio was mainly due to our strong revenue growth that implied maximizing benefits of the Company's fixed assets.

Return on assets “ROA”

ROA is calculated by dividing net profit (of the parent company) for the year by the average value of total assets. As of 31 December 2020 and 31 December 2021, our ROA was 12.59% and 15.26% respectively. The increase in ROA mainly resulted from a jump in profitability of from our two main businesses.

Return on equity “ROE”

ROE is calculated by dividing net profit (of the parent company) for the year by the average total equity. As of 31 December 2020 and 31 December 2021, our ROE was 24.16% and 26.76%, respectively. The increase in ROE resulted from a strong growth of the Company's profitability.

Debt to equity ratio “D/E”

D/E is calculated by dividing total debt by total equity. As of 31 December 2020 and 31 December 2021, our D/E was 0.74 and 0.76 times, respectively. The increase in D/E mainly resulted from additional issuance of debenture in 2021.

Financial Ratios

Financial Ratio		FY2021	FY2020	FY2019
Liquidity Ratios				
Current ratio	Times	2.20	1.77	1.00
Quick ratio	Times	1.14	1.18	0.40
Cash flow liquidity ratio	Times	0.46	0.40	0.07
Account receivable turnover ¹	Times	14.01	10.60	12.20
Average collection period	Days	27.71	33.96	29.51
Inventory turnover ²	Times	3.13	3.30	4.27
Inventory period	Days	115.01	109.03	84.25
Account payable turnover ³	Times	54.60	14.99	21.31
Average payment period	Days	6.59	24.02	7.75
Cash Cycle	Days	134.13	118.97	106.00
Profitability Ratios				
Gross profit margin	(%)	32.18	28.86	8.10
Operating profit margin	(%)	24.68	23.23	1.10
Operating cashflow to operating profit ratio	(%)	50.00	62.48	240.37
Net profit margin	(%)	13.40	12.63	(0.25)
Return on equity (ROE) ⁴	(%)	26.76	24.16	(0.57)



Financial Ratio		FY2021	FY2020	FY2019
Efficiency Ratios				
Return on assets (ROA) ⁵	(%)	15.26	12.59	(0.25)
Return on fixed assets ⁶	(%)	62.52	41.04	7.74
Fixed assets turnover ratio ⁷	Times	3.41	2.53	2.06
Total assets turnover ratio ⁸	Times	1.14	1.00	1.04
Financial Leverage Ratios				
Net debt to equity ratio ⁹	Times	0.28	0.10	0.90
Debt to equity ratio	Times	0.76	0.74	1.29
Interest bearing debt to EBITDA ratio	Times	1.27	1.56	0.95
Debt Service Coverage Ratio: DSCR	Times	1.31	0.79	1.08
Interest Coverage Ratio	Times	39.28	29.75	61.47
Interest bearing debt with maturity less than 1 year to total interest bearing debt	(%)	57.94	81.24	67.70
Interest bearing debt to total liabilities	Times	0.63	0.60	0.92
Loans from financial institutions to interest bearing debt	(%)	75.55	95.04	92.00
Loans from bill of exchange to total interest bearing debt	Times	N/A	N/A	N/A
Dividend payout ratio	(%)	37.76 ¹⁰	13.56	N/A

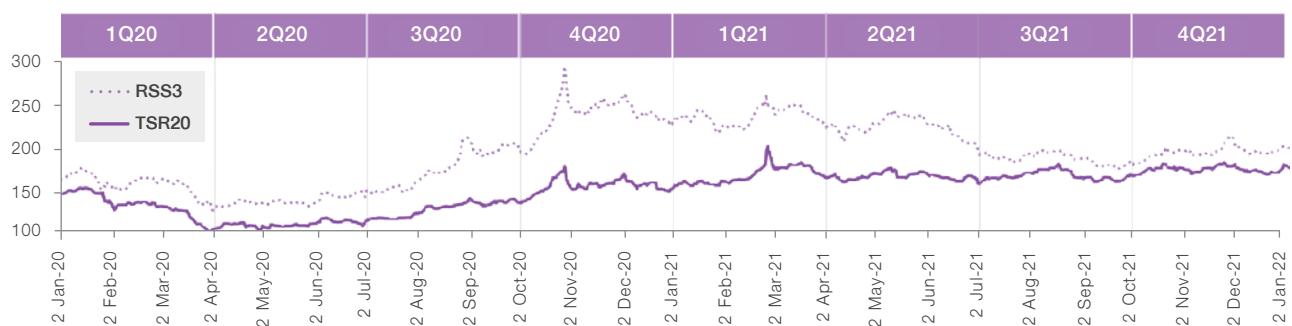
Notes:

1. Computed by dividing sales of goods and services by average trade accounts receivable
2. Computed by dividing cost of sales and services by average inventories
3. Computed by dividing cost of sales and services by trade accounts payable
4. Computed by dividing net profit for the year (attributable to owners of the parent) by average shareholders' equity
5. Computed by dividing net profit for the year (attributable to owners of the parent) by average total assets
6. Computed by dividing summation of net profit for the year (attributable to owners of the parent) and depreciation by average fixed assets
7. Computed by dividing sales of goods and services by average fixed assets
8. Computed by dividing total revenues by average total assets
9. Interest bearing debts excluding financial lease liabilities and lease liabilities
10. Referred to the interim dividend paid based on 9-month financial statement

Key Factors Affecting the Company's Operations

1. Volatility of Natural Rubber Price

(unit : US cent/kg.)



Daily Price Movement of TSR20 and RSS3 at SICOM

As the global economy started to emerge from the pandemic-induced downturn and economic activities picked up, one change brought about by COVID-19 as part of the so-called “new normal” is a decline in the use of public transport and an increase in the use of personal vehicles. This is reflected in an increase in the average distance traveled by personal cars in the US, a result of the switch to personal cars from airlines in interstate travel and the switch to land freight because of the global shipping congestion. This development has led to an increase in NR demand in the replacement market for tires for bicycles, motorcycles, cars as well as trucks. This brought

about a resume of natural rubber consumption in 2021. According to the latest report by the IRSG*, global NR demand in 2021 was 13.9 million tons, up by 9.4% from 2020. The average SICOM price of TSR20 in 2021 was 167.8 cent/kg, increased 27.6% from 2020.

*Source: * International Rubber Study Group (IRSG), The World Rubber Industry Outlook, Review and Prospects to 2030, December 2021*

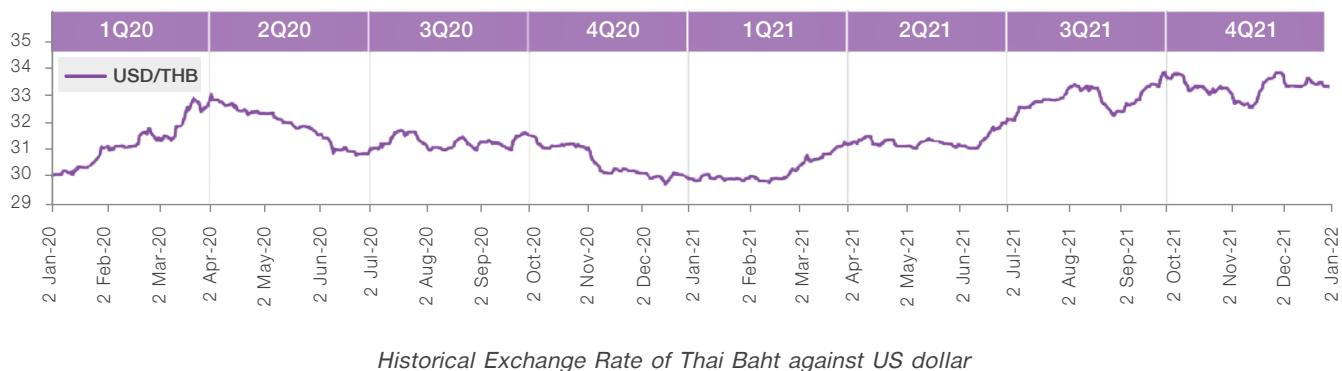


Price Movement of TSR20 and RSS3 at Singapore Commodity Exchange Limited (SICOM) during 2020-2021

(Unit: US cent/kg.)	RSS3			TSR20		
	FY2021	FY2020	% Change	FY2021	FY2020	% Change
Q1 Average	233.4	157.7	+48.0%	167.0	133.5	+25.1%
Q2 Average	221.8	137.3	+61.5%	165.3	110.8	+49.2%
Q3 Average	185.5	174.2	+6.5%	166.0	128.1	+29.6%
Q4 Average	192.8	234.5	-17.8%	172.9	154.5	+11.9%
Yearly Average	208.1	175.6	+18.5%	167.8	131.5	+27.6%
Closing price as at 31 December	199.1	222.4	-10.5%	178.3	150.3	+18.6%

2. Foreign Exchange Rate

Baht: USD

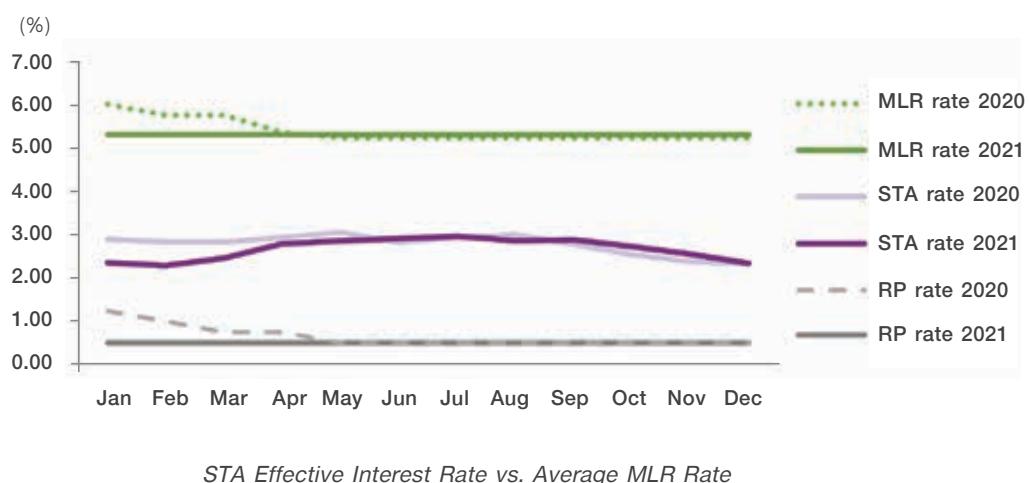


The fluctuations of Thai Baht and US Dollar directly affect our revenue since approximately 84% of our total revenue are denominated in US Dollars, while our financial reporting currency is Thai Baht. We, therefore, utilize financial derivatives to manage our currency risk.

In 2021, the Thai Baht depreciated by 2.2% to the average of THB 32.0 to USD 1, compared with the average of THB 31.3 to USD 1 in 2020, with high volatility throughout the year. However, we recorded THB 474.4 million in currency exchange profits in the normal course of business and THB 1,835.5 million in losses from currency hedging transactions. In total, we recorded THB 1,440.1 million in net currency exchange losses in 2021, a decrease from THB 160.9 million in 2020.

3. Finance Costs

The key factors affecting our finance costs are NR prices, NR sales volume, and long-term loans for capacity expansion. In 2021, our financial costs increased 19.9% from Baht 690.9 million in 2020 to Baht 828.7 million in 2021, on account of many factors such as an increase in short-term borrowings from financial institutions and an increase in debenture amounts used in the purchase of raw material as well as capacity expansion in natural rubber business; while, the average interest rate was lower than the previous year thanks to our ability in source of funds management among the rise of interest rate as a whole. The graph below illustrates that our average interest rate during 2020-2021 was lower than the average Minimum Loan Rate (MLR) of three large commercial banks, Bangkok Bank, Kasikorn Bank, and Siam Commercial Bank.



Although the interest rate paid by the company will be slightly increased according to risk factors from economic conditions and the natural rubber industry, this graph has shown that the Company can manage the interest rates to be substantially lower than market interest rates.

4. Government Policy

Policies issued by the governments of Thailand and other major natural rubber-exporting countries may benefit or negatively affect our operations. For instance, supply-side intervention by the Governments of the major natural rubber producing countries by reducing the natural rubber exports, started in 2012, 2016, 2018, and the last time in 2019. In 2019, the Tripartite Rubber Council (ITRC) resolved that member countries such as Thailand, Indonesia, and Malaysia accounted for the proportion of natural rubber production 59% of the world's natural rubber production in 2021. However, the implementation of this policy may be a factor that causes the movement of NR prices in the country to be inconsistent with the world NR prices or may cause speculation in the futures market.

Nevertheless, Thai government has executed various programs to deal with the low natural rubber price and to help rubber farmers with no impact on market mechanism such as the price guarantee offered to rubber farmers, which lasts from October 2021 to March 2022, and whereby the government will compensate rubber farmers the



differential between the guaranteed prices and prices on the market. The guaranteed prices are 60 Bath/kg. for good quality unsmoked sheets, 57 Baht/kg. for fresh latex and 23 Baht/kg. for cup lump. Other measures aimed at promoting NR consumption include the interest rate subsidy of no more than 3% offered to businesses that consume natural rubber and the encouragement for rubber plantations to be certified by the Forest Stewardship Council (FSC) to increase the value natural rubber products from Thailand and broaden export base.

Our gloves operations are also affected by policies such as the ban issued by the US Food and Drug Administration (FDA) on the use of powdered medical gloves, which could lead to shifting in demand for latex gloves to powder-free latex gloves or nitrile gloves.

Business Outlook

Rubber Industry

	FY2021	FY2022F	FY2023F
% Global growth (GDP)	5.9%	4.9%	3.6%
Global total vehicles in use (mil. Unit)	1,546	1,581	1,615
% change	2.3%	2.2%	2.2%
Global vehicles production (mil. Unit)	85	94	99
% change	9.4%	10.6%	5.1%
Global tire production (mil. Unit)	1,873	1,970	2,047
% change	10.2%	5.2%	3.9%
Global NR consumption ('000 tons)	13,878	14,290	14,776
% change	9.4%	3.0%	3.4%

Source: International Rubber Study Group (IRSG), *The World Rubber Industry Outlook, Review and Prospects to 2030*, December 2021

Since the global economy and the economic activities in many countries are starting to recover and affect the consumption of natural rubber around the world. As for natural rubber consumption, the key factors affecting natural rubber demand are worldwide vehicle production and tire production because tire manufacturers account for around 70% of global natural rubber demand. According to the IRSG report, in 2022, consumption from tire manufacturers will recover by 9.3% from the previous year that was the epidemic of Covid-19 in the first half of the year and the Government's lockdown measures in many countries. While the demand for synthetic rubber which needs to be used together with natural rubber for tire production, dropped by 7.6% from the previous year.

Natural Rubber Demand and Supply

World Natural Rubber production and consumption during 2021 - 2023

Unit : 000'tons	FY2021	FY2022F	FY2023F
NR Production	13,789	14,268	15,203
% change	5.7%	3.5%	2.7%
NR Consumption	13,878	14,290	14,776
% change	9.4%	3.0%	3.4%
NR Balance	(90)	(21)	26

Source: International Rubber Study Group (IRSG), The World Rubber Industry Outlook, Review and Prospects to 2030, December 2021

According to the World Rubber Industry Outlook, Review and Prospects to 2030, published by the International Rubber Study Group (IRSG) in December 2020, global NR demand in 2021 was 13.9 million tons, an increase 9.4% from the previous year. In 2021, The global natural rubber consumption was mainly from the top five consumption which was China, the world's largest consumer, followed by Europe, India, the USA, and Thailand. While India, Europe, and Thailand were forecasted to have a higher consumption growth rate than the global's demand growth thanks to the aggressive recovery.

IRSG also forecasted that the global NR supply in 2022 was 14.3 million tons, increased by 3.5% from 2020 mainly due to an increase in natural rubber production in Thailand and Indonesia due to a gradual recovery of harvesting activities. Meanwhile, a decrease in Indonesia's natural rubber production has been concerned and needed to be monitored closely.

Previously, IRSG estimated that in 2021 there was an oversupply of natural rubber due to the expansion of natural rubber plantations during 2010-2012 as the natural rubber prices were at a high level, so the natural rubber plantation area in Asia-Pacific and Africa had greatly expanded during that time. However, due to the COVID-19 epidemic situation, the harvesting activities have not been as continuous as they should be, the spread of leaf fall disease in rubber trees in Indonesia has resulted in lower than expected natural rubber's output; while, the recovery in consumption from both tire manufacturers and other natural rubber industries has been continued. As a result, IRSG has recently revised its forecast, showing that in 2021 and 2022, natural rubber has been in a supply deficit at 90,000 tons and 21,000 tons, respectively.

Rubber Glove Industry

Gloves are products that help or effectively protect against germs, chemicals, and other contaminants. For instance, they are used in several industries such as the healthcare industry, the food industry, the electronics industry, and the cosmetics industry. The gloves, generally produced and used nowadays, can be broadly categorized into three types which are powdered and powder-free latex gloves, nitrile gloves, and vinyl gloves.



Rubber Glove Demand and Supply

According to the epidemic situation of COVID-19 that sprouted from China and spread throughout the world later, the demand for rubber gloves has changed radically. As a result of the emergence of COVID-19, rubber gloves, one of the personal protective equipment (PPE), has become a necessity for use in daily life and use many industries throughout the world. The Malaysian Rubber Glove Manufacturers Association (MARGMA) estimates that global demand for rubber gloves in 2020, before the COVID-19 pandemic, grew by 10% to 330 billion pieces. However, from the COVID-19 epidemic that has prolonged and spread in many regions around the world as well as have mutated into various species, there is a new estimate that in 2020 the demand for rubber gloves will grow 20% to 50% to 360 - 585 billion pieces per annum. In conclusion, due to the global gloves demand from MARGMA with 370 billion pieces, there is a short supply of gloves approximate 100 billion pieces from the COVID-19 impact. In addition, in 2021, MARGMA estimates that global demand for latex gloves will grow 17% to 420 billion pieces per annum.

The world gloves demand after the COVID-19 outbreak tends to rise steadily following an increase in the world's population, more awareness of public health, an aging society, and the growth of the middle class in developing countries. Therefore, it is estimated that the demand for rubber gloves will continually grow at an average rate of 15% per annum.

Although the demand for gloves expanded in every continent around the world, the production of gloves mainly concentrated in Southeast Asia and the PRC. In 2021, from MARGMA estimation of the market share of rubber gloves by producing country, it has shown that Malaysia had the highest market share at 67%, Thailand at 18%, China at 10%, and Indonesia at 3%, respectively.

Source: *Malaysian Rubber Glove Manufacturers Association "MARGMA" and 2020 Market Report, HIDA Research & Analytics

Our business strategy from upstream to downstream and progress of the expansion plan

Upstream Business – approximately 7,200 hectares of rubber plantations

As of 31 December 2021, we had approximately 7,200 hectares of rubber plantations in 19 provinces of Thailand, with the majority located in the north and northeast. We estimate that in 2021, rubber tapping trees made up around 25% of total rubber trees, up from 11% in the previous year. Furthermore, we receive Forest Management Certification and Chain-of-Custody Certification from the Forest Stewardship Council (FSC), making us the world's first fully-integrated NR producer to be recognized by the FSC throughout the supply chain.

For hemp business, Sri Trang Rubber and Plantation Company Limited ("SRP"), one of the Company's subsidiaries, received a license to grow hemp in mid-October 2021. This license allows us to sell all of the hemp seeds, leaves, and roots obtained from planting to our customers that have signed to the business cooperation agreement.



Midstream Business – maintaining profitability and moving toward “STA 20”

As of 31 December 2021, we had an installed capacity of 2.81 million tons per annum from 34 production facilities (30 in Thailand, 3 in Indonesia, and 1 in Myanmar). In 2021, the Company had a plan to expand the production capacity of Technically Specified Rubber (TSR) at 14 processing facilities in Phitsanulok, Loei, Chiang Rai in the north, in Buengkarn, Sakon Nakorn, Kalasin, Buriram, Sa Kaeo, Mukdahan in the northeast, and in Trang, Surat Thani, Narathiwat in the south, with the capital expenditure of Baht 6,600 million. Moreover, the Company has expected to expand another 289,000 tons of the Concentrated Latex (LTX) production capacity by setting up new factories at Bueng kan and Narathiwat provinces and installing additional machinery in the existing plants in Surat Thani province. For expanding LTX factories, the Company estimated the investment budget of approximately Baht 950 million. In addition, an installed capacity will be 3.66 and 4.16 tons per annum in 2022 and 2023, respectively.

The Company has introduced more automation to our production process to improve efficiency, reduce energy consumption and become more environmentally friendly. We launched the application “SRI TRANG FRIENDS” to facilitate raw material procurement in Thailand and reduce the operation costs.

*Note: *The engineering capacity is derived from the specifications certified by the supplier of the processing machinery. Our engineering capacity includes the engineering capacity of Thaitech Rubber Corporation Limited.*

Downstream Business – reaching an annual installed production capacity of 48 billion pieces by 2022 and 80 billion pieces by 2024

Sri Trang Gloves (Thailand) Public Company Limited (“STGT”), one of Sri Trang Group’s flagship companies, was held by STA with a total direct and indirect shareholding of 56.07%. STGT is a production and distribution business of latex and nitrile examination and industrial gloves to customers in over 170 countries around the world. STGT has offices in Thailand, China, and the USA. With an annual installed production capacity of 40.3 billion pieces as of 31 December 2021, STGT is Thailand’s biggest glove producer and is ranked among the world’s leading producers. In 2021, STGT had a market share of 7% of global glove consumption.

STGT intends to achieve an annual production capacity of medical and industrial gloves of 48 billion pieces by 2022, and 80 billion pieces by 2024, with new capacity, first coming from the new Suratthani plants (SR) – SR2 in 2Q21, followed by SR3 plant and Sadao, Songkhla plant (PS) in 3Q21.



5

GENERAL INFORMATION AND OTHER KEY INFORMATION

5.1 General Information

(1) Share Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Dindaeng,
Bangkok 10400, Thailand
Telephone 0-2009-9000 Fax 0-2009-9991
TSD Call Center 0-2009-9999

Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Toey Nua Subdistrict,
Wattana District Bangkok 10110, Thailand
Telephone 0-2255-2222 Fax 0-2255-9391-3

(2) Singapore Transfer Agent

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue, Keppel Bay Tower #14-07,
Singapore 098632
Telephone 65-6536-5355 Fax 65-6536-1360

Debenture Registrar for STA No. 2/2021

Siam Commercial Public Company Limited

9 Ratchadapisek Road, Chatuchak, Bangkok,
10900 Thailand
Telephone 0-2256-2323 Fax 0-2256-2414

Debenture Registrar for STA No. 3/2021

Siam Commercial Public Company Limited

9 Ratchadapisek Road, Chatuchak, Bangkok,
10900 Thailand
Telephone 0-2256-2323 Fax 0-2256-2414

(3) Auditor

Mr. Supachai Panyawattano,

Certified Public Accountant (Thailand) No. 3930 or

Miss Krongkaew Limkittikun,

Certified Public Accountant (Thailand) No. 5874 or

Mr. Nuttawut Santiphet,

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

193/136-137 Rajadapisek Road Klongtoey,

Bangkok 10110 Thailand

Telephone 0-2264-9090 Fax 0-2264-0789

Kasikorn Bank Public Company Limited

400/22 Phahon Yothin Road, Sam Sen Nai
Subdistrict, Phaya Thai District, Bangkok,
10400 Thailand
Telephone 0-2470-3074

(4) Debenture Registrar for STA No. 1/2021

Siam Commercial Public Company Limited

9 Ratchadapisek Road, Chatuchak, Bangkok,
10900 Thailand

Telephone 0-2256-2323 Fax 0-2256-2414

(5) Debenture Registrar for STA No. 1/2021, No. 2/2021 and No. 3/2021

Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Toey Nua Subdistrict,
Wattana District Bangkok 10110, Thailand
Telephone 0-2255-2222 Fax 0-2255-9391-3

(6) Legal Advisor

Weerawong, Chinnavat & Partners LTD.

540 Mercury Tower, 22nd floor, Ploenchit Rd.,
Lumpini, Pathumwan, Bangkok, 10330, Thailand
Telephone 0-2264-8000 Fax 0-2657-2222



5.2 Other Key Information

None

5.3 Legal Disputes

As of 31 December 2021, STA and its subsidiaries had no pending legal disputes in the amount of more than 5% of shareholders' equity, or that may have an adverse effect on its assets or those of its subsidiaries, or that may materially affect the business operations of the Group.

5.4 Secondary Market

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

5.5 Main Financial Institutions

1. Kasikorn Bank Public Company Limited

400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Phaya Thai District Bangkok 10400
Telephone 0-2222-0000

2. Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak, Bangkok 10500
Telephone 0-2255-2222

3. Bank of Ayudhya

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone 0-2296-2000 and 0-2683-1000

4. Siam Commercial Public Company Limited

9 Rajadapisek Road, Chatu Chak District Bangkok 10900
Telephone 0-2544-1111 and 0-2777-7777







2 *PART*
CORPORATE GOVERNANCE



6

CORPORATE GOVERNANCE POLICY

6.1 Overview of Corporate Governance Policy and Practices

Corporate Governance Policy

The Company has established a good corporate governance policy as one of the business policies aiming to improve business operation's efficiency and sustainable growth to build up the confidence of all shareholders, investors, and stakeholders. The Board of Directors of STA has adhered to the principles of good corporate governance outlined in the Corporate Governance Code 2017 (CG Code) issued by the Securities and Exchange Commission. The Company has also continually reviewed the recommendations from the Thai Institute of Directors Association (IOD) to amend and develop the policy to be always practical for the confidence of the Board of Directors of STA's efficient practices.

The Board of Directors of STA has conducted the business operation appropriately and effectively following its objectives by utilizing expertise, diligence, conscientiousness, and due care to protect the interests of the Company and to comply with the laws, objectives, the Articles of Association of STA as well as the resolutions of the Board and shareholders' meeting. The roles and responsibilities of the Board of Directors of STA are all managed with due care, particularly in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders, as an organization leader that creates sustainable value for the business.

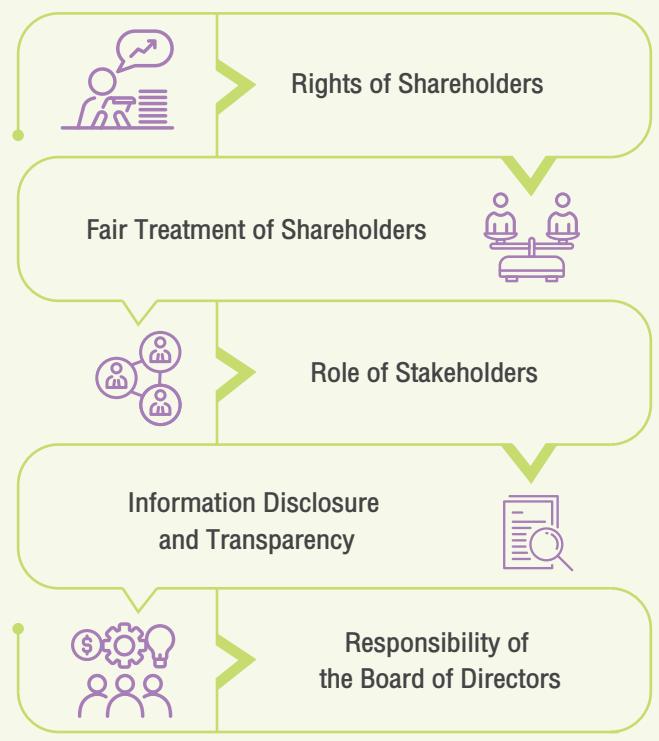
Code of Conduct

STA has defined vision, missions, core values, and ethics as the guidelines and best practices for directors, management, and employees to achieve the goal of

sustainable business operations. In addition, the Company has also promoted and internally communicated these practices for the practice encouragement. (Please find more details on page 17-19.)

Principles of Good Corporate Governance

STA has established and reviewed principles for good corporate governance following the Principle of Good Corporate Governance for Listed Companies as prescribed by the SET. The Principle of Good Corporate Governance is conducted by OECD Principles of Corporate Governance, consists of (1) Rights of Shareholders, (2) Fair Treatment of Shareholders, (3) Role of Stakeholders, (4) Information Disclosure and Transparency (5) Responsibility of the Board of Directors. The details of the five principles of good corporate governance areas that are appropriate for the current business environment and sustainable value creation for business are as follows:





Rights of Shareholders

STA realizes that the main factors for building shareholders' trust and the confidence of STA's investment are the application of policies and operations that protect the fundamental rights of the shareholders as well as the equality of all shareholders as prescribed by the laws and encouraging the shareholders to exercise their fundamental rights, for example;

(1) Right to Receive Profit Sharing in the Form of Dividend:

STA has a policy on dividend payment, based on careful consideration of the financial position, operating results and cash flow of STA, the ability of our subsidiaries, associates, and joint venture entity to make dividend payment, STA's expected working capital requirements to support the future growth of STA, the economic situation, and other external factors that STA expects will have an impact on its operations. To maintain the stability of the business operations, the dividend payment policy is at approximately 30 percent of the net profit.

(2) Right to Attend the Shareholders' Meeting:

STA pays considerable attention to the sufficiency of information so that the shareholders can make a well-informed decision at the shareholders' meeting, casting their votes and expressing their opinions on significant changes and the election of the Board of Directors of STA, based on the accurate, complete, transparent, and equally shared information.

Where the STA's shares are held through CDP (The Central Depository (Pte) Limited), CDP will be the only holder on record of such shares. Accordingly, as a matter of Thai law, CDP will be the only person or entity recognized as a shareholder and legally entitled to vote on any matter to be submitted to the vote of the Company's shareholders at a general meeting of shareholders.

CDP has appointed a Thai custodian to safe keep all the shares held by CDP. Such a Thai custodian will act as CDP's proxy during a general meeting of shareholders and CDP will instruct such a Thai custodian to split its votes following the instructions that CDP receives from investors holding shares through CDP. However, shareholders who desire to attend shareholders' meetings and exercise their voting rights under their names about the shares beneficially owned by them will be required to transfer their shares out of the CDP system and have the share transfer registered in the share register book. In addition, a shareholder who transfers the Company's shares out of the CDP system will not be able to trade such shares on the SGX-ST unless he first transfers such shares back into the CDP system.

STA has the policy to facilitate shareholders and institutional investors who attend shareholders' meetings by allowing them to send shareholders' meeting registration documents in advance to reduce time verifying documents on the meeting date. STA provides stamp duty for shareholders to give their proxy and arranges registration stations for the shareholders and institutional investors. Furthermore, to facilitate and accelerate the registration process and voting process to show results immediately, the Company has used technology in the meeting such as the Barcode system, also applied to expedite the registration, and a computer program, for registration and the vote-counting process. According to transportation barriers during the COVID-19, in 2021, the Company has arranged live audio streaming meetings instead of the traditional way.

To facilitate the shareholders who cannot present at the meeting in person, the Company has provided a proxy form in which the shareholders can set their voting guidelines and can delegate powers to the Company's independent directors nominated by the Company as an alternative for



proxy by providing all 3 forms of proxy forms as required by law on the Company's website for the shareholders' appropriate consideration owing to preparing stamp duties.

(3) Right to Vote on Agenda Items in the Shareholders' Meeting:

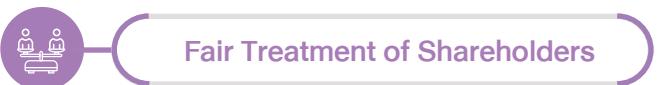
The completed invitation to the shareholders' meeting and attachments prepared in Thai and English will be arranged to shareholders in advance. The invitation to shareholders' meeting includes details on agenda items, attachments to agenda items, opinions of the Board of Directors of STA, proxy forms as prescribed by the Ministry of Commerce, a name list of all independent directors to whom the shareholders can give their proxy, and a map of the meeting venue. The invitation to the shareholders' meeting also includes the information regarding the required documents that shareholders have to present to the meeting in order to protect their right to attend the meeting, and also attached the Articles of Association of STA related to the shareholders' meeting and voting instructions. Furthermore, shareholders can obtain information thoroughly and access to all information regarding to the agenda of the shareholders' meeting in advance at least 30 days before the meeting date via www.sritranggroup.com and the website of the SGX-ST via www.sgx.com ("SGXNET"). Moreover, STA has assigned Thailand Securities Depository Co., Ltd. (TSD) and CDP as its securities registrar to dispatch the meeting invitation and other related documents to shareholders at least 21 days before the meeting aimed to give shareholders a time for considering the details of each agenda and conducting the meeting in order of agenda as informed in a notice of meeting. The policy of STA is that no additional agenda item is included in the meeting without prior notice to the shareholders.

For the agenda related to directors' election, STA gives an opportunity to shareholders to vote each director individually. In addition, STA provides examiners for the vote counting on the meeting date and discloses the information in the minutes of the shareholders' meeting.

(4) Equal Right to Express Opinions and Make Inquiries in the Shareholders' Meeting:

With respect to agenda items and proposed agenda items, the Chairman of the shareholders' meeting should allocate sufficient time and encourage the shareholders to express their opinions and make inquiries in the meeting by Ms. Anusra Chittmittrapap, Vice President and Lead Independent Director.

In 2021's Annual General Meeting of Shareholders, the Chairman of each sub-committee comprising Mr. Kriang Yanyongdilok, STA's Lead Independent Director, the Chairman of the Audit Committee, the Remuneration Committee, and the Nominating Committee and, Mr. Veerasith Sinchareonkul, the Chairman of the Risk Management Committee, and also the external auditors and legal advisors will be presented at the annual general meeting to address questions that shareholders' may have. External auditors will also be presented to address queries about the audit of the Company and the auditors' report. STA will note the questions and clarifications in the minutes of the shareholders' meeting for acknowledgment of shareholders who did not attend the meeting.



STA has the policies of fair and equitable treatment to all groups of shareholders including institutional investors, foreign investors, and retail shareholders.

- (1) The shareholders' meeting shall be held in accordance with the agenda mentioned in the invitation to the shareholders' meeting. STA

- sends a complete invitation to shareholders' meeting, including attachments, both in Thai and English language with all sufficient information relevant to the meeting to the shareholders. Moreover, STA posts all information which is relevant to the meeting via its website (www.sritranggroup.com) so that the shareholders will have sufficient time to carefully study this information and can download the proxy form and the Company has nominated the independent directors to be a proxy on behalf of the shareholders who cannot attend the meeting by themselves. In addition, the invitation to the shareholders' meeting shall be advertised no less than three days before the shareholders' meeting in a daily newspaper for at least three consecutive days to allow shareholders to have sufficient time to prepare for attending the shareholders' meeting. Before the commencement of each meeting, the Chairman will give instructions on the voting and the counting methods as clearly prescribed. Furthermore, the Company's Board of Directors had the policy not to add any unnecessary agenda which did not notified shareholders in advance. During the meeting, the Chairman allows the shareholders, equally, to make inquiries and express their opinions as well as to make recommendations. The Chairman also answers questions and provides complete information as requested by the shareholders. After the meeting, STA will send the minutes of the shareholders' meeting to the SET within the prescribed period.
- (2) STA gives an opportunity to shareholders to cast their vote on one share one vote approach and encourages the shareholders to use ballots for voting on each agenda item. The ballots shall be kept in the meeting room for vote counting prior to the announcement of

the resolutions. For transparency, STA announces the detailed results showing the number of votes cast for and against each resolution, no vote and voided ballots and the respective percentages and keeps all ballots having signatures of the shareholders or their proxy of the disagreed agenda for future reference.

- (3) Minutes of the shareholders' meeting must be accurately and completely recorded and submitted to the SET within 14 days after the shareholders' meeting. The resolutions of the shareholders' meeting will be announced on SET and SGX's websites and posted on the website of STA at www.sritranggroup.com and on SGXNET.
- (4) The policy regarding the monitoring of the use of insider information has been established for strict compliance by personnel at all levels, and it has also been publicized by human resources department.
- (5) Directors, executives and related persons as stated in Section 89/1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of STA to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes through online channels. Then, the Company Secretary will get the report from the SEC's system and gather, submit a summary and propose to the Board of Directors' meeting in every quarter.
- (6) STA establishes the silent period policy to abstain from securities trading 30 days before the announcement to the Stock Exchange of Thailand and at least 24 hours after the public disclosure for directors and executives, as the SEC's prescribed, to strictly comply with.



- (7) Directors and executives are required to report their conflict of interests including their related persons at the first time for newly nominated directors and executives and if any changes during his/her position as well as at the end of each year by assigning Company Secretary to keep the report. If there is any conflict of interest found, Company Secretary shall report to the Chairman of the Board and the Chairman of Audit Committee to acknowledge.
- (8) A full and clear disclosure of shareholding structure in the subsidiaries and associates is made to assure shareholders that the operational structure of STA is transparent and accountable.
- (9) STA places importance on the accurate, full, timely, and transparent disclosure of information on various issues to shareholders. As such, significant information is disclosed on a regular basis.
- (10) STA has established a channel of communication for minority shareholders to directly access information on various issues e.g. the activities of the Board of Directors, supervision and monitoring of the operation, and auditing through the email address of the independent directors. Furthermore, minority shareholders may directly seek information from the Company Secretary of STA and the Investor Relations Office as following details:
 - The Audit Committee, E-Mail Address:
auditcommittee@sritranggroup.com
 - The Company Secretary, E-Mail Address:
corporatesecretary@sritranggroup.com
 - The Investor Relations Office,
E-Mail Address: ir@sritranggroup.com
 - Telephone no. 02-207-4590



Role of Stakeholders

STA fully realises that the growth and development of STA has resulted from the full support given by all interested parties. STA places importance on the rights of all stakeholders, both internal stakeholders such as personnel, staff members, and the Executives of STA and the subsidiaries and external stakeholders such as commercial partners ranging from the suppliers of raw materials to various groups of customers of finished products, financial institutions, government agencies that provide close co-operation, and finally, the shareholders of STA. In this regard, STA realises its responsibilities towards the above-mentioned stakeholders. The Board of Directors of STA has reviewed stakeholder engagement policy and established the policies concerning the non-infringement of intellectual property such as copyright, patent, and trademark as well as the whistleblower policy which has specified the channels of notice or complaint, operating procedure, and guidelines for the protection of claimer(s) in the Company's website. The Board of Directors has also established the anti-corruption policy to build a good conscience and right core value in order to prevent any type of corruptions in the organisation.

STA is aware of the principles and standards on human rights. As such, STA has established human rights and non-discrimination policy focusing on the equitable treatment to all stakeholders. Such policy was disseminated to all employees for their adherence.

The followings are details of policies in connection with stakeholders:

Shareholders: STA is committed to be the representative of its shareholders in conducting its business operation in a transparent manner, and having a reliable accounting and finance system that brings the highest satisfaction to shareholders by continuous considering the long-term, sustainable growth of STA and an adequate return.



Employees: STA treats its employees equally and fairly by providing a good and safe working environment and adequate remuneration. Moreover, STA supports its employees in terms of providing the opportunity to develop knowledge, skills, and experiences for career improvement. STA has established a Health and Working Environment Committee. A training program is specially designed for relevant personnel responsible for overseeing, providing advice, and giving accurate information on safety, occupational health, and the working environment, and the prevention of accidents resulting from work as well as providing other interesting health information to the employees. Considering the employee's welfare with respect to the safe and maximum working efficiency, STA promotes and provides training to employees to worthily utilize natural resources and introduces various activities that promote the quality of life of employees, such as establishing annual health checkups, a library and creating entertainment programs as well as various activities which are designed to promote employees' good physical and mental health. Moreover, a handbook for employees has been published and is publicized through STA Intranet.

The Company has established the employee provident fund of which permanent employees are entitled to apply for with options to pay the contribution at the flexible rate, the minimum of 3% to the maximum of 15% of total salary, which is not entitle to years of service. The contribution rate paid by the Company depends on years of services of each employee. The employee will receive such provident fund benefit on the termination of their employment or upon their resignation from provident fund according to their entitlement except for cases where the terminations are not eligible to the compensations.

The Board of Directors of STA has established the anti-corruption policy and communicated with employees to provide better knowledge and understanding for the prevention of corruption. This is

to build a good business conscious, right core value, and good corporate culture.

The Board of Directors of STA has established the Whistleblower Policy and set channel for appellant from all groups of stakeholders regarding falsify or inappropriate actions which may cause the damage to the Company including protective measures for claimer who is in good faith.

Customers: STA is committed to creating customer satisfaction by producing quality products and delivering the products on a timely basis and maintaining a good sustainable relationship. A guideline for customer relations practice is included in the Code of Business Conduct under Conduct of Relations to the Customers

Business Partners: STA has the procurement policy to screen business partners and purchases goods and services from such business partners pursuant to commercial conditions. The Company always complies with the agreements entered with its business partners and strictly follows the laws and regulations. In addition, the Company establishes good business ethics aiming to encourage our business partners to run their business along with our ethics and practices, and this will be the opportunity both for the Company and business partners to contribute to social and environmental development to create sustainable growth together.

Competitors: STA promotes and supports the policy of fair and free competition. STA will not take any actions that infringe or violate any laws related to commercial competition or that could cause harm reputation of its competitors.

Creditors: STA complies with the conditions of loan agreements and provides accurate, transparent, and accountability information to creditors. Moreover, STA strictly adheres to the compliance with the prescribed conditions of the contract from creditors.



Government Agencies and Related Organizations:

STA strictly complies with various laws and regulations e.g. laws pertaining to the environment, safety, labour, tax management and accounting, as well as the government notifications relating to the business operations of STA.

Society and Environment: STA is aware of and concerned about the safety, environment, and the quality of life of the people, and the importance of natural resources conservation, the promotion of energy sufficiency, the alternative use of natural resources to minimize the impact on society, the environment and people's quality of life to the greatest possible extent. As such, STA supports activities in the neighborhood community of the factories by providing the most efficient management of safety and environment.

The Board of Directors has supervised and monitored the management system to ensure full compliance with laws and regulations of regulatory agencies and the fair and strict equitable treatment of all stakeholders. Additionally, the Company has prepared Sustainability Report to communicate the Company's operation in materiality matters to all stakeholders.

STA has established a channel of communication for shareholders or any stakeholders to directly report to the directors. The Audit Committee assigned to receive these complaint reports will investigate and report to the Board of Directors. Furthermore, shareholders or any stakeholders may directly seek information from the Company Secretary of STA and the Investor Relations Office through the aforementioned channels:



Policy and Practices involved with Shareholders and Stakeholders:

The Board of Directors has focused on protecting the rights of all stakeholders both in the internal and external company as well as social and environmental responsibility. Therefore, the Company has established a Good Corporate Governance, Ethics, and Code of Business Conduct for the directors, executives, and employees to adhere to in their operations. For further detail about STA's corporate governance, the Company has disclosed the policy involved with the stakeholders in the Good Corporate Governance manual which is available on the Company's website (www.sriranggroup.com). Additionally, the Company's disclosure of the operations of stakeholders through STA's 56-1 One Report for guiding the practices for each group of stakeholders in section 3 "Business Operational Sustainability."



Information Disclosure and Transparency

- (1) The Board of Directors of STA is responsible for the accurate, complete, clear, timely, and transparent disclosure of both significant financial and non-financial information of STA both Thai and English in balance and easy to understand form through STA's 56-1 One Report, and management discussion and analysis quarterly basis via easy-to-access channels, which reflects fairness and reliability at the same time of maintaining the commercial interest of STA so that the stakeholders are all equally able to receive information in compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand, and the requirements of various regulators.
- (2) STA has set up a public relations department to communicate with investors and related third parties. The Investor Relations Office is the center for communication between shareholders, stakeholders, investors, analysts, and other related parties.



- (3) To report the corporate governance policy through STA's 56-1 One Report and the Company's website.
- (4) To disclose vision, mission, and goal of the Company. Such disclosed information will be reviewed by the Board of Directors of the Company on yearly basis.
- (5) To clearly disclose the shareholding structure of the Company including shareholding of the directors and the Executives of the Company both direct and indirect by presenting the beginning and ending shares as well as movement transaction during the year.
- (6) To establish the policy that the directors must report all trading in securities and quarterly present to the Board of Directors.
- (7) To establish the policy for the directors and the Executives to report their interest on the first appointment to the position and at the end of every year or every time when there is a change.
- (8) To present report of the Board of Director's responsibility for the financial reports together with auditor's report in 56-1 One Report.
- (9) To disclose minutes of the annual general meeting on website of the Company.
- (10) To disclose profile of the directors and their attendance on the Board of Directors and Sub-Committee meeting of the preceding year.
- (11) To disclose the date of first appointment to the Board of each director.
- (12) To disclose details of training and development program that the directors joined during the preceding year.
- (13) To disclose the audit fees and non-audit fees in 56-1 One Report.
- (14) To disclose Memorandum of Association and Article of Association in the website of the Company.
- (15) The Board of Directors of STA has a duty to provide management discussion and analysis and report risk factors, types of risk, the cause and impact of risk upon the business operation of STA, competitions, market share, business structure, and dividend policy through STA's 56-1 One Report.
- (16) STA provides various communication channels such as website, 56-1 One Report, sustainability report, analyst meeting so that shareholders or investors can easily access company information thoroughly and equally.
- (17) STA discloses significant information in Thai and English through website and STA's 56-1 One Report that are updated regularly. The Investor Relations Office at Bangkok Branch can be contacted at: Tel: +66-2207-4500, Email Address: ir@sritranggroup.com, or at www.sritranggroup.com

Investor Relations Department has published the key information and held several activities to provide and deliver the information to shareholders and investors domestically and internationally through various channels. STA organized analyst meetings on a quarterly basis, and joins local & international roadshow/ conferences hosted by the Stock Exchange, financial institutions, domestic and foreign mutual funds, including contacting Investor Relations directly throughout the year via virtual conference systems such as Microsoft Teams, Zoom, and Webex etc. In addition, Investor Relations Department has organized the meeting to provide all the data to credit rating agency and bondholders, aiming to encourage analysts and investors to acknowledge and understand Sri Trang Group's direction and business opportunity. In 2021, STA held meetings with investors, fund managers, media/ reporters globally with a total of 48 times, which important events/ meetings are as follows:



Activities	Organizer	Date
Quarterly Analyst Meetings	STA	17 February 2021 13 May 2021 11 August 2021 9 November 2021
Investor Presentation for Bond Issuance, March 2021	Krung Thai Bank (PCL) and The Siam Commercial Bank (PCL)	1 March 2021
STA 101 for New Analysts	STA	20 May 2021
Conference Call (virtual meeting) in Commodities Theme	Maybank Kim Eng Securities (Thailand) Public Company Limited	31 May 2021
Thai SMIDs Corporate Day	Maybank Kim Eng Securities (Thailand) Public Company Limited	25 August 2021
Thailand Focus 2021	The Stock Exchange of Thailand	27 August 2021
Management Meeting	TRIS Rating Co., Ltd.	21 September 2021
Investor Presentation for Bond Issuance, October 2021	Krung Thai Bank (PCL) and The Siam Commercial Bank (PCL)	28 October 2021

VIYAVOOD SINCHAROENKUL
CHAIRMAN & MD, SRI TRANG GROUP

CNBC

INVESTOR PRESENTATION FOR BOND ISSUANCE
28 OCTOBER 2021

STA กำไรโต 6,418%
แจกปันผล 1.75 U.

THE EDGE
BILLION DOLLAR CLUB 2021

SRI TRANG AGRO-INDUSTRY
(STA TB)

SET THAILAND
FOCUS 2021



Responsibility of the Board of Directors

The Board of Directors of STA has the duty to understand and realize the responsibility under the principles of a good corporate governance leader company which consists of (1) Goals Determination, (2) Strategies and Policies Determination and Resource Allocation for Objective and Goals Achievement, (3) Monitor, Evaluating and Performance Reporting. The Board of Directors of STA oversees the business operation and the mission of STA to be following the approval given by shareholders, applicable laws, objectives, the Articles of Association of STA, and resolutions of the Board of Directors meeting and the shareholders meeting. The Board of Directors of STA must ensure that the Executives Directors perform their duties and exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company.

Board of Directors' Independence from the Management

STA separates the roles and responsibilities of the Board of Directors and the Management for ensuring the balance of power and authority. The Board of Directors is responsible for establishing policies and overseeing their consistency with the Company's primary business objectives and goals. The Management, on the other hand, is charged with administering day-to-day operations according to established policies with ethical business conduct, transparency, efficiency, and effectiveness, and reporting to the Board of Directors periodically as deemed appropriate.

In addition, to comply with the principles of good corporate governance, the Board of Directors has established a policy to determine the number of listed companies in which the Company's directors and the president will serve as a director to effectively perform their duties in the position of Directors. The Company's directors and managing director are required to hold positions no more than 5 listed companies. In 2021, there is no director will hold positions in more than 5 other listed companies as specified by the policy.

According to the Company's regulations, the Board of Directors is required to set up the meetings at least every 3 month. The Company has prepared a meeting scheduled throughout the year in advance, notified all directors within December of each year and may have additional meetings as needed. It is necessary to allow the Board of Directors to monitor the performance and give opinions on operations, vision, mission, strategies, key policies, risks, and others that affect the creation of sustainable value for the business. The invitation letter for the meeting was sent to the directors for consideration at least 7 days before the meeting date except in case of an urgent need to maintain the rights or benefits of the Company in which every meeting there will be a clear agenda set. Document for the meeting is prepared completely and sufficiently to deliver to the committee in advance for the Board of Directors to have sufficient time to study the information before attending the meeting. The Company stipulates that there is a minimum quorum, while the Board of Directors to vote at the meeting must be at least two-thirds of the total number of directors. In the meeting of the Board of Directors, all directors can discuss and express their opinions openly. Senior executives may be invited to attend the meeting, as a directly related person, to provide more detailed information.

STA is committed to providing the Board of Directors with adequate, complete, continuous information in a timely manner prior to a Board of Directors meeting. The management provides information requested by the Board promptly and keeps the Board informed of all material events and transactions as they occur. The Board has separate and independent access to senior management and the Company Secretary at all times.

The Directors may, in fulfilling their duties, as a group or individually, when necessary, direct the Company to appoint external professionals to render advice. The Company Secretary is responsible for advising the Board of Directors on compliance with legal and regulatory requirements.



6.2 Code of Conduct

In the review of Corporate Governance policy, the Board of Directors has defined the review on an annual basis. The policy is subject to annual review, revision, and approval by the Board and acts as a guideline for STA's directors, executives, and employees to comply to promote STA's business efficiency, management excellence, ethical business conduct, transparency, and accountability, with the ultimate goal of continuous improvement and elevation of STA's corporate governance system efficiency, instilling confidence among all stakeholder groups.

STA's Code of Conduct is as follows;

- Responsibility to shareholders
- Relationship with customers
- Relationship with suppliers/ competitors
- Responsibility to employees
- Responsibility to social and environment (Please find more details on the Company's website www.sriranggroup.com/th/cg/principles-ethics)

Due to a human rights awareness following the law applicable, the Board of Directors has established various policies such as policy on human rights and non-discrimination, anti-corruption policy and practices, and conflict of interest policy, insider information policy, as well as policies and practices concerning the non-infringement of intellectual property, which are published on the Company's website.

6.3 Significant Changes and Developments in Corporate Governance Policy, Guidelines, and Governance System in 2021

The Board of Directors realizes the importance of STA's good corporate governance and enhances its corporate governance standards to meet the 2017 Corporate Governance Code of the Securities and Exchange Commission. The Board of Directors uses the CG Code as a guideline to develop, improve and determine new policies to comply with our business and current situation and to support our business operations sustainable growth and to be recognized by both national and international.

The Company annually reviews the existing policies and practices to keep them up-to-date. In 2021, the Company has reviewed and improved (1) Good Corporate Governance policy (2) Information Technology policy (3) Anti-Corruption policy and practices (4) Tax policy (5) Human Rights and Non-Discrimination policy (6) Risk Management policy. Moreover, in 2021, the Board of Directors has considered and approved the new policies namely (1) Human Resource Development Policy and Succession Plan to mitigate the risk of lacking of key persons and to help support the development and following up those who are suitable for important positions concretely (2) Research and Development policy to create innovation, new technologies, and the application of innovations and new technologies which is suitable for the Company's business operation; moreover, the development to the stage of patent registration as appropriated, and (3) Personal Data Protection Act (PDPA) policy as well as in the Board of Directors' meeting no. 1/2022 held on 4 February, 2022, appointed Corporate Governance Committee and Sustainable Development Committee to enhance the Company's corporate governance and sustainability to be more comprehensive. Additionally, the Company's disclosure of other important policies on STA's 56-1 One Report in section "Enclosure 5".

STA Received CAC Re-certification From The CAC



The Company has an anti-corruption policy and written guidelines which have been approved by the Board of Directors, which is reviewed on an annual basis, and the latest review was done at the Board of Directors Meeting No. 6/2021 on September 20, 2021. However, the Company joined the Thai Private Sector Collective Action Against Corruption: CAC) since August 21, 2018 and the renewal of CAC's membership was certified in March, 2021.

The Company is committed to continually complying with the principles of good corporate governance. However, there are some topics that the Company may not be fully implemented in 2021 including;

- Having more than 12 directors: As the Company's business has grown and expanded significantly over the past 2-3 years, which has been represented by more than 57% growth of revenue from sales and services comparing to 2020. Furthermore, the increase in the Company subsidiaries and the number of factories also has generated more duties and responsibilities of each director. Therefore, The Board of Directors deemed it appropriate for the 2021 Annual General Meeting of Shareholders to approve the increase in the number of directors of the Company from 12 persons to 13 persons. According to the Nomination Committee's careful consideration, it was proposed Mr. Thanathip Upatising as a new director/independent director of the Company to the 2021 Annual General Meeting of Shareholders to appoint. The Board of Directors has considered that such person able to express their opinions independently. He is knowledgeable and

experienced in various fields on the world stage, economy, communication, and international relations which can be used to help the Company's management in the future, and he is a person who has full qualifications according to the Public Limited Companies Act B.E. 2535, the Securities and Exchange Act B.E. 2535, other regulations, and other related announcements.

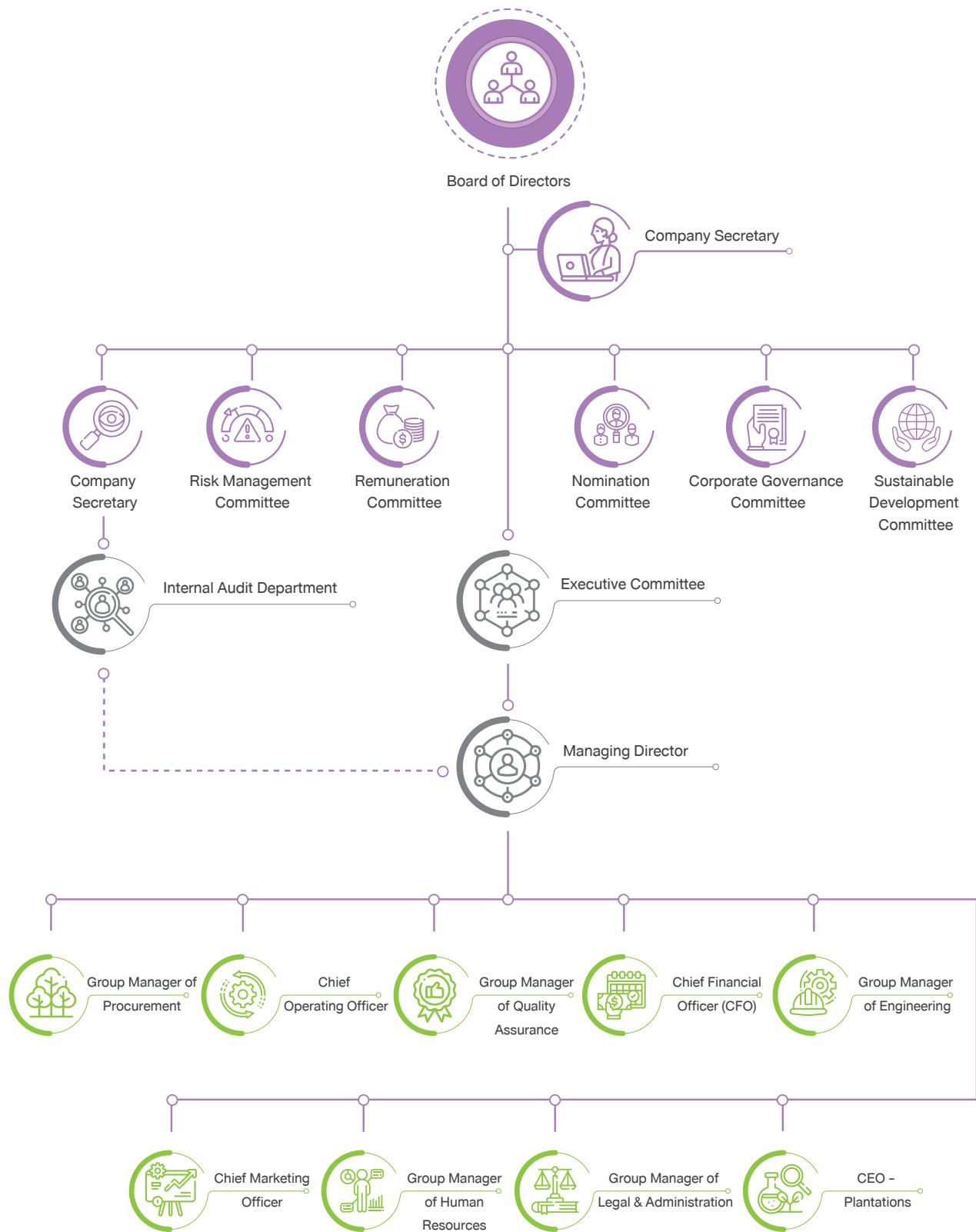
- The Chairman of the Board is not an independent director: Due to the complicatedness of the Company's business, we need a leader who has outstanding experiences and understands business thoroughly to provide the strategic directions to Sri Trang Group. However, the Board of Directors appointed Ms. Anusra Chittmitrapap, Vice-Chairman and Lead Independent Director, to conduct the meeting aiming to increase the mechanism of balance of power and take into account the interests of all stakeholders.
- The Company has independent directors who hold their positions for more than 9 years from the date of appointment as independent directors. However, independent directors who have terms in office more than 9 years still have an independence in performing their duties as well as their experience also helps them to deliver a good performance and give useful opinions for the implementation of the Company's strategy and business.
- Open an opportunity for shareholders to propose agenda items and director names: The Company is currently in the process of studying, considering and screening the guidelines.



7

CORPORATE GOVERNANCE STRUCTURE, KEY INFORMATION ABOUT SUB-COMMITTEES, EXECUTIVE COMMITTEES, EMPLOYEES AND OTHERS

7.1 Corporate Structure as of 4 February 2022



7.2 The Board of Directors of STA

7.2.1 The Board of Directors of STA structure

As of 4 February 2022, the Board of Directors of STA consists of 13 directors which are 8 Executive Directors and 5 Non-Executive Directors, all of whom are independent. The proportion of Independent Directors is 38% of total directors and the proportion of Non-Executive Directors is 62%, with details as follows:

Name	Position	Executive Director	Non-Executive Director	Independent Director
1. Mr. Viyavood Sincharoenkul*	Chairman / Chairman of Executive Committee	✓		
2. Ms. Anusra Chittmittrapap	Vice Chairman / Independent Director / Chairman of Corporate Governance Committee / Member of the Audit Committee / Member of Remuneration Committee		✓	✓
3. Mr. Veerasith Sinchareonkul*	Director / Managing Director / Chairman of the Risk Management Committee / Chairman of Sustainable Development Committee / Member of Corporate Governance Committee	✓		
4. Mr. Chaiyos Sincharoenkul	Director / Executive Director	✓		
5. Mr. Kitichai Sincharoenkul	Director / Executive Director / Group Manager of Member of Legal of Administration / Member of Nomination Committee	✓		
6. Mr. Paul Sumade Lee	Director / Executive Director	✓		
7. Mr. Vitchaphol Sincharoenkul	Director / Executive Director / Member of Sustainable Development Committee	✓		
8. Mr. Patrawut Panitkul	Director / Executive Director / Member of the Risk Management Committee / CFO	✓		
9. Mr. Chalermpop Khanjan	Director / Executive Director / Member of the Risk Management Committee / Member of Sustainable Development Committee	✓		
10. Mr. Kriang Yanyongdilok	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination Committee / Chairman of the Remuneration Committee		✓	✓
11. Mr. Samacha Potavorn	Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Remuneration Committee	✓	✓	
12. Gen Thanasorn Pongarna	Independent Director	✓	✓	
13. Mr. Thanatip Upatising	Independent Director / Member of Corporate Governance Committee	✓	✓	
Total Number of Directors (persons)		8	5	5

* Mr. Viyavood Sincharoenkul resigned from the position of Managing Director and Mr. Veerasith Sinchareonkul was appointed as the Managing Director referred to the resolution of the Board of Directors Meeting No. 6/2021, the effective date is on October 1, 2021.

Mrs. Pacharin Anuwongwattanachai is the Company Secretary.



BOARD OF DIRECTORS



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1 **Mr. Viyavood Sincharoenkul**

Chairman / Chairman of
Executive Committee

2 **Ms. Anusra Chittmittrapap**

Vice Chairman / Independent Director /
Chairman of Corporate Governance
Committee / Member of the Audit
Committee / Member of Remuneration
Committee

3 **Mr. Veerasith Sinchareonkul**

Director / Managing Director /
Chairman of the Risk Management
Committee / Chairman of Sustainable
Development Committee / Member of
Corporate Governance Committee

7 **Mr. Vitchaphol Sincharoenkul**

Director / Executive Director /
Member of Sustainable
Development Committee

8 **Mr. Patrawut Panitkul**

Director / Executive Director /
Member of the Risk Management
Committee / CFO

9 **Mr. Chalermpop Khanjan**

Director / Executive Director /
Member of the Risk Management
Committee / Member of
Sustainable Development
Committee





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4 Mr. Chaiyos Sincharoenkul

Director / Executive Director

5 Mr. Kitichai SincharoenkulDirector / Executive Director /
Group Manager of Member
of Legal of Administration /
Member of Nomination Committee**6 Mr. Paul Sumade Lee**

Director / Executive Director

12 Gen Thanasorn Pongarna

Independent Director

10 Mr. Kriang YanyongdilokIndependent Director /
Chairman of the Audit Committee /
Chairman of the Nomination
Committee / Chairman of the
Remuneration Committee**11 Mr. Samacha Potavorn**Independent Director / Member of
the Audit Committee / Member of
the Nomination Committee /
Member of the Remuneration
Committee**13 Mr. Thanatip Upatising**Independent Director /
Member of Corporate
Governance Committee

Composition and Appointment of the Board of Directors of STA

The following is a summary of the composition, appointment, removal, or retirement from the Board of Directors of STA outlined in the Articles of Association of STA:

1. The number of members of the Board of Directors of STA shall be determined by a shareholders meeting but shall be not less than 5 persons and not less than one-half of the total number of Directors must reside in the Kingdom of Thailand.
2. Of the total number of Board members, at least one-third and no fewer than three persons must be independent directors;
3. At least 1 person of 3 members of audit committees must have independence, knowledge, and experience to review the reliability of financial statements.
4. At every annual general meeting, one-third of the directors, or, if the number of directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The directors who are to retire from office in the first and the second years after registration of the Company shall be drawn by lots. In subsequent years, the Directors who have been holding office for the longest time shall retire.
5. Any director wishing to resign from office shall submit his or her resignation letter to STA. The resignation shall be effective from the date on which STA receives the resignation letter.
6. The shareholders meeting may pass a resolution to remove any director from office before rotation, by a vote of not less than three-fourths of the number of the shareholders attending the meeting and having the right to vote, and whose shares represent a total of not less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.

The composition of the Board takes into consideration the nature and scope of the Group's operations to allow constructive discussion on the board diversity in terms of knowledge, skills, experiences, ages, and genders of

directors bringing about reasonable decision making. In this regard, STA's directors have invaluable experience in accounting, finance, business management, strategic planning, marketing, laws, foreign affairs, and the rubber industry to perform their duties effectively.

Qualifications of Independent Directors

1. Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, or a major shareholder or controlling person of STA, including shares held by related persons of such independent director;
2. Not having any relationship with (a) STA; (b) STA's holding company, subsidiary, or a subsidiary of STA; (c) any person who has an interest who holds not less than 10% of the total voting shares in STA; and/or (d) any officers of STA who can interfere with the exercise of any Director's independent judgment;
3. Neither being nor having an immediate family member who (which includes spouse, child, adopted child, stepchild, and parents) is or was, in the current or immediate past financial year, a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organization to which STA or any of its subsidiaries made, or from which STA or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year;
4. Not being or having been directly associated with a shareholder who holds more than 10% of the shares of STA in the current or immediately preceding financial year;
5. Not being or having been an executive director, employee, staff, advisor who receives a salary, or a controlling person of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person of STA, unless the foregoing status ended not less than three financial years before the appointment as



- an independent director. Such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government unit that was a major shareholder or controlling person of STA;
6. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse's child, of a director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of STA or its subsidiaries;
 7. Not having an immediate family member including spouse, child, adopted child, stepchild, child of spouse, sibling, and parent, who is, or has been in any of the past three financial years, employed by STA or any of its related companies and whose remuneration is or was determined by the remuneration committee;
 8. Not being a director or having an immediate family member including spouse, child, adopted child, stepchild, child of a spouse, sibling, and parent who accepts or has accepted compensation from STA or any of its related companies for the provision of services, other than services as a director, for the current or immediately preceding financial year;
 9. Not having or having had a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, in a manner which might interfere with his independent judgment, and not being or having been a significant shareholder, or controlling person of any person having a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years before the appointment as an independent director;
 10. Not being or having been an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, or controlling person of any person having a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years before the appointment as an independent director;
 11. Not being or having been a provider of any professional services, legal advisor or financial advisor who receives or received service fees exceeding two million baht per year from STA, parent company, subsidiary company, associate company, major shareholder, or controlling person, and not being a significant shareholder, controlling person or partner of the provider of such professional services, unless the foregoing relationship ended not less than two years before the appointment as an independent director;
 12. Not being a director appointed as representative of directors of STA, a major shareholder or a shareholder who is related to a major shareholder of STA, or a director who is or has been directly associated with a shareholder who holds not less than 10% of the shares of STA in the current or immediately preceding financial year. A director will be considered "directly associated" with a shareholder who holds not less than 10% or more of the share of STA when the director is accustomed to or under obligation, whether formal or informal, to act following the directions, instructions, or wishes of such shareholder about the corporate affairs of STA;
 13. Not undertaking any business that is of the same nature as and in competition to the business of STA or its subsidiary company, and not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of any other company that engages in business that is of the same nature as and in competition to the business of STA or its subsidiary company;



14. Not having any other characteristic that could cause the inability to express independent opinions about the business operations of STA.

The qualifications of the Independent Director of STA are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board. Additionally, in 2021, the Board of Directors thinks that Mr. Kriang Yanyongdilok and Mr. Samacha Potavorn, who has served as Independent Directors for STA beyond 9 years, should continue to serve as Independent Directors of STA as they have the qualifications required by the Capital Market Supervisory Board and do not have any characteristics which would cause them to be unable to express their independent opinions about STA's business operations. During their respective terms of appointment, they have performed their duty as Audit Committee and Remuneration Directors for the benefit and the good governance of STA.

Matters which require the Board of Directors to have an oversight and ensure that they are carried out

These include matters for which the Board of Directors is mainly responsible to ensure that they are carried out properly. The Board of Directors may delegate the management to propose the following matters to the Board of Directors for consideration:

- a. Determination of objectives and main goals of business operations;
- b. Creation of corporate culture which adheres to ethics and acting as a role model;
- c. Supervision of composition and performance of the Board of Directors to efficiently achieve the defined objectives and main goals of business operations.

Matters to be carried out together with the management

These include matters to be carried out collectively by the Board of Directors, the Chief Executive Officer, and the management. The management will propose the matters to the Board of Directors for approval while the Board of Directors ensures that the overall policy is in line with the defined objectives and main goals of business operations and will delegate the management

to implement. The management shall then report to the Board of Directors regularly. These matters are:

- a. Determination and review of annual strategies, goals, and business plans;
- b. Oversight of suitability and sufficiency of risk management and internal control;
- c. Determination of powers that are suitable for the responsibilities of the management;
- d. Determination of resources allocation framework, development, and budgeting such as policy and plan for the people management and information technology management policy;
- e. Follow-up on and assessment of performance;
- f. Oversight over reliable financial disclosure and reporting and sufficient and appropriate non-financial disclosure.

Matters which should not be undertaken by the Board of Directors

These include the following matters that the Board of Directors may only supervise at the policy level and will delegate the Chief Executive Officer and the management to take the main responsibility in carrying out:

- a. Execution of strategies, policies, and plans approved by the Board of Directors. The Board of Directors should allow the management to take the responsibilities in making decisions on operations, procurements, recruitments, etc. following the defined framework. The Board of Directors should only exercise oversight over these matters without interfering with the decisions of the management except in the case where it is necessary to do so.
- b. Matters which are subject to restrictions such as the approval for matters in which directors have an interest.

In determining annual strategies and work plans, the Board of Directors will ensure that environmental considerations and relevant risk factors on the stakeholders throughout the value chain including such other factors which could affect the achievement of main goals of the Company are analyzed and that there shall be a mechanism to allow the Board of Directors to understand the need of stakeholders truly.

7.2.2 Authorized Directors of STA

Any two of the eight following directors of STA, namely, Mr. Viyavood Sincharoenkul, Mr. Chaiyos Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sincharoenkul, Mr. Paul Sumadee Lee, Mr. Patrawut Panitkul, Mr. Chalermpop Khanjan, and Mr. Vitchaphol Sincharoenkul shall affix their signatures and the Company's seal.

This is because the Chairman of the Board is not an independent director. The Board of Directors has assigned Ms. Anusra Chittmittrapap, Vice Chairman of the Board of directors and independent directors to be a participant in the agenda-setting of the Board of Directors' meeting to counterbalance the power between the board and the management.

7.2.3 Scope of Duties and Responsibilities of the Board of Directors of STA

Roles and Duties of the Board of Director

The Company has set the scope of powers and duties of the Board of Directors as follow:

1. The Board of Directors have power, duties, and responsibilities in the management of the Company following the law, the Company's objectives, Articles of Association, the resolutions of Board, and the resolutions of the general meeting of shareholders. The Board of Directors shall make prudent business decisions. They shall perform their duty responsibly with care and honesty for the best interests of the Company;
2. Response to propose, review, and approve the policy of the Company;
3. Appoint, remove, and assign duties to advisors to the Board of Directors, other sub-committees, and the Managing Director;
4. Authorize the Executive Directors management officers or any person to act on behalf of the Board of Directors;

5. Approve investments in securities or debt instruments;
6. Approve entering into a guarantee for a credit facility, for the benefit of companies having a business connection with the Company as the shareholder;
7. Approve the establishment, merger, or dissolution of subsidiary companies;
8. Seek advice from specialists or company consultants (if any), or retain the services of outside specialists or consultants at the Company's expense;
9. Propose the capital increase or capital decrease, or the change in par value, or amendment to the memorandum of association, the articles of association, and/or the objectives of the Company to the shareholders for consideration;
10. Appoint and remove the Company Secretary;
11. Consider and approve the connected transactions, except if such transactions require approval of the shareholder meeting. Such approval will be following notifications, rules, and/or regulations related to the Stock Exchange;
12. Provide an efficient internal audit and internal control system, specified in ensuring that the transactions related to the Interest of Directors are within the scope of the Stock Exchange of Thailand's regulation.

However, in the granting of powers, duties, and responsibilities, the Board of Directors shall not grant or sub-grant power to a grantee that causes the Board of Directors or the grantee to approve transactions in which the Board of Directors or the grantee, or any person who may have any conflict of interest (as defined in the notification of the SEC), may have a vested interest, or any other conflict of interest with the Company or its subsidiaries. Approval of such transaction is recurred to be presented to the Board of Directors Meeting and/or the Shareholders.



The Board of Directors will develop an understanding of its scope of duties and will delegate its managing powers to the Chief Executive Officer and the management. Such delegation to be made in writing, however, shall not discharge the Board of Directors from its duties as the Board of Directors. It shall continue to follow up on and supervise the management to ensure that they perform the delegated duties. Scope of duties of the Board of Directors, the Chief Executive Officer, and the management are as follows:

Scope of Duties and Responsibilities of the Chairman of Board of Directors of STA

The Board of Directors resolved to approve the scope of duties and responsibilities of the Chairman of Board of Directors as below:

1. Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve STA's objectives;
2. Ensure that all directors contribute to STA's ethical culture and good corporate governance;
3. Set the board meeting agenda by discussing with independent directors and have a measure to oversight that important matters should be included as the meeting agenda;
4. Allocate sufficient time for management to propose topics and for directors to discuss important matters thoroughly. Encourage directors to exercise independent judgment in the best interest of STA;
5. Promote a culture of openness and debate through ensuring constructive relations between the executive and non-executive directors, and between the board and management;
6. In case of an equality of votes, the Chairman of the Board shall have an additional vote as the casting vote.

To encourage good corporate governance and ensure the balance of power and authority of the board and between the Board and management, the Board designated an independent director to participate in setting the Board meeting agenda.

In addition, the Company has set the scope of duties and responsibilities of the Managing Director to be transparent and clear as follows:

Scope of Authorities and Responsibilities of the Managing Director

1. Approve any juristic act binding the Company for the normal business operation of STA in an amount not exceeding Baht 200,000,000;
2. Issue and amend the rules, orders, and work rules of STA, for example, the acceptance, appointment, removal, and disciplining of staff and employees, and the determination of salary and other monies, including compensation and other welfare;
3. Determine the salary rate and other remuneration, including expenses rate and facilities of the manager or equivalent for proposing to the Executive Committee for further approval;
4. Administer STA according to the resolutions and policies of the Board of Directors of STA;
5. Propose significant matters to the Board of Directors of STA or the meeting of shareholders for further approval or other appropriate action;
6. Study the feasibility of new projects and consider and approve the projects as delegated by the Board of Directors of STA and the Executive Committee;
7. Perform other matters as delegated by the Board of Directors of STA and/or the Executive Committee from time to time.

However, the abovementioned approvals shall not be given in a way that may cause the Managing Director or his authorized representative to be able to approve any transaction in which he or any related person has or may have a conflict of interest with STA or its subsidiaries as defined in the Notification of the SEC or the Capital Market Supervisory Board.

7.3 Sub-Committees

As of 4 February 2022, the sub-committees consist of the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and Sustainability Development Committee to help supervise and scrutinize important tasks, as well as give strategic opinions to the Board of Directors.

(1) Executive Committee

As of 4 February 2022, the Executive Committee consists of eight directors as follows:

Name	Position
1. Mr. Viyavood Sincharoenkul	Chairman of Executive Committee
2. Mr. Veerasith Sinchareonkul	Managing Director
3. Mr. Chaiyos Sincharoenkul	Executive Director
4. Mr. Kitichai Sincharoenkul	Executive Director
5. Mr. Paul Sumade Lee	Executive Director
6. Mr. Vitchaphol Sincharoenkul	Executive Director
7. Mr. Patrawut Panitkul	Executive Director
8. Mr. Chalermpop Khanjan	Executive Director

Scope of Duties and Responsibilities of the Executive Committee

STA has specified the scope of duties and responsibilities of the Executive Committee as follows:

1. To order, plan, and operate the business of STA to be following the policies set out by the Board of Directors of STA;
2. To appoint STA's management to efficiently and transparently manage STA's businesses;
3. Any two of the Executive Committee members jointly signing and affixing the Company seal are eligible to grant proxies to any person to perform on behalf of STA in respect of any business that will benefit STA;
4. To determine the appropriate employees' benefits and welfare in compliance with corporate culture and applicable laws;

5. To approve the credit limits of the normal business transactions or other transactions that bind STA.

In any case, the assignment of duties and responsibilities of the Executive Committee shall not constitute an authorization or sub-authorization which may cause the Executive Committee or its assignee to be able to approve any transaction in which such person or other related parties (as defined in the Notification of the SEC or the Capital Market Supervisory Board) may have a conflict of interest or may benefit in any manner or any other conflict of interest with STA or its subsidiaries. Such approval must be proposed at a meeting of the Board of Directors and/or the meeting of shareholders, as the case may be, for approval, as stipulated in the Articles of Association of STA or subsidiaries, or any applicable laws.



(2) Audit Committee

The Audit Committee consists of three Independent Directors and all have the qualifications required by the Capital Market Supervisory Board and the SET. As of 4 February 2022, the Audit Committee consists of three Independent Directors as follows:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Audit Committee
2. Mr. Samacha Potavorn	Audit Committee Member
3. Ms. Anusra Chittmittrapap	Audit Committee Member

Mr. Kriang Yanyongdilok is the Audit Committee member who has sufficient knowledge and experience to review the reliability of the financial statements of STA.

Mr. Wittawas Krungtanmuang is a secretary of the Audit Committee.

Qualifications of Audit Committee Members

1. Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, a major shareholder or controlling person of STA, including shares held by related persons of such audit committee member;
2. Not taking part in the management of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, and not being a major shareholder of STA;
3. Not being an employee or advisor who receives a salary from STA, it is a subsidiary company, associate company, same-level subsidiary company, or major shareholder; for example, the Chief Executive Officer may not be an audit committee member because he or she is directly responsible for the management of STA;
4. Not having or having had benefits or interests, whether direct or indirect, in the finance and management of STA, it is a subsidiary company, associate company or major shareholder, or any other benefits or interests of similar nature, in the year before the appointment as an audit committee member, unless the Board of Directors has carefully considered the matter and thinks that such

benefits or interests will not interfere with the performance of duties and the giving of independent opinions by such person;

5. Not being related to or a close relative of any member of the management or a majority shareholder of STA;
6. Not being appointed to safeguard the interests of the directors or major shareholders or shareholders who are related to the major shareholders of STA;
7. Being capable of performing the duties, giving opinions, or reporting the results as has been delegated by the Board of Directors independent of control by the management or a major shareholder, including related persons or close relatives of such persons.

Scope of Duties and Responsibilities of the Audit Committee

1. To review the Company and its subsidiaries' financial reporting is accurate, reliable, and adequate following financial reporting standards by coordinating with external auditors and executives responsible for preparing financial reports. The Audit Committee may suggest that the auditors review or examine any items that are considered important and necessary during the audit;
2. To review the Company and its subsidiaries to have an internal control system and internal

- audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the regulations of the SET, and the laws relating to the business of the Company;
 4. To consider the election, the nomination and the removal of persons with independence, reliability, acceptable qualification and are auditors approved by SEC to act as an auditor of the Company and to determine the remuneration of such person as well as to attend a non-management meeting with an auditor at least once a year;
 5. To review the connected transactions, interested person transactions, or the transactions that may lead to conflicts of interest, to ensure that they comply with the laws and the regulations of the SET, and are reasonable and in the best interests of the Company;
 6. To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - a. an opinion on the accuracy, completeness, and credibility of the Company's financial report;
 - b. an opinion on the adequacy of the company's internal control system;
 - c. an opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the Company's business;
 - d. an opinion on the suitability of an auditor of the Company;
 - e. an opinion on the transactions that may lead to conflicts of interests;
 - f. the number of the Audit Committee meeting, and the attendance at such meetings by each committee member;
 - g. an opinion or overview of comments received by the Audit Committee from its performance of duties in following the charter; and
 - h. other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, within the scope of duties and responsibilities assigned by the Company's board of directors;
 7. To commission and review the findings of significant internal investigations and/or consult with the auditor about such findings and report the findings to the Board of Directors of the Company if there is any suspected fraud or irregularity or infringement of any law or regulations of Thailand, the rules of the SET, or other relevant regulations which has or is likely to have a material impact on the results of operations and/or financial position of the Company;
 8. To review and approve the Internal Audit charter and is reviewed for suitability at least once a year;
 9. To review the audit plans, the scope of work, and results of audits compiled by internal and external auditors;
 10. To review the co-operation given by officers to the external auditors;
 11. To review the risk management system to ensure that it is concise, appropriate, and efficient. To ensure that there is an appropriate and adequate control system against potential fraud risks;
 12. To review the Compliance with the anti-corruption policy;
 13. To report the results of the internal audit of the Audit Committee to the Board of Directors at least once per quarter;
 14. To Evaluate the performance of the Audit Committee at least once a year;
 15. To perform any other activities as delegated by the Board of Directors and approved by the Audit Committee.



(3) Nomination Committee

As of 4 February 2022, the Nomination Committee consists of three directors as follows:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Nomination Committee
2. Mr. Samacha Potavorn	Nomination Committee Member
3. Mr. Kitichai Sincharoenkul	Nomination Committee Member

Scope of Duties and Responsibilities of the Nomination Committee

1. Reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board of Directors of STA for the appointment of Directors.
2. Reviewing and recommending nominations for an appointment, re-appointment, or re-election or renewal of appointment of the Directors having regard to the Director's contribution and performance
3. Determining annually whether or not a Director is independent.
4. Deciding whether or not a Director is can and has been adequately carrying out his duties as a director.

Certain factors considered by the Nomination Committee to carry out their responsibilities above include:

- independence of mind;
- the capability of the individual and how it meets the needs of the Company and simultaneously complements the skill set of the other Board members;
- experience and track record as directors in other companies; and
- ability to commit time and effort toward discharging his responsibilities as a Director.

(4) Remuneration Committee

As of 4 February 2022, the Remuneration Committee consists of three independent directors as follows:

Name	Position
1. Mr. Kriang Yanyongdilok	Chairman of the Remuneration Committee
2. Mr. Samacha Potavorn	Remuneration Committee Member
3. Ms. Anusra Chittmittrapap	Remuneration Committee Member

Scope of Duties and Responsibilities of the Remuneration Committee

Our Remuneration Committee is responsible, among other things, for recommending to the Board of Directors a framework and criteria of remuneration for the Directors and executive officers, and for recommending specific remuneration packages for each Director and the Managing Director and to perform any other acts as delegated by the Board of Directors.

(5) Risk Management Committee

As of 4 February 2022, the Remuneration Committee consists of 5 directors as follows:

Name	Position
1. Mr. Veerasith Sinchareonkul	Chairman of the Risk Management Committee
2. Mr. Chaidet Pruksanusak	Risk Management Committee Member
3. Mr. Chalermpop Khanjan	Risk Management Committee Member
4. Mr. Patrawut Panitkul	Risk Management Committee Member
5. Mr. Nattee Thiraputhbhokin	Risk Management Committee Member

Ms. Thanravee Thanonworaphong is a Secretary of Risk Management Committee.

Scope of Duties and Responsibilities of the Risk Management Committee

1. To determine the overall risk management policy and framework for the Company to cover material risks and to require the management to put in place protective and corrective measures and risk elimination that are appropriate;
2. To prepare risk management policy to cover overall aspects of risk management and to include key risks that are in line with the objectives, main goals, strategies, and acceptable level of risks for use as a unified risk management framework for all parties in the organization and submission to the Board of Directors for consideration. The Risk Management Committee shall supervise and ensure that the Company and its subsidiaries identify risks that could cause the Company and its subsidiaries to fail to achieve the defined objectives, taking into consideration both internal and external factors;
3. To review and ensure that the risk management policy is appropriate and efficient and prepare a report of the Risk Management Committee to be proposed to the Board of Directors as may be appropriate or when requested;
4. To draw up strategies for use in managing risks following the risk management policy approved by the meeting of the Board of Directors and to analyze, assess and follow up on the compliance with the defined risk management policy;
5. To follow up, assess and supervise risk management procedures of the management to ensure that it has the appropriate level and is following the defined policy;
6. To be in charge of supervising and providing support to ensure the success of the Enterprise-Wide Risk Management with the focus on raising risk awareness for the management and employees, and to promote risk management culture as a key factor in making any decisions relating to the use of resources or in taking any actions. The Risk Management Committee shall also have the duty to provide support to the function of the Risk Working Group and/or the Risk Manager;
7. To review the sufficiency of the risk management policy of the Company and its subsidiaries including the effectiveness of the system and compliance and propose the same to the Board of Directors at least once a year to ensure that the risk management policy is in line with and suitable for the current business strategies and environment;
8. To advise the Board of Directors on actions to be taken and improved to be in line with the policies and strategies defined by the Board of Directors;
9. To seek advisers or persons who are independent to express an opinion or give recommendations as may be necessary;



10. To consider, review and revise the Charter for the Risk Management Committee at least once a year and propose to the Board of Directors for consideration and approval;
11. To perform other tasks as may be assigned by the Board of Directors meeting by and with the consent from the Risk Management Committee.

(6) Corporate Governance Committee

As of 4 February 2022, the Corporate Governance Committee consists of 3 directors as follows:

Name	Position
1. Ms. Anusra Chittmittrapap	Chairman of the Corporate Governance Committee
2. Mr. Thanatip Upatising	Corporate Governance Committee Member
3. Mr. Veerasith Sinchareonkul	Corporate Governance Committee Member

Mrs. Pacharin Anuwongwattanachai is a Secretary of Corporate Governance Committee.

Scope of Duties and Responsibilities of the Corporate Governance Committee

1. Determine the scope and policy of corporate governance in a manner consistent with international best practice and propose to the Board of Directors for approval.
2. Propose guidelines on corporate governance to the Board of Directors as well as provide advice and recommendations to the Board of Directors on matters of corporate governance.
3. Provide recommendations on requirements related to business ethics, good practices for directors, executives and employees as well as overseeing the principles of good corporate governance and sustainable development effective in practice to be continuity and suitable for business.
4. Provide advice, encourage and support the Company's operations in accordance with the principles of good corporate governance code of conduct and other policies related to the good corporate governance of the Company completely and efficiently.
5. Encourage and support the Company to communicate with Directors, executives, employees at all levels and related parties in aware of and understand the policies and guidelines regarding good corporate governance principles code of conduct social responsibility and other policies related to the company as well as supervise the implementation of such policies and guidelines.
6. Consider reviewing the policies and guidelines on corporate governance for continuous efficiency and effectiveness as well as to ensure that information is disclosed in the form of a report as appropriate.

(7) Sustainable Development Committee

As of 4 February 2022, the Sustainable Development Committee consists of 3 directors as follows:

Name	Position
1. Mr. Veerasith Sinchareonkul	Chairman of the Sustainability Committee
2. Mr. Vitchaphol Sincharoenkul	Sustainability Committee Member
3. Mr. Chalermpop Khanjan	Sustainability Committee Member

Mr. Bhanupong Siriyobhas is a Secretary of Sustainable Development Committee.

Scope of Duties and Responsibilities of the Sustainable Development Committee

1. Formulating directions, policies, strategies, goals and work plans for sustainable development covering environmental dimensions, social and governance & economic of the company to be presented to the Board of Directors.
2. Support and drive cooperation in sustainability operations throughout the organization by providing advice and promoting the integration of sustainability performance into business strategies risk assessment and corporate plans for both short-term and long-term to achieve the organization's sustainability goals.
3. Review and recommend the Company's sustainability practices in line with best practices and international standards to be up-to-date at all times as well as propose to the Board of Directors for consideration, improvement and development.
4. Consider and approve the organization's annual sustainability issues in accordance with the needs and expectations of the stakeholders, external context, direction and goals of the organization as well as propose to the Board of Directors for approval and assign the management to respond and follow up.
5. Follow up and summarize the sustainability performance of the organization and report progress to the Board of Directors at least once a year.
6. Oversee the disclosure of company sustainability information through the Company's annual report and annual sustainability report.
7. Consider the appointment of a sustainability working group as it deems appropriate.

7.4 Executive Directors

7.4.1 Executives

According to Clause 7.1 Corporate Governance Structure as of 31 December 2021, the list of Executives of the Company (According to the definition of Executive¹ of the Notification of the SEC No. KorJor. 17/2551 Re: Determination of Definitions in Notifications Regarding Issuance and Offering of Securities) as follows:

Name	Position
1. Mr. Veerasith Sinchareonkul ²	Managing Director
2. Mr. Kitichai Sincharoenkul	Director/ Group Manager of Legal and Administration
3. Mr. Patrawut Panitkul	Director/ Chief Financial Officer (CFO)
4. Mr. Chalermpop Khanjan	Director/ Chief Operating Officer
5. Mr. Chaidet Pruksanusak	Group Manager of Quality Assurance
6. Mr. Udom Pruksanusak	CEO of Plantations
7. Ms. Nuchanart Chaiyarat	Group Manager of Human Resources
8. Mr. Nattee Thiraputbhokin ³	Group Manager of Marketing

Note:

1. "Executive" means a director, manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or equivalent in the accounting or finance departments.
2. Mr. Veerasith Sinchareonkul was appointed to be the Managing Director by the resolution of the Board of Directors Meeting No. 6/21, effective on 1 October 2021.
3. Mr. Nattee Thiraputbhokin was appointed to be the marketing manager since 1 October 2021.



7.4.2 Policy and Criteria for Remuneration of Directors and Executives

The director remuneration policy has been established to consider and review the appropriateness by the Board of Directors, delegating the Nomination and Remuneration Committee with clear and transparent.

The Remuneration of Directors Policy

The Board of Directors defined the director remuneration policy. The remuneration and meeting allowance is specified to the Chairman of the Board of Directors, Executive Directors, Non-Executive Directors, the Chairman of Audit Committee, and Audit Committee Members. In this regard, the Remuneration Committee must propose a framework and criteria of remuneration for the Directors to the Board of Directors' meeting to agree with before proposing to the Shareholders' meeting to approve. Remuneration is considered based on the Company's performance, the director's responsibility, and compared with the other listed companies in SET that have similar market

capitalization and other listed companies in the same industry. This shall support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of Directors that shall lead the Company to be achieved in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

The Remuneration of Management Policy

The CEO, as a representative of the Board of Directors, shall consider the management remuneration policy. Such remuneration will be appropriately considered based on the remuneration structure of the Company compared to remuneration information surveyed by recognized institutes, organizations, and entities as well as the inflation rate and net profits of the Company together, including performance and consistency with the duties and responsibilities assigned.

7.4.3 Total Remuneration of Executive Directors and Executives of the Company

(1) Monetary Compensation

Year	Details	Number of persons	Amount (Million Baht)
2021	Salary and additional income	12	201.6

In 2021, the accumulated monetary remuneration of STA was at Baht 4,356.5 million, with the remuneration of senior executive directors as a percentage of the Company's remuneration, which was 4.6%.

For the fiscal year ending 31 December 2021, STA paid the remuneration to the Directors and Executive Officers, totaling 12 persons, in the amount of Baht 201.6 million, including Directors and Executive Officers. Such remuneration was in the form of salary, bonus and other compensation comprising benefits in kind and compensation that has already been paid, which includes any deferred compensation accrued for the financial year in question and payable at a later date including bonus or profit-sharing scheme or any other profit-linked agreements or arrangements.

Sri Trang International Pte. Ltd. has entered into employment agreements with Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee. Each of these employment agreements does not have a fixed term of employment. Pursuant to their respective employment agreements, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee will be entitled to the following:

- a monthly salary and a variable bonus, as determined by the Profit Incentive Scheme (as defined below); and
- reimbursements of all reasonable business expenses incurred or paid for during the term of employment, in connection with the performance of their duties to Sri Trang Group.

Profit Incentive Scheme

Mr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee, who are the Directors of the Company, have the right to participate in the Profit Incentive Scheme in each fiscal year of Sri Trang International which is a subsidiary of the Company.

Under the Profit Incentive Scheme in each fiscal year, if the Board of Directors of Sri Trang International considered that there is a surplus after deducting (a) 10% of Sri Trang International's paid-up capital; or another amount as the Board of Directors of Sri Trang International deems appropriate, (b) 5 percent of the relevant fiscal year retained earnings; and (c) the relevant fiscal year retained earnings from Sri Trang International's earnings after tax (as stipulated in the audited financial statements), 20% of the said Surplus will be paid under the Profit Incentive Scheme ("Profit Incentive").

(2) Other Compensation

Moreover, In the fiscal year ended December 31, 2021, the Company paid the provident fund contributions to the Company's management as follows:

	Number of persons	Amount (Million Baht)
Provident fund	11	3.5

7.5 Employee Information

As of 31 December 2021, Sri Trang Group had a total of 16,730 employee.

Separated by Business:

Type of Business	As of 31 December 2021 (unit: persons)
Natural Rubber Business	5,463
- TSR products	4,294
- RSS products	358
- Concentrated Latex products	811
Glove Business	9,326
General Administration	229
Services/ Others	1,712
Total	16,730



Separated by Geography:

Geography	As of 31 December 2021 (unit: persons)
Thailand	15,246
Indonesia	1,306
Singapore	25
USA	12
China	60
Vietnam	6
Myanmar	75
Total	16,730

The employees of the Company did not register the labor union which was established in Thailand. However, some employees of the Company in Indonesia registered the labor union with the Manpower Authority of Indonesia and have entered into collective labor agreements with its subsidiaries in Indonesia.

In the fiscal year ended December 31, 2021, Sri Trang Group has compensated salary, overtime pay, bonus, and provident, etc. fund to employees in the total amount of 4,356.5 million baht.

Employee Development Policy

The Company pays attention to employee development as our employees are the valuable resources of our organization.

Human Resource Development Plan

The Company has set a Career Development Plan, Individual Development Plan, and additional courses that enhance work skills such as leadership skills Risk Management, Anti-Corruption, and the concept of conservation in "Green Rubber Industry", etc. The Company has applied information technology to facilitate personnel in learning and training through

various media channels such as online training Video Learning, Self-Learning, On-the-Job Training, including using new technologies to develop personnel.

The training department of Sri Trang Group has responsibility for developing employee potential for business excellence and sustainability along with creating good and smart people for society. Guidelines for personnel development are as follows:

1. Systematic Training is related to the job responsibility, working papers following the quality system standard, in-house training and on-the-job training documents for every position by paying attention to self-learning consisting of the contents and tests for regularly learning and reviewing.
2. Training according to legal requirements is the action for employee safety, attention to an awareness installation of safety behavior and laws related to work etc.
3. Training of key position successors is the action to develop the potential of employees to be ready for their new position.

4. Training of the necessary knowledge for work skills development is the action to develop working, leadership, and management skills that are necessary for effective management to perform their current tasks relative to the policy and the vision of the Company. For instance, knowledgeable and professional skills to use technology to work in the Covid-19 era, as well as an increase of professional knowledge, etc. to improve performance of their current tasks to be effective, and support employees' capabilities to increase their ability to work in the future. In addition, such training has to be in the way that will be beneficial to the Company.
5. STA Share and Learn is the activity, established by the Company, to encourage employees' learning within the organization. The Company has confidence in our specialized knowledge in Sri Trang group. STA has created internal expertise speakers to deliver knowledge and share experiences through several activities to bring employees' potential out. The Company has speakers in various fields such as quality systems trainers and environmental and safety trainers etc.
6. Activity Development, such as 5S activities, Quality Control Circle (QCC), Kaizen, and One Point Lesson (OPL), is the activities to encourage the employees to take responsibility for developing and improving all the tasks continuously. Using such activities with knowledge, work skills, and technology can reduce the production cost, including simplifying the workflow.
7. STA culture is to cultivate the work attitudes and ways of work following the STA Core values for the new-generation employees and to build good relationships among co-workers who are from different places or cultures.
8. Encouraging our employees to go observational studies in several business units of STA and others both domestically and internationally to gain experience and bring the creative ideas to develop their work performance or share it with other departments.
9. The Company provides a stage and platform for the employees to showcase their ability by offering incentive rewards called "Activity Prize" and "STA Champion" to the participating employees who will not only be proud of their achievements but the prized achievement may also be further developed and used to improve work efficiency. Furthermore, such achievement will continue to motivate the employees to maintain and even elevate their work standards in the future.



7.6 Other Important Information

7.6.1

Accountant

Ms. Ruethai Wanathanasin has assigned to be the accountant of the Company to ensure the accounting record are efficient and in accordance with regulations, requirements, rules, as well as accounting standards. (The profile of the Accountant is shown in Enclosure 1.)

Company Secretary

The Board of Directors of STA resolved to appoint Mrs. Pacharin Anuwongwattanachai, who meets the appropriate qualifications, graduated in accounting, has completed company secretary training and other related training programs, and possesses the skills, knowledge, understandings relating to business and the laws and other related regulations, as Company Secretary (the "Company Secretary") since 25 August 2008, having the duties and responsibilities as provided in the Securities and Exchange Act, including providing advice on compliance with the relevant laws and regulations to the Board of Directors, organizing Board of Directors' activities and ensure compliance with the resolutions of the Board of Directors. The Company Secretary has to attend and safeguard all meeting documents and ensures procedural compliance with regards to the Board of Directors. The appointment and removal of the Company Secretary are subject to the approval of the Board of Directors. (The profile of the Company Secretary is shown in Enclosure 1.)

Head of Internal Audit

Mr. Wittawat Krungtanmuang took the position of Internal Audit Group Manager. (The profile of the Company Secretary is shown in Enclosure 3.) The duties and responsibilities of the Head of Internal Audit are as follows:

1. Preparing the Annual Internal Audit plan based on Risk-based Methodology to present Executive and Audit Committee for approval;
2. Investigating to meet the achievement including special requested projects and/or ordered form Executive and Audit Committee;
3. Reporting the Audit's result including the progress of operation comparing to specified plan;
4. Supporting the operation including necessary information on its operation of Audit Committee and Executive which is related to the audit program;
5. Developing the staff of Audit unit to be adequate on knowledge, professional skill and business as well as supporting any related Professional Certification;
6. Performing any assignment activities.

7.6.2 Head of Investor Relations

To disclose important information accurately, completely, and transparently, the Company has established Investor Relations Department and assigned Ms. Tipwadee Sudwayha to be Head of Investor Relations. Investor Relations Department is acting as a center of information disclosure to shareholders and investors both domestically and internationally including financial information i.e. operating results, financial statements, Management Discussion and Analysis (MD&A), as well as strategies, and outlook of the Company through the Company's publications and activities regularly.

Investor Relations can be contacted directly at telephone number 02-207-4500 ext. 1402 and E-Mail Address: ir@sritranggroup.com including tracking the Company's information via the website www.sritranggroup.com which has information for investors in both Thai and English.

7.6.3 Auditor's Remuneration

On April 2, 2021, the 2021 Annual General Meeting of Shareholders approved the appointment of EY Office Company Limited to be the auditor for the year 2021 and to approve the audit fee for the year 2021 with details of the audit fees as follows:

Audit Fee

The audit fee for the year 2021 of STA and its subsidiaries in Thailand was Baht 11.7 million, divided into audit fees for separate financial statements of Baht 6.1 million and audit fees for subsidiaries in Thailand of Baht 5.6 million.

Other Service Fees (Non-Audit Fee)

Other fees for the year 2021 include BOI audit fees and tax consulting. The total amount was Baht 1.1 million, which these services were uncompleted in the past fiscal year must be paid in the future.



8

KEY RESULTS OF CORPORATE GOVERNANCE

8.1 Board of Directors' Performance in 2021

8.1.1 Nominating, Developing, and Evaluating the Performance of the Board of Directors

(1) Nominating the Board of Directors

STA Board of Directors has considered and assigned the Nomination Committee to be the reviewer of the criteria and methods for searching qualified persons to be appointed as an Independent Director. For the consideration of qualifications and prohibited characteristics, the Company has followed the Public Company Limited Act, Securities and Exchange Act, the Capital Market Committee announcement, related announcement, rules and/or regulations, including the qualifications of the Company's Independent Directors. Furthermore, to recruit a qualified Board of Directors, the Company has considered from knowledge, expertise and experience, skill matrix, and Director's pool from the reliable organization. Further, the Nomination Committee will consider the qualifications of the directors in various aspects such as legal qualifications, related rules, expertise, and experience which are beneficial to the Company's direction and strategies. In addition, the consideration has been considered by the board diversity, knowledge, abilities, skills, experience, age, gender, race, or any other distinction to conclude and present to the Board of Directors and/or Annual General Meeting to consider and resolve the representative to be the independent director. In addition, the Company had the policy to determine the number of Independent Directors at least one-third of the total number of Directors and must not be less than three. In 2021, the Board of Directors Meeting No. 2/2021 has the resolution to nominate Mr. Thanatip Upatising to be an Independent Director as he has the qualifications following such criteria which were knowledgeable and experience in various fields on the World stage such as Economics, Communication, International Relations. Such qualifications can be used to help the management of the Company in the future and were approved for appointment by the 2021 Annual General Meeting of Shareholders on April 2, 2021. Moreover, at the 2021 Annual General Meeting of Shareholders, four directors who were resolved to reappoint their positions for another term, namely

Name	Position
1. Gen Thanasorn Pongarna	Independent Director
2. Mr. Viyavood Sincharoenkul	Director
3. Mr. Veerasith Sinchareonkul	Director
4. Mr. Paul Sumade Lee	Director

Orientation for the New Directors

If there is a newly appointed or elected director, the Company will arrange an orientation by stipulating guidelines to create knowledge and understanding for directors to be able to perform efficiently. The Company Secretary is a coordinator in various subjects such as company certificate, company regulations, the Listed Companies Handbook, and 56-1 One Report. Additionally, in 2021, the Company has welcomed a new director to be our member.

Succession Planning

The Company has initiated a succession plan for high-level Executives to ensure that the Executives or supervisors in the key positions shall have successors. The succession plan is key to maintain and increase competitiveness, mitigate Human Resources management risk, and retaining qualified employees.

Succession Plan for Group Manager and Above

Succession plans for key positions are the process of preparing personal readiness proactively, planning a career path for management-level employees, and preventing the lack of employees in critical jobs or key positions of the Company in the future. The Company will select from the things are as follows:

- 1) Performance
- 2) Potential; considering from leadership competency, attitude, and behavior relative to core values

Those who pass the assessment as successors will be considered as high potential talents and appropriately developed to prepare them to be a leader of the organization in the future. For the selection, the Company will take the Company's employees as the priority. The Company will review the list of successors regularly every two year, and

if the successor cannot be found from internal candidates, the Company will then select qualified persons from outside.

In 2021, the Company has organized several courses, covering 15 significant modules such as Productivity Improvement Concept, Financial Management, Modern Financial Management & Strategies, Logistics and Supply Chain Management, Enterprise Risk Management, Change Management, and Strategic Management, etc. In addition, the Company has provided six learning assessments, covering Competency, Core Competency, Functional Competency, and Technical/ Professional Competency, to ensure that those successors are ready to take up higher-level positions. There were 29 successors were participating in this project.

(2) Developing of Directors, Executives, and Company Secretary

The Board of Directors emphasizes the development of knowledge and ability to perform their duties as Directors. All the Company's directors have already passed the training courses on the directors' duties and responsibilities from the Thai Institute of Directors Association (IOD). In 2021, the Company has facilitated Directors and Executives to attend various training and seminars to increase their knowledge in their work operations as follows:



Name of Directors/ Executives	Position	Course	Organizer	Date
Mr. Veerasith Sinchareonkul	Director/ Managing Director	Environmental, Social and Governance (ESG)	Thaiwat Institute	5 May 2021
Mr. Vitchaphol Sincharoenkul	Director	KRUNGSRI EXCLUSIVE 2021 Mid-Year Outlook Series: ESG: The Future of Sustainability Investments	Bank of Ayudhya (PCL)	29 June 2021
Mr. Thanatip Upatising	Independent Director	Director Certification Program 301/2021	The Thai Institute of Directors Association (IOD)	June – August 2021
Mr. Patrawut Panitkul	Director/ Chief Financial Officer (CFO)	In-depth audit evidence and interesting issue	Accounting Coach (Thailand) Company Limited	6-8 January 2021
		COVID 19 Implications for Financial Reporting and Audit	Thai Listed Companies Association	19 May 2021
		What's trending in the capital market		19 August 2021
		ESG Integration in Sustainable Investing		21 September 2021
		TFRSs For PAEs 2564 Update and TFRSs For NPAEs Adjustment	Federation of Accounting Professions under the Royal Patronage of his Majesty the King	27 November 2021
		Information System Design for Decision Making		17 December 2021
Mr. Chalermpop Khanjan	Director	Corporate CSR operations during the Covid-19 crisis	Puey Ungphakorn School of Development Studies, Thammasat university	10 May 2021
Mrs. Pacharin Anuwongwattanachai	Company Secretary	Enterprise Risk Management	STA	6 March 2021
		ESG in Process for Business Operation	Thai Listed Company Association	26 June 2021
		Issues Related to PDPA Act for Corporate Preparation	Dherakupt International Law Office Ltd.	14 October 2021
		Cyber Security Realization	STA	20 November 2021
		CGR workshop for 2023	The Thai Institute of Directors Association (IOD)	24 November 2021



(3) Assessment of the Board of Directors, Sub-Committees, and CEO

STA has conducted the Directors' self-assessment where the assessment form is following good corporate governance, so that the assessment results can be further used to develop the performance of the directors. Four types of assessment forms are; the Company has assessed the performance of the Board of Directors and Sub-committees as well as assessment of the Chairman and presents the results to the Board of Directors' meeting annually at least once a year so that the Company's Directors have known and used it to improve and develop to be more effective. The assessment of the Board of Directors can be divided into two types, namely the assessment of the Board as a whole and self-assessment.

It will be assessed as follows;

1. Evaluate the performance of The Board as a whole (Assessment of the Board as a whole)
2. Evaluate the performance of Individual Board Members (Self-Assessment)
3. Evaluate the performance of Individual Sub-committee, consisting of (1) Audit Committee (2) Nomination Committee (3) Remuneration Committee, and (4) Risk management Committee
4. Evaluate the performance of the Chief Executive Officer (CEO)

Process and Criteria for Evaluating the Performance of Directors

The Company Secretary is responsible for delivering assessment forms to all directors to evaluate the performance of their position as the Board of Directors and sub-committees. Then, the Company Secretary has to follow up the past year assessment forms to prepare a summary of those assessment results following the criteria and report them to the Board of Directors for further consideration.

The details of the assessment can be summarized as follows:

1. The Board Assessment Form (Assessment of the Board as a whole) consists of 6 areas; structure and qualification of the Board of Directors, roles, duties, and responsibilities of the Board of Directors, the Board's meetings, the Board's performance of duties, relationship with management, and self-development of the Directors as well as the development of Executive Officers.
2. Individual Board Member Assessment Form (Self-Assessment) consists of 4 areas; 1) responsibility on their decisions and actions, 2) the effective performance of their duties, 3) fair and 4) equitable treatment to the stakeholders, transparency and traceability of work with the disclosure of information, and level of Principles of Business Ethics as well as Code of Business Conduct on their business operation.
3. Individual Sub-committee Assessment Form (Assessment of the Sub-committee as a whole) consists of 3 areas; the structure of the sub-committees, effectively carrying out duties during meetings and duties, and responsibilities of the sub-committees.
4. Chief Executive Officer (CEO) Assessment Form consists of 10 areas; 1) leadership, 2) strategic planning, 3) strategy implementation, 4) financial planning and operating results, 5) relationship with the Board of Directors, 6) relationship with an external party, 7) management skill and relationship with employees, 8) successor plan, 9) knowledge of products and services, and 10) personal character.





The guideline for the assessment grading for each area is as follows:

Greater than or equal to 90%	=	Excellent
Greater than or equal to 80%	=	Very good
Greater than or equal to 70%	=	Good
Greater than or equal to 60%	=	Fair
Less than 60%	=	Poor

In 2021, the Board of Directors, Sub-committees, and the CEO's assessment results can be summarized as follows:

Performance Assessment	Results (%)
Board of Directors	
1. Board of Directors (as a whole)	95.48
2. Board of Directors (Individual)	96.33
Sub-committee	
1. Audit Committee	99.17
2. Nomination Committee	96.57
3. Remuneration Committee	98.33
4. Risk Management Committee	85.29
Chief Executive Officer (CEO)*	
	98.07

Note : * Dr. Viyavood Sincharoenkul was in the position till September 31, 2021.

8.1.2 Attendance and Payment of Remuneration for Individual Board Member

(1) Board Meetings Attendance

In 2021, the details of Board Meetings' attendance can be summarized as follows:

Name	Position	Board of Directors Meeting (Number of Attendances/ Rights of Attendances)		Annual General Meeting (Number of Attendances/ Rights of Attendances)	
		FY2021	%	FY2021	%
1. Mr. Viyavood Sincharoenkul	Chairman / Chairman of Executive Committee	7/8	87.5	1/1*	100
2. Ms. Anusra Chittmittrapap	Vice Chairman / Member of the Audit Committee / Independent Director	8/8	100	1/1	100
3. Mr. Veerasith Sinchareonkul	Director / Managing Director	8/8	100	1/1	100
4. Mr. Chaiyos Sincharoenkul	Director / Member of the Executive Committee	8/8	100	1/1	100
5. Mr. Kitichai Sincharoenkul	Director / Member of the Executive Committee	8/8	100	1/1	100
6. Mr. Paul Sumade Lee	Director / Member of the Executive Committee	8/8	100	1/1*	100
7. Mr. Vitchaphol Sincharoenkul	Director / Member of the Executive Committee	8/8	100	1/1	100
8. Mr. Patrawut Panikul	Director / Member of the Executive Committee	8/8	100	1/1	100
9. Mr. Chalermpop Khanjan	Director / Member of the Executive Committee	8/8	100	1/1	100
10. Mr. Kriang Yanyongdilok	Chairman of Audit Committee / Independent Director	8/8	100	1/1	100
11. Mr. Samacha Potavorn	Member of the Audit Committee / Independent Director	8/8	100	1/1	100
12. Gen Thanasorn Pongarna	Independent Director	8/8	100	1/1	100
13. Mr. Thanatip Upatising	Independent Director	6/6**	100	-	-
Percentage of Board Meeting Attendance for Each Committee			99		100

Note :

* Attend the meeting through VDO conference system due to COVID-19 situation

** Mr.Thanatip Upatising was appointed as the Independent Director referred to the resolution of the Annual General Meeting, the effective date is on April 2, 2021

In 2021, the non-executive directors held a meeting among themselves once on December 1, 2021, where they discussed the Company's strategy and goals to achieve decarbonization as well as a plan to visit the Company's factories in various provinces etc.



(2) Remuneration of Individual Board Committee

At the 2021 Annual General Meeting of Shareholders, held on 2 April 2021, the meeting resolved to approve the remuneration and meeting allowances for the year 2021 are as follows:

	Unit (Baht/ Person/ Month)
Remuneration of Board of Directors	
- Chairman of the Board	85,000
- Director	65,000
Remuneration of Audit Committee	
- Chairman of the Audit Committee	85,000
- Audit Committee member	75,000
Meeting Allowance	
- Chairman of the Board/ Chairman of Audit Committee	10,000
- Director/ Audit Committee member	7,000
Other Benefits/ Non-Monetary Remuneration	
	None

In the fiscal year ended 31 December 2021, the Company has paid Directors' remuneration totaling Baht 11,544,000 as gratuity benefits to directors. The details of each payment are as follows:

Name	Total Monthly Compensation Received in 2021*	Total Meeting Allowance in 2021		Grand Total of Compensation in 2021
		For the Board of Directors (8 Times)	For member of Audit Committee (8 Times)	
1. Mr. Viyavood Sincharoenkul	1,020,000	70,000	-	1,090,000
2. Ms. Anusra Chittmittrapap	900,000	56,000	56,000	1,012,000
3. Mr. Chaiyos Sincharoenkul	780,000	56,000	-	836,000
4. Mr. Kitichai Sincharoenkul	780,000	56,000	-	836,000
5. Mr. Veerasith Sinchareonkul	780,000	56,000	-	836,000
6. Mr. Vitchaphol Sincharoenkul	780,000	56,000	-	836,000
7. Mr. Paul Sumade Lee	780,000	56,000	-	836,000
8. Mr. Patrawut Panitkul	780,000	56,000	-	836,000
9. Mr. Chalermpop Khanjan	780,000	56,000	-	836,000
10. Mr. Kriang Yanyongdilok	1,020,000	80,000	80,000	1,180,000
11. Mr. Samacha Potavorn	900,000	56,000	56,000	1,012,000
12. Gen Thanasorn Pongarna	780,000	56,000	-	836,000
13. Mr. Thanatip Upatising**	520,000	42,000	-	562,000
Total	10,600,000	752,000	192,000	11,544,000

Note :

* Such remuneration represents the remuneration for being the Company's Director and Audit committee. The Company does not have any remuneration for holding positions in other sub-committees.

** Mr.Thanatip Upatising was appointed as the Independent Director referred to the resolution of the Annual General Meeting, the effective date is on April 2, 2021

8.1.3 Principles of Good Corporate Governance in Subsidiaries and Associates in following areas:

Investment and principles of good corporate governance policy in subsidiaries and associates

The Company had the policy of investment and principles of corporate governance in subsidiaries and associates as follows:

1. Principles of Good Corporate Governance in Subsidiaries and Associates

STA has established principles of good corporate governance in subsidiaries and associates aiming to define measures and mechanisms both directly and indirectly for the Company to be able to supervise and manage the business of its subsidiaries and associates, including monitoring to ensure that subsidiaries and associates comply with prescribed measures and mechanisms that can be defined as a unit of the company itself, following the Company's policy, Public Limited Companies Act, Civil and Commercial Code, Securities Act, and related laws as well as announcements, rules, and regulations related to the Capital Market, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand to maintain the interest in the investment of the Company in such subsidiaries and associated companies. The details are as follows:

1.1. STA will send the Company's representative to be a director in each subsidiary and/or associate as appropriate to supervise and manage such subsidiary and/or associate to operate following the laws of good corporate governance policy including other policies of the Company. However, such action must be considered and resolved by the Board of Directors and depending on the suitability of each company.

1.2. If a subsidiary's transaction or any action is considered to be an acquisition or disposition of assets according to the announcement of the acquisition or disposition of assets or connected transactions following the related connected transactions announcement, the company will have to ask for authorization from the Board of Directors' meeting and/or to seek approval from the Company's shareholders' meeting or seek approval from relevant legal authorities before entering into the transaction. Subsidiaries can enter into such transactions or proceed with the approval of the Board of Directors' meeting and/or the shareholders' meeting of the Company and/or related agencies (depending on the case).

In addition, when the subsidiary is doing the transaction or some events that make the Company have a duty to disclose information to the Stock Exchange of Thailand following the related rules and regulations of the Board of Governors of the Stock Exchange of Thailand, the representative directors of such subsidiary is obliged to notify such transaction or events occurs to the Company's management immediately.

1.3. The Board of Directors and Executives of each subsidiary and/or associate have significant powers, duties, and responsibilities following the relevant laws, such as the disclosure of financial status and the Company's operating performance, by applying mutatis mutandis to the related announcements of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. Moreover, such duties include the disclosure and committed information of their interests and related persons to the Board of Directors for their acknowledgment of relationships, and transactions with the subsidiaries and/or associates in a manner that may cause conflicts of interest and avoiding any transactions that may cause conflicts of interest.



1.4. STA plan and take necessary actions to ensure that the subsidiaries and/or associated companies are going to disclose information about its performance and financial position. In addition, the Company will conduct and follow up with the subsidiaries and/or associated companies to have the information disclosure system and sufficient internal control system that suitable for business operation.

Furthermore, the Company will closely monitor the business performance, operations of such subsidiaries and/or associated companies and present the analysis and opinions or recommendations to the Board of Directors including the Board of Directors of that subsidiaries or associated companies to be used in consideration of policy or improvements to promote the business of the subsidiaries and/or associated companies to develop and grow continually.

The Board of Directors has considered and approved investment policy and corporate governance in subsidiaries and associated companies in the Board of Directors' Meeting No. 1/2020 on 28 February 2020 and will be effective from that date onwards.

The Board of Directors has established a mechanism to supervise subsidiaries or associated companies in the following matters:

- Disclosure of financial performance and operational performance

The Company ensures that the disclosure of financial performance and operational performance of subsidiaries and associates are conducted in an accurate, reliable, and transparent manner following the accounting standard under certified public accountant association, company regulations, and any relevant regulations.

- Related Party Transactions

To avoid any conflict of interest, STA and its subsidiaries, in engaging in related party transactions, will ensure that the transactions are carried out reasonably and transparently way without any decision or opinion from an interested party who may have interest in the

transactions. The transactions will be done based on the Company's interests and a related party will be treated as if a third party.

In case that STA engages in related party transactions in the future, STA will ensure that such transactions are carried out in compliance with the SEC Act, the Securities Law of Singapore, regulations, notifications, orders, or rules of the SET. In addition, STA must also comply with the Thai GAAP on disclosure rules related to related party transactions and other requirements as specified by the Institute of Certified Accountants of Thailand and the Company's policy or other relevant laws.

In addition, when STA does the related party transactions, STA will seek the Audit Committee's opinion on the reasonableness of such transactions. If the Audit Committee is unable to evaluate related party transactions due to lack of expertise in certain areas, the Committee may arrange an independent expert, such as an auditor or independent appraiser, to give an opinion of the Audit Committee or the independent expert will be used by the Company's Board of Directors or shareholders, as the case may be, for deciding to ensure that these related party transactions are carried out without any conflict of interest and for the best interest of all shareholders.

- Acquisition and disposition of assets

Any acquisition or disposition of assets with high value that may affect the Company's financial status will be brought up to a management meeting to classify the classes of transactions. The transaction's value will be calculated according to class transaction criteria and if the value of the transaction falls under any class, further actions will be taken according to the guidelines of the Securities and Exchange Commission on disclosure of information of listed companies on the acquisition and disposal of assets.

- Internal Control of Subsidiaries

The Internal Audit Department of the Company is assigned to audit the sufficiency of the internal control of the subsidiaries and reports its findings to the Audit Committee for the Company to be able to effectively control and monitor the internal control operation of the subsidiaries.

8.1.4 Monitoring to ensure compliance with corporate governance policies and practices

1. Conflict of Interest

The Board of Directors of STA has established a policy for preventing any conflict of interest on the basis that any decision-making on business transactions must be made only for the best interest of STA, and that any act which may cause a conflict of interest should be avoided. It is required that a person involved in or having a conflict of interest in any agenda item to be discussed in a meeting shall report the relationship or conflict of interest in such agenda item to STA, as well as abstain from voting and shall have no authority to approve such transaction. For any transactions that are related to any director of the Company, that particular director does not have the right to vote on such transactions. The Board also has established a policy that prohibits management and staff from utilizing inside information for personal use.

In 2021, the Company has communicated its conflict of interest policy to directors, executives, and employees via email and disseminating through the Company's intranet system, including organizing training for employees to create correct knowledge and understanding through a hundred courses "STA with good corporate governance" which there are 95% of total employees participated in this training.

Conflict of Interest Report Preparation

The Board of Directors is provided the disclosures to prevent conflicts of interest and activities that may cause conflicts of interest, illegal and inappropriate activities. The Directors, Executives, and the permanent employees must prepare their report of the lists of the suspect which may be themself or their relatives who related in their family that was suspected to have any conflict of interest annually. In 2021, there were not find any significant conflict of interest among Directors, Executives, and permanent employees.

The policy on the prevention of conflict of interest disclosed on the Company's website (www.sritranggroup.com/en/cg/important-policies).

2. Policy for the Use of Inside Information

STA and its subsidiaries operate the business with transparency and are aware of the importance of the use of inside information. To comply with the Securities and Exchange Act, B.E. 2535 (as amended) (the 'SEC Act') including relevant rules and regulations, the Company sets out this policy for the use of inside information and measures to prevent the disclosure or use of confidential and/or non-public inside information of the Company by directors and executives including those holding an executive position in accounting or finance at the level of division manager or higher including employees of the Company and its subsidiaries for their benefits or others' benefit, either directly or indirectly and irrespective of whether such disclosure or use of confidential and/or inside information would be for consideration. This also extends to the use of inside information for securities trading.

In addition, the Company Secretary has notified directors, executives, and related employees in writing every time to refrain from trading in the Company's securities for at least one month before the disclosure of information to the public and should wait at least 24 hours after the disclosure to the public. Then, it will be able to do the above list including prohibiting the disclosure of such material information to other persons by any means as well as the Company has disseminated on the use of inside information and educational video clips have been published in the course "Know how to use inside information and civil sanctions" via e-mail and disseminated through the Company's intranet system with strict compliance throughout the year 2021.

The policy on the use of insider information disclosed on the Company's website (www.sritranggroup.com/en/cg/important-policies).



The Board of Directors and Executives of the Company in position as of 31 December 2021, hold the Company's ordinary shares as of 31 December 2021, with the following details:

Name	Position	Number of Shares Held on 1 January 2021	Number of Shares Held on 31 December 2021	Number of Shares Increase / (Decrease) in 2021	Shareholding as of 31 December 2021 (%)
Mr. Viyavood Sincharoenkul Spouse and minor child	Chairman / Chairman of Executive Committee	132,987,509 7,372,940	132,987,509 7,372,940	- -	8.66% 0.48%
Ms. Anusra Chittmittrapap Spouse and minor child	Vice-Chairman / Audit Committee Member	-	-	-	-
Mr. Chaiyos Sincharoenkul Spouse and minor child	Director	6,597,521 -	5,497,521 -	(1,100,000) -	0.36% -
Mr. Kitichai Sincharoenkul Spouse and minor child	Director/Group Manager of Legal & Administration	17,279,084 -	17,449,084 -	170,000 -	1.14% -
Mr. Paul Sumade Lee Spouse and minor child	Director	10,814,399 28,724,890	10,814,399 28,874,890	- 150,000	0.70% 1.88%
Mr. Veerasith Sinchareonkul Spouse and minor child	Director / Managing Director	22,500,000 -	22,500,000 -	- -	1.46% -
Mr. Vitchaphol Sincharoenkul Spouse and minor child	Director	23,500,000	23,500,000	-	1.53%
Mr. Patrawut Panitkul Spouse and minor child	Director / Chief Financial Officer (CFO)	-	-	-	-
Mr. Chalermpop Khanjan Spouse and minor child	Director / Chief Operating Officer	-	-	-	-
Mr. Kriang Yanyongdilok Spouse and minor child	Independent Director / Chairman of the Audit Committee	-	-	-	-
Mr. Samacha Potavorn Spouse and minor child	Independent Director / Audit Committee Member	-	-	-	-
Gen Thanason Pongarna Spouse and minor child	Independent Director	-	-	-	-
Mr. Thanatip Upatising Spouse and minor child	Independent Director	-	-	-	-
Mr. Chaidet Pruksanusak Spouse and minor child	Group Manager of Quality Assurance	-	-	-	-

Name	Position	Number of Shares Held on 1 January 2021	Number of Shares Held on 31 December 2021	Number of Shares Increase / (Decrease) in 2021	Shareholding as of 31 December 2021 (%)
Mr. Udom Pruksanusak Spouse and minor child	CEO - Plantation	12,000	12,000	-	0.001%
Ms. Nuchanart Chaiyarat Spouse and minor child	Group Manager of Human Resource	-	20,900	20,900	0.001%
Mr. Nattee Thiraputhokin Spouse and minor child	Chief Marketing Officer	-*	-	-	-
Total Number of Shares		249,858,343	249,099,243	(759,100)	16.217%

Note : * Information as of date of an appointment, 1 October 2021

3. Anti-Corruption

The Board of Directors has paid attention to anti-corruption and has established an anti-corruption policy to create guidelines for practices that are transparent, verifiable, and to create an organizational culture to prevent corruption. In 2021, the Company has promoted good corporate governance, business ethics, and anti-corruption as follows:

- STA has communicated the anti-corruption policy to directors, executives and employees via email and disseminating through the Company's intranet system, organizing training for employees to create correct knowledge and understanding through the "STA's Good Corporate Governance" course, as well as conducting a post-training test. There are 95% of total employees participated in this training and passed the knowledge test.
- STA was certified to join the Thai Private Sector Collective Action Against Corruption program and was certified as a member on August 21, 2018. In 2021, the Company was re-certified for the renewal certification period. As a result, the Company can develop and improve operational processes to be transparent, raise the standards of corporate governance, and is a confirmation of the Company's intention in combating all forms of corruption.

- STA has reviewed the anti-corruption policy to provide guidelines complying with CAC requirements such as facilitation payment guidelines, guidelines on hiring government officials, etc. The Company has communicated the anti-corruption policies to Executives, employees at all levels, including business partners, customers, and all stakeholders. In addition, the Company requires that the anti-corruption policy be reviewed annually to make such policy complete and cover the risks that may arise from corruption in the Company's business operations.
- STA has announced that the Company will not accept any gifts during the New Year festival and on other occasions through the website www.sriranggroup.com to express the intention and notify all groups of stakeholders, including business partners, customers, including affiliates, and outsiders.

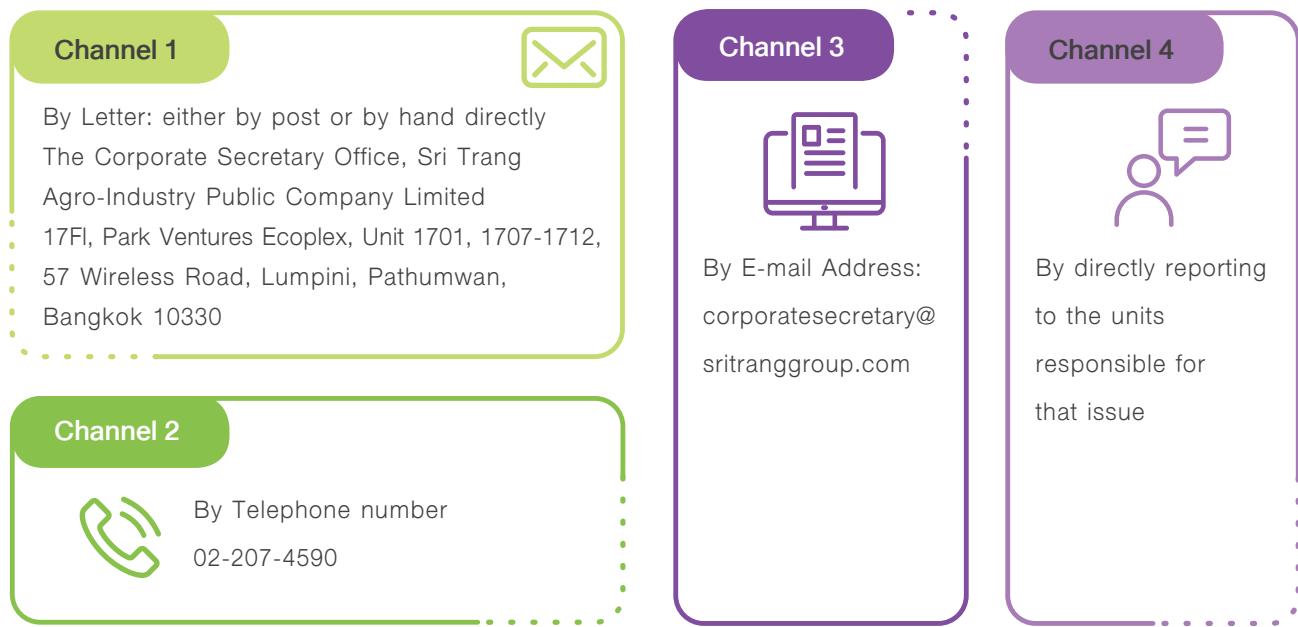
The policy on the anti-corruption disclosed on the Company's website (www.sriranggroup.com/en/cg/important-policies).

4. Whistleblowing

STA has committed to conducting our business properly, transparently, fairly and auditably in compliance with good corporate governance. The Company also expects all groups of stakeholders can report some events which may conflict with such Good Corporate Governance to have the correct next. In addition, the Company has established channels for receiving complaints from all groups of stakeholders about improper or inappropriate conducts which may cause damage to the Company as well as established measures to protect complainants who act in good faith.

Channels

The Whistleblower Policy of STA can be reached through these following channels;



These whistleblowing channels are informed to our employees via internal training sessions and email, as well as are published on STA's website for external stakeholders to be acknowledge also.

In 2021, The summary of complaints through these channels are as follows;

Types of Complaints	Number of Complaints
Services / Products	9
Human Rights	-
Malpractice and/ or Unfair Performance of Duties	8
Others	6

In handling complaints, the relevant departments must complete the resolution within the specified period and all types of complaints must be responded to in time to show the awareness and seriousness of the Company's management.

The policy on the whistleblowing disclosed on the Company's website (www.sritranggroup.com/en/cg/important-policies).



5. The Review of Tax Policy

The Board of Directors has reviewed the Company's tax policy to be consistent with the current situation and adhere to the principles of honesty, transparency, as well as promoting long-term business competition.

The policy on tax disclosed on the Company's website (www.sritranggroup.com/en/cg/important-policies)

6. Campaign Activities to Promote Good Corporate Governance, Business Ethics and Anti-Corruption

According to the policy of the Board of Directors, STA has provided training on good corporate governance and anti-corruption to new employees, setting a test for knowledge through an E-Learning system and providing corporate governance manual to study via an online channel and sign for acknowledgment in order to use it as a guideline for the operation. In 2021, our E-Learning courses are scheduled with 95 percent of the total number of employees participating in the training.

For anti-corruption, the Thai Private Sector Collective Action Against Corruption Project Committee (CAC) certified STA as a member on August 21, 2018, which the Company has consistently complied with the requirements of the Private Sector Collective Action Against Corruption (CAC) by preventing the risks associated with corruption. Policies and guidelines have been published and communicated to the Board of Directors, Executives, and employees, including external parties such as stakeholders, business partners, and business alliances. The Company has paid attention to cultivate and raise awareness of anti-corruption among its employees by arranging training courses on good corporate governance for employees as well as conducting a post-training test. In addition, the Company has prepared conflict of interest's form for all employees to report, so that the Company shall collect as a database, bring the information to analyze, and find a way to prevent future risks. As for the anti-corruption policy guideline to be in line with the requirements of the Thai Private Sector Collective Action Against Corruption (CAC), the Board of Directors has approved the improvement of such guideline and received the certificate of renewal in March 2021.



8.2 Report on the Performance Results of the Audit Committee

The Audit Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "Company"), consists of three independent directors, as follows:

1. Mr. Kriang Yanyongdilok	Chairman of the Audit Committee
2. Mr. Samacha Potavorn	Audit Committee member
3. Ms. Anusra Chittmittrapap	Audit Committee member

Mr. Wittawas Krungtanmuang, Manager of Internal Audit Group, served as the secretary of the Audit Committee. In 2021, the Audit Committee performed its duties and responsibilities as assigned by the Board of Directors and following the charter of the Audit Committee which is line with the regulation of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) thoroughly. In 2021, the Audit Committee also convened a total of eight meetings, with 100% attendance from Audit Committee's members. Moreover, the Audit Committee had meetings with related senior management, Head of Internal Audit and external auditors in related agenda items. The duties and responsibilities performed by the Audit Committee can be summarized as follows:

- reviewing the quarterly and year-end financial statements for the year 2021, together with the auditor, the Chief Financial Officer (CFO) and the management to ensure that the financial statements were recorded accurately and comply with generally accepted accounting principles. In reviewing the accuracy of the financial statements, there were discussion and exchange of opinion in each aspect before proposing the Board of Directors' meeting for the approval. In the Audit Committee's meeting no. 1/2022, held on 17 February 2022, there was a meeting between Audit Committee and external auditors without management participation which the external auditor did not have any significant observations;
- considering the internal audit plan and reviewing the results of internal audit conducted by the internal audit department as well as reviewing the sufficiency, appropriateness and effectiveness of the internal control system and risk management system. Moreover, the Audit Committee also defined the internal audit policy to enhance the quality and effectiveness of internal auditing, apart from complying with compliance audits, in order to create corporate value. To achieve auditing goals, the Company has supported continuous development of our employees and using technology to perform additional inspections;
- ensuring the Company to comply with the relevant laws and regulations and the principles of good corporate governance as well as its Articles of Association and the regulations of SEC and Stock Exchange and that the Company adequately disclosed information;

- reviewing the entering into and disclosure of related party transactions that may lead to conflicts of interest between the interested parties and the Company and its subsidiaries. The review concluded that the Company complied with laws and regulations of SET regarding to related party transactions;
- proposing auditors' names to be appointed as the Company's external auditors and proposing auditing fees for the year 2022 to the Board of Directors in order to obtain approval from the Company's shareholders in the 2022 Annual General Meeting of Shareholders. In performing this duty, the Audit Committee considered the track record and the independence of the auditors and the appropriateness of the remuneration;
- emphasizing on safety in various operations by giving recommendations to the management to review the operating process, supervision including considering the use of technology to support the practice to enhance work safety.

In conclusion, the Audit Committee agreed that the Company's operations, in 2021, had sufficient and appropriate internal control system and risk management system, that the financial statements were prepared in accordance with the generally accepted accounting principles and the Company has complied with related laws and regulations of SEC and Stock Exchange. Therefore, the Audit Committee has performed its duties with full independence and discretion and there were no limitations on its access to information.

Yours sincerely,

Mr. Kriang Yanyongdilok
Chairman of the Audit Committee
February 2022

8.3 Report on the Performance Results of the Sub-committees

In 2021, the details of Board Meetings' attendance can be summarized as follows:

Name	Position	Executive Committee Meeting		Audit Committee Meeting		Nomination Committee Meeting		Remuneration Committee Meeting		Risk Management Committee Meeting	
		FY2021 (Number of Attendances/ Rights of Attendances)	%								
1. Mr. Viyavood Sincharoenkul ¹	Chairman / Chairman of Executive Committee	9/9	100	-	-	-	-	-	-	-	-
2. Ms. Anusra Chittmittrapap	Vice-Chairman / Audit Committee Member / Independent Director	-	-	8/8	100	-	-	2/2	100	-	-
3. Mr. Veerasith Sinchareonkul ¹	Director / Managing Director	9/9	100	-	-	-	-	-	-	4/4	100
4. Mr. Chaiyos Sincharoenkul	Director / Executive Director	9/9	100	-	-	-	-	-	-	-	-
5. Mr. Kitichai Sincharoenkul	Director / Executive Director	9/9	100	-	-	2/2	100	-	-	-	-
6. Mr. Paul Sumade Lee	Director / Executive Director	9/9	100	-	-	-	-	-	-	-	-
7. Mr. Vitchaphol Sincharoenkul	Director / Executive Director	9/9	100	-	-	-	-	-	-	-	-
8. Mr. Patrawut Panitkul	Director / Executive Director	9/9	100	-	-	-	-	-	-	4/4	100
9. Mr. Chalermpop Khanjan	Director / Executive Director	9/9	100	-	-	-	-	-	-	4/4	100
10. Mr. Kriang Yanyongdilok	Chairman of the Audit Committee / Independent Director	-	-	8/8	100	2/2	100	2/2	100	-	-

Name	Position	Executive Committee Meeting		Audit Committee Meeting		Nomination Committee Meeting		Remuneration Committee Meeting		Risk Management Committee Meeting	
		FY2021 (Number of Attendances/ Rights of Attendances)	%	FY2021 (Number of Attendances/ Rights of Attendances)	%	FY2021 (Number of Attendances/ Rights of Attendances)	%	FY2021 (Number of Attendances/ Rights of Attendances)	%	FY2021 (Number of Attendances/ Rights of Attendances)	%
11. Mr. Samacha Potavorn	Audit Committee Member / Independent Director	-	-	8/8	100	2/2	100	2/2	100	-	-
12. Gen Thanasorn Pongarna	Independent Director	-	-	-	-	-	-	-	-	-	-
13. Mr. Thanatip Upatising ²	Independent Director	-	-	-	-	-	-	-	-	-	-
Percentage of Meeting Attendance		100		100		100		100		100	

Note :

¹ Mr. Viyavood Sincharoenkul resigned from the position of Managing Director and Mr. Veerasith Sincharoenkul was appointed as the Managing Director referred to the resolution of the Board of Directors Meeting No. 6/2021, the effective date is on October 1, 2021.

² Mr.Thanatip Upatising was appointed as the Independent Director referred to the resolution of the Annual General Meeting, the effective date is on April 2, 2021



9

INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

9.1 Internal Control

STA recognizes the importance of internal control system, risk management, and the monitoring of the business operation in each step by providing adequate and appropriate internal control system. This is to ensure that the Company's business operation at all units shall drive the accomplishment of the Company's goal as set by the Board of Directors. The Company has established an Internal Audit Department which is an independent unit to directly report to the Audit Committee. The appointment, removal, and rotation of the management of internal audit department require an approval from the Audit Committee. The Internal Audit Department shall perform an internal control assessment pursuant to the annual plan by considering related risk factors as approved by the Audit Committee as well as supporting the creation of a risk management system and providing various recommendations to ensure that all operations of the Company meet the objectives as planned. The Internal Audit Department has followed the standard for the professional practice of internal auditing as a guideline which focuses on independent, just, and internationally standardized operations with high quality auditing.

According to the Audit Committee meeting no. 1/2022, on February 4, 2022, the Audit Committee evaluated the internal control system of the Company and stated the opinion that the internal control system of the Company was adequate and appropriate. STA has provided an effective internal control system for the monitoring, control, and governance of its subsidiaries,

which offered adequate protection of assets against fraud, damage, losses, misuse, or authorized use as well as transactions with parties with potential conflicts of interest and with related parties. In addition, EY Office Limited, the Company's external auditor, has reviewed and assessed the accounting control of the Company and its subsidiaries. There is no material matter showing a weakness of the internal control system that may significantly impact on the financial statements of the Company and its subsidiaries. STA's internal control system was assessed in various aspects in accordance with the five components of the internal control and risk management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), as summarized below.

1) Control Environment

- STA has defined its Core Value, Vision, and Mission as well as established policies and protocols in writing, along with corporate governance practices, ethical standard, and code of conduct, which directors, executive, and employees at all level shall follow and comply with. Moreover, the Company also requires directors, executive, and employees to report their conflicts of interest to prevent activities that may lead to conflicts of interest issues. STA also places an importance on anti-corruption practices and has established an anti-corruption policy to provide guidelines for transparent and accountable practices.

- STA has defined the roles of the Board of Directors and other sub-committees including Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, and Sustainability Committee. The segregation of duties provides for checks and balances, leading to efficient internal control. STA has also established Internal Audit Department which reports directly to the Audit Committee.
- STA has also delegated authority and responsibilities in writing by setting a table of authority to define the scope of authority of directors and executives in approving operations or entering into transactions.
- STA has prescribed annual plan and key performance indicators (KPIs), as an operational guideline for employees and a tool for the regular monitoring of employee performance comparing with the Company's budgets and goals. The Company will consider the result of the evaluation together with the remuneration of employees in order to encourage and motivate employees to support the achievement of the Company's goals appropriately.
- STA promotes competency development according to job assignments and individual development plans to enhance employees' ability, skills, experience, and potential. STA has put in place processes for recruitment, development, and retention of executives and employees at all levels, together with succession plans and processes for key positions. This is defined as a personnel development policy and a succession plan in writing, which are reviewed on a two-year basis.

2) Risk Assessment

STA pays attention and supports concrete risk management system. The Board of Directors assigns Risk Management Committee to review the risk management policy, to supervise, and to support risk management operations of the organization in accordance with the Company's strategy and business goals to ensure the constructive risk management system of the Company. In doing risk management, the Company also considers the appropriateness of internal and external factors as well as circumstances that may affect the Company's operation; therefore, risk assessment and risk monitoring processes have been conducted at all time. Furthermore, risk management team regularly sets up meetings among management level to evaluate situations and define strategic operations to prevent potential risks. The Company has inculcated risk management culture; each business unit is responsible for its own risk management and requires to manage and control risk to an acceptable level.

3) Control Activities

- STA has defined policies, rules, regulations, and directives as well as work plans and procedures in writing, which are reviewed and communicated to all employees for acknowledgment and complying with abovementioned in the same direction. The operations are regularly reviewed to ensure compliance with rules, and regulations, such as employee performance appraisals that are defined as key performance indicators (KPIs).
- STA designs a mechanism to control operations which may cause significant risks such as financial department and procurement have clearly defined the scopes of authority, duties, and approval authorities of executives in writing. It has prescribed proper segregation and assignment of duties. STA



has prescribed the complete segregation of duties among report preparers, auditors, and authorized persons to ensure the audits can be carried out effectively. In addition, STA has provided accurate and complete accounting records. Documents and information are stored in a systematic and consistent manner as required by law.

- STA has control activities that are adequate, efficient, and suitable for STA's business operations. These control activities are established in accordance with objectives and as appropriate, such as the procurement process through the SAP system and the implementation of Wolf Approve, an online document approval system to help approve various tasks within the company quickly and conveniently, anytime, anywhere, etc.
- STA has adopted RPA (Robotic Process Automation), which is a technology to help manage the work of the employees must be done on a daily basis to be automatic. RPA helps working process faster and smoother than previous method. At present, the Company has introduced the RPA system into the work process, such as recording accounts payable through the Purchase Order system and the introduction of the RPA system to help connect to the B2G (Business to Government) system, such as Rubber Division, Department of Agriculture and the Federation of Thai Industries etc. This can increase operational efficiency to be faster and more accurate, as well as to encourage the reduction of paper usage in accordance with the company's "Green Organization" policy.

4) Information & Communication

- STA has an appropriate information management system for data aggregation, store, and record in relation to sales, procurement, production and accounting in order to ensure that the Company's

information is reliable and sufficient for timely decision making.

- STA establishes internal communication system via various channels such as intranet, e-mail and bulletin boards to create the communication system from the Board of Directors and executives to employees at all levels. This helps support employees to receive key messages thoroughly, so that they can perform their duties with the best effort, enhance corporate culture, and are ready to drive the organization to achieve the Company's goals sustainably.
- STA provides several channels for communication with stakeholders such as website, Facebook, LINE and "SRI TRANG FRIENDS" application. This is to encourage customers, suppliers, shareholders, investors and public to receive the Company's information regularly and give their opinion/ inquiry in case of doubt or suggestions. The Company realized that these channels help communicating information to be more accurate, faster, and comprehensive.
- STA sets a vision to focus on technology and innovation to increase operational efficiency, and reduce costs. For example, using "SRI TRANG FRIENDS" application in purchasing rubber from farmers and trading partners in Thailand. This helps the Company can purchase rubber from farmers and trading partners anywhere and anytime; moreover, this also helps innovate idea in adopting innovation and technology for Thai rubber industry in a sustainably.
- STA has provided various channels to receive comments, suggestions, and complaints, via whistleblowing channels, which the information received from the whistleblowing channels shall be kept confidential in accordance with the policy.

- STA recognizes the significance of cyber security; therefore, the Company provides software installation and other systems to prevent such risks, including Firewall system to prevent unauthorized persons from entering the Company's information system, Antivirus system to protect against viruses, worms and spam mail, A Proxy Server system to screen information flowing from website, and access restrictions to control access to data as well as providing various records management arrangement for verification.

5) Monitoring & Evaluation Activities

- The management continuously monitors economic situations and other events to assess and adjust operating strategies to suit current situations, together with operation plan to support such events that may affect the organization's goals in the future.
- STA has monitored employees to perform according to the specified procedures by reporting the performance according to KPIs for continuous and timely evaluation.
- STA has monitored regular compliance with the internal control system and if any defects are found in the internal control system have communicated to the department for acknowledgment in order to make improvements with monitoring and report to Audit Committee and Executive Committee to ensure that the administration and supervision of the organization are efficient and effective.

The Audit Committee

consists of qualified independent directors which are responsible for the consideration of the sufficiency of the Company's internal control system by continuously reviewing the performance of internal audit department and independent auditors. The Audit Committee emphasizes the sufficiency and adequacy of the internal control system and ensures that all operations

have complied with the laws, rules, regulations and other relevant policies. The Audit Committee may advise the development of internal control and internal audit system to the Board of Directors. If the Audit Committee has any recommendations or finds any significant error or misconducts, the Audit Committee will discuss with responsible management team and directly report such matters to the Board of Directors for appropriate actions or further improvement.

Internal Audit Department

The Company is responsible for assurance and giving advice to each department in order to encourage internal operation of the Company to be conducted with good corporate governance, risk management, internal control, and to comply with regulations. To achieve the Company's goals and objectives, Internal Audit Department has set up yearly plan for internal audit process based on key risks affecting the Company's operation. The internal audit staffs can access all information of the Company without any limitations in order to independently monitor the operation of various units within the Group in accordance with the annual plan and as assigned by the Executive Committee or the Audit Committee by using the principles of risk management to make an assessment on the businesses or the working processes and report directly to the audit committee on a quarterly basis. In case of finding any item that should be improved, the procedure has been established to ensure that the findings are corrected in time. The internal audit department has appropriately and sufficiently recruited internal audit staffs with the knowledge and experience related to internal audit. Mr. Wittawas Krungtaenmuang serves as a Head of Internal Audit and the Company continuously encourages and supports development of internal audit training. At present, the Internal Audit Unit had a head of the internal audit and four internal audit staff, which one of them has been registered for the Certified Professional Internal Audit of Thailand (CPIAT).



9.2 Related Party Transactions

The material related party transactions that were disclosed in the notes to the financial statements of STA and the interested person transactions that were not disclosed in the notes to the financial statements of STA for the financial year ended 31 December 2020 and 31 December 2021 are as follows:

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
1. Pruksa Rubber Co., Ltd.	The Executives officer of STA, Mr.Udom Pruksanusak and siblings, hold more than 50% of the shares in Pruksa Rubber Co., Ltd. Mr.Udom Pruksanusak is the authorized signatory of Pruksa Rubber Co., Ltd.	1.1 STA <ul style="list-style-type: none"> Sales of field latex 	0.95	1.56	STA sold fresh latex to Pruksa Rubber Co., Ltd. because STA did not have an in-house logistic service team, and Pruksa Rubber Co., Ltd. purchased the field latex right at STA's rubber plantation. This provided administrative, distribution, and labor cost savings to STA. The selling price of field latex was the price set by the STA's procurement team on a daily basis.	Since the area of rubber plantation from this plot was small and its yield was minimal; therefore, it was reasonable to reduce transportation and management costs by selling fresh latex to Pruksa Rubber Co., Ltd. at the reasonable price set by STA's procurement team.
		<ul style="list-style-type: none"> The purchase of fresh latex 	1.84	-	STA purchased fresh latex from Pruksa Rubber Co., Ltd. because the rubber plantations of Pruksa Rubber Co., Ltd. were located close to its factory and the purchasing center of STA. Moreover, Pruksa Rubber Co., Ltd. was capable to supply rubber of the quality and quantity as required by STA. The purchasing price of the field latex was at the price that the group announced to general suppliers in front of the factory.	STA required fresh latex as raw materials for the production of concentrated latex. The purchase price was at the market price set on a daily basis by STA's procurement team.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		1.2 Nam Hua Rubber • Sales of field latex	0.02	0.08	Nam Hua Rubber sold fresh latex to Pruksa Rubber Co., Ltd. because Nam Hua Rubber did not have an in-house logistic service team, and Pruksa Rubber Co., Ltd purchased the fresh latex right at Nam Hua Rubber's rubber plantation. This provided administrative, distribution, and labor cost savings to Nam Hua Rubber. The selling price of fresh latex was the price set by the Nam Hua Rubber's procurement team on a daily basis.	Since the area of rubber plantation from this plot was small and its yield was minimal; therefore, it was reasonable to reduce transportation and management costs by selling fresh latex to Pruksa Rubber Co., Ltd. at the reasonable price set by STA's procurement team.
		1.3 Startex Rubber • The purchase of fresh latex	2.85	17.20	Nam Hua Rubber purchased fresh latex from Pruksa Rubber because the rubber plantations of Pruksa Rubber were located close to its factory and the purchasing center of Nam Hua Rubber. Moreover, Pruksa Rubber was capable to supply both quality and quantity of rubber as required by Nam Hua Rubber. The purchase price of the fresh latex was at the price that the group announced to general suppliers in front of its factory.	Nam Hua Rubber required fresh latex as raw materials for the production of Concentrated Latex. The purchase price was at the market price set daily by STA's procurement team to purchase raw materials from general suppliers.
		1.3 Startex Rubber • Sale of rubber scraps	0.67	0.74	Startex Rubber sold fresh latex to Pruksa Rubber. The selling price was based on market price.	The selling price that Startex Rubber sold fresh latex to Pruksa Rubber Co., Ltd. was based on market price and in line with other customers.
		1.3 Startex Rubber • Sale of rubber scraps	-	0.01	Startex Rubber sold rubber scraps to Pruksa Rubber. The selling price was based on market price.	The selling price that Startex Rubber sold rubber scraps to Pruksa Rubber Co., Ltd. was based on market price and in line with other customers.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
	1.4 Rubberland Products • The purchase of fresh latex	26.21	20.31	Rubberland Products purchased fresh latex from Pruksa Rubber because the rubber plantations of Pruksa Rubber were located close to its factory and the purchasing center of Rubberland Products. Moreover, Pruksa Rubber was capable to supply rubber of the quality and quantity as required by Rubberland Products. The purchase price of the fresh latex was at the price that the group announced to general suppliers in front of its factory.	It was the trade payable. It was an outstanding balance based on payment criteria, which is general commercial term.	It was an outstanding balance based on payment criteria, which is general commercial term that considered appropriate and reasonable.
	• Accounts Payable	0.18	-			There was no comparable basis available in the market for such invaluable advice Mr. Somwang Sincharoenkul provided for the Company. Nevertheless, the remuneration was considered appropriate considering the extensive experience and expertise. Mr. Somwang Sincharoenkul has contributed to the Company as the honorary advisor.
2. Mr. Somwang Sincharoenkul	<u>Father of</u> • Mr. Viyavood Sincharoenkul, Major shareholder, Chairman • Mr. Kitichai Sincharoenkul, Director of STA; and • Mr. Paul Sumade Lee, Director of STA <u>Grandfather of</u> • Mr. Veerasth Sincharoenkul, Director and Managing Director of STA • Mr. Vitchaphol Sincharoenkul, Director of STA	5.14	5.14	Mr. Somwang Sincharoenkul has engaged as Honorary Advisor for the Company and advised the Company on goal & vision, business plans, investment plans, operational policy, raw material supply strategies, procurement, and engagement strategy with communities, local authorities, and government agencies. The remuneration was Baht 428,000 per month or Baht 5,136,000 per year for 2 years period from May 2020 to May 2022.		



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
3. Sri Trang Gloves (Thailand) Public Company Limited. (STGT)	STA is the company that STA is a major shareholder and has common BOD's members namely: Dr. Viyavood Sincharoenkul are Major shareholder, Mr. Kitichai Sincharoenkul and Mr. Veerasith Sincharoenkul are directors of the Company	3.1 STA <ul style="list-style-type: none"> • Sales of latex 	3,375.39	4,362.65	<p>STA and its subsidiaries sold concentrated latex to STGT. STA and its subsidiaries were a producer of concentrated latex that can produce quality concentrated latex that meets the needs of STGT and could deliver in the volume and quality to STGT. Moreover, the selling price of latex was the price agreed upon by the buyer and seller monthly. The price was comparable to the market price of concentrated latex at that time such as the price of MRB (Malaysian Rubber Board) announcement which was the main reference price used by manufacturers of rubber gloves to purchase concentrate in their production.</p> <p>The above price reflected related cost conditions such as delivery, maintenance of latex, etc. In addition, on June 28, 2019, STGT entered into a latex purchase agreement with STA and its subsidiaries which had a commercial condition that was based on the market price and has a pricing formula based on the MRB price.</p>	<p>Price of concentrated latex that STA sold to STGT was the selling price in line with the market price and reference price that other rubber glove manufacturers use for purchasing raw materials in their production process. Moreover, the selling price reflected the delivery conditions, including the properties of latex that the STGT required appropriately.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Purchases of gloves 	1,543.70	52.28	<p>STA purchased gloves from STGT to be sold to customers in domestic and some foreign countries. The price of the gloves being traded was the cost of STGT added margin as appropriated by considering the increase in the price of the main raw material is latex, production cost, exchange rate, and the market situation of glove prices in the world market in determining the selling price of gloves. The above price was set monthly. Such purchase price is considered by the profit margin that STA should be suitably received following the rubber gloves suppliers' business models.</p>	<p>The selling price was comparable to market prices and reflected the appropriate business manner.</p>
		<ul style="list-style-type: none"> Office service income 	29.48	31.20	<p>STA provided office services to STGT for sever rooms, warehouse space, office space for legal, insurance, finance, human resources, branding, and Sustainability, and charged service fees for Bangkok office and Hat Yai office on a monthly basis separated by the job description. Such rate had been agreed upon since May 2020, and the policy is to be reviewed every three year. STGT considered that it was reasonable if compared to the costs of the need to recruit employees in such sector or providing space including the above services by itself.</p>	<p>The aforementioned service fees were reasonable if compared with costs and expenses that STGT has to recruit employees in the said area or provide space including the said service by yourself. The aforementioned price was the price that can be compared with the market price. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.</p>

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Revenue from SAP information services and maintenance 	10.34	10.92	<p>STA provided IT services and SAP preventive maintenance to STGT, which was consisting of computer rental, hardware service fees, software services, etc. Since STA held the equipment and personnel ready for providing such services. The service fee could be compared with other service providers such as notebook rental, computer rental. Rental rates were charged per device per month in line with charging by other service providers. Additionally, the service was charged for the hardware and repair equipment charge rate per device per month was likely to other service providers. However, it might differ in detail on the area or the type of equipment provided.</p>	<p>The aforementioned service rates were reasonable and the rate was comparable to the market price of the service in a similar manner or comparable.</p>
		<ul style="list-style-type: none"> Revenue from sales of factory materials 	5.70	-	<p>STA - Kanchanadit Branch sold ammonia to STGT - Suratthani Branch caused STA Kanchanadit branch purchased ammonia in large quantities for use in the production of concentrated latex regularly to achieve economies of scale and increase price bargains. As a result, the costs of purchasing ammonia, one of the chemicals used in the rubber gloves manufacture and efficient inventory management of the group, have been saved. In addition, the STA - Kanchanadit Branch, sold ammonia at a cost plus relevant operating costs and a reasonable margin.</p>	<p>This aforementioned transaction was to save the cost of ammonia purchase and to enhance the efficiency of inventory management of the group. The selling price of ammonia was considered as a reasonable price.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Revenue from weighing services 	0.84	0.84	STA - Kanchanadit Branch provided weighing service to STGT- Suratthani Branch as STGT did not have a weighing device for weighing all types of freight trucks that carried the goods entering and leaving the factory such as raw materials, latex, chemicals, firewood, and finished goods, etc. The service fees were charged on a monthly basis at a reasonable rate.	As the service fees couldn't compare with any market price due to its specific purposes. However, this service fees were set based on associated costs plus appropriate margin.
		<ul style="list-style-type: none"> Revenue from Latex tank fee 	19.07	-	STA-Kanchanadit Branch provide 100-ton latex tank rental service to STGT-Suratthani Branch for use in the storage of synthetic and charging the tank service at the rate per tank per month. The tank rental fee cover related services such as receiving latex and disbursing latex including maintenance and cleaning of the tank. It is a rate comparable to the market price of a similar size or adjusted to each other.	Such service charges can be compared with the market price and trading conditions were appropriate and reasonable.
		<ul style="list-style-type: none"> Other service income(information service fee and booth expenditure) 	-	5.45	STA collecting license fees for SAP systems and expenditures for organizing a booth to promote products from STGT. This is the actual expense rate by charging according to the number of users of the STGT and charged according to the size of the exhibition area respectively.	It is the actual service charge rate. therefore considered that the said transaction was appropriate and reasonable.
		<ul style="list-style-type: none"> Dividend received 	906.30	8,700.45	STA received dividend from STGT, which was paid from STGT's performance.	The dividend was paid in accordance with the resolution of the shareholders' meeting and the Board of Directors' meeting of STGT, by paying in accordance with the shareholding proportion of STA in STGT.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Rental fees 	3.99	-	<p>STA made a contract with STGT in renting a warehouse building usable area of 2,772 square meters, located at 209/2 Moo 2, Tambon Phraeksa, Amphoe Mueang, Samut Prakan Province so that STA used as a storage area for rubber gloves for distribution to domestic buyers. The lease term is 1 year from February 1, 2020 to January 31, 2021. At the rental rate of 120 baht per square meter per month, equivalent to a monthly rental of 332,640 baht, which is the same rate as limited partnership Denchai Paknam which is the original lessor to STA before the STGT has purchased the said land and buildings from a limited partnership Denchai Paknam on January 31, 2018</p>	<p>Such rental rates are reasonable, can be compared with the market price and is the original rental rate at STA ever rented from outsiders before the STGT will purchase such warehouses including general trading conditions therefore considered that the said transaction was appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Pay for other services 	6.00	-	<p>STA paid marketing services to STGT based on the Board of Directors Meeting No. 9/2019 held on November 21, 2019, had resolved to acknowledge the resolution of the Board of Directors meeting of the STA No. 7/2019, Subject: Guidelines for dividing the scope of business operations between STA and STGT. The service fee was calculated from the total income of the responsible marketing staff. The above rates had been charged since January 2020 and the rates that the Company considered that it was reasonable if compared with the Company must recruit employees in the said segment or provide space including the aforementioned services.</p>	<p>The aforementioned service rates were reasonable if compared with the costs and expenses that STA had to recruit employees in such area or providing space including the said service by yourself. Therefore, it was considered that the aforementioned transaction was appropriate and reasonable. If the sales of rubber gloves from the STA to STGT has been moved completely, this connected transaction will not be shown in the future.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Latex tank rental fee 	-	3.27	STA-Trang Branch paid latex tank rental fee to STGT- Trang Branch for use in the storage of synthetic and charging the tank service at the rate per tank per month. The tank rental fee covered other related services such as latex's receiving and disbursing, maintenance, and tank cleaning. Such rate was comparable to the market price of a similar size or adjusted to each other.	Such service charges were comparable to market price and trading conditions were appropriate and reasonable.
		<ul style="list-style-type: none"> Expenses for purchasing materials used in factory 	0.11	0.15	STA bought materials from STGT to save the purchasing cost and effectively manage the raw materials of the group. The purchase price of STA was at the actual cost of STGT plus appropriate margin.	The aforementioned transaction was reasonable reflected associated costs and margin. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Income from the sale of land 	-	177.47	STA sold a plot of land to STGT, amounting to 334 rai 6.2 square wa, located at Khao Chairat Sub-district, Pathio District, Chumphon Province. The purchase price of land was the agreed price between the buyer and seller, based on the appraisal price from First Star Consulting Company Limited. Moreover, this transaction was approved by the Board of Directors Meeting No. 9/2020 held on November 13, 2020.	Such purchase price was reasonable and similar to the appraisal price based on the market value from an independent appraiser.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)	Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021	Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
		• Sales of investment in Premier System Engineering	-	940.80		STA sold its investment in Premier System Engineering to STGT, amounting to 419,996 shares. The selling price was agreed between the buyer and the seller based on asset value criteria. Moreover, this transaction was approved by the Board of Directors Meeting No. 9/2020 held on November 13, 2020.	Such selling price was reasonable and comparable to market value.
		• Sales of investment in Sadao P.S. Rubber	-	147.00		STA sold its investment in Sadao P.S. Rubber to STGT, amounting to 399,994 shares. The selling price was agreed between the buyer and the seller based on asset value criteria. Moreover, this transaction was approved by the Board of Directors Meeting No. 9/2020 held on November 13, 2020.	Such selling price was reasonable and comparable to market value.
		• Land for sale	-	152.67		STA sold the land to STGT, in the area of 77 rai 3 ngan 71.4 square wa in Phlai Wat,Kanchanadit, Surat Thani Province in the amount of Bant 45,410 million and in the area of 191 rai 59.6 square wa in Bang mak, Kantang, Trang Province in the amount of Baht 107.26 million. The purchase price was agreed between the buyer and seller based on the appraisal price of land from First Star Consulting Company Limited, which was approved by the Board of Directors Meeting No. 5/2021 held on August 10, 2021.	Such purchase price was reasonable and similar to the appraisal price based on the market value from an independent appraiser.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Bant)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		• Accounts receivable	482.42	438.67	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		• Accounts payable	91.11	0.48	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		• Other accounts payable	1.92	1.36	It was the other account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
	3.2 Rubberland Products	• Sales of latex	671.52	839.24	Rubberland Products sold concentrated latex to STGT. Rubberland Products is a producer of concentrated latex that could produce quality concentrated latex that met the needs of STGT and can deliver in the volume and quality to STGT. Moreover, the selling price of latex was the price agreed upon by the buyer and seller monthly. The price is comparable to the market price of concentrated latex at that time such as the price of MRB (Malaysian Rubber Board) announcement which was the main reference price used by manufacturers of rubber gloves to purchase concentrate in their production. The above price reflected related cost conditions such as delivery, maintenance of latex, etc. In addition, on June 28, 2019, STGT entered into a latex purchase agreement with STA and its subsidiaries which had a commercial condition that is based on the market price and has a pricing formula based on the MRB price.	Price of concentrated latex that Rubberland Products sold to STGT was the selling price in line with the market price and reference price that other rubber glove manufacturers use for purchasing raw materials in their production process. Moreover, the selling price reflected the delivery conditions, including the properties of latex that the STGT requires appropriately.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Rental income 	4.64	4.64	Rubberland Products provided housing services to employees of STGT as STGT's factory location was located adjacent to Rubberland Products. The service fee was charged based on the tenant staff directly per house per month for all building types, 645 rooms which were comparable to the rate of room rental in similar areas.	The rental rate was comparable to the market price of the monthly housing in a similar area.
		<ul style="list-style-type: none"> Income from providing services for using space for placing products/ or others 	1.08	1.08	STGT leased land from Rubberland Products to be firewood storage with a total area of 5.42 rai, title deed number 250477 at the rental rate per year. Such rental fee was comparable to the rental rate in a similar area, which was Ban Phru Sub-district, Hat Yai District, Songkhla.	The rental rate was comparable to the market price in a similar area.
		<ul style="list-style-type: none"> Weighing service fee 	0.86	0.86	Rubberland Products provided weighing services to STGT as STGT did not have a weighing device for weighing all types of freight trucks that carried the goods entering and leaving the factory such as raw materials, latex, chemicals, firewood, and finished goods, etc. The service fees were charged on a monthly basis at a reasonable rate.	As the service fees couldn't compare with any market price due to its specific purposes. However, this service fees were set based on associated costs plus appropriate margin.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Latex tank rental fee 	10.50	3.54	Rubberland Products provided 100 ton and 250 tons latex storage tanks to STGT for use in the storage of synthetic and charging the tank service at the rate per tank per month. The tank rental fee covered other related services such as Latex's receiving and disbursing, maintenance, and tank cleaning. Such rate was comparable to the market price of a similar size or adjusted to each other.	Tank rental fee was comparable to the market price.
		<ul style="list-style-type: none"> Dividend received 	97.08	931.96	Rubberland Products received a dividend from STGT paid from the performance of STGT.	The dividend was paid in accordance with the resolution of the shareholders' meeting and the Board of Directors' meeting of STGT, by paying in accordance with the shareholding proportion of Rubberland Products in STGT.
		<ul style="list-style-type: none"> Sales of investment in Premier System Engineering 	-	179.20	Rubberland Products sold its investment in Premier System Engineering to STGT, amounting to 80,000 shares. The selling price was agreed between the buyer and the seller based on asset value criteria. Moreover, this transaction was approved by the Board of Directors Meeting No. 9/2020 held on November 13, 2020.	Such selling price was reasonable and comparable to market value.
		<ul style="list-style-type: none"> Expenses for purchasing materials used in factory 	0.19	0.27	Rubberland Products bought gasoline, diesel, and factory supplies from STGT at the actual cost plus margin, aiming to maximize the benefit for inventory management of the Group effectively. The charged price reflected the relevant costs and provided reasonable profits.	The aforementioned transaction was reasonable reflected associated costs and margin. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Pay for other services (security fees) 	-	0.24	Rubberland Products paid for security services to STGT. The service fee was equal to the wage rate that STGT paid to its employees.	The aforementioned transaction was reasonable reflected the actual wage rate. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Purchases of gloves 	-	0.03	Rubberland Products purchase gloves from STGT. All purchases are made through purchase orders. The price of rubber gloves traded is the company's cost price plus profit as appropriate.	The said item is a selling price that is comparable to the market price at STGT sell latex gloves to other customers and is a selling price that reflects a suitable business model including general commercial terms therefore considered that the said transaction was appropriate and reasonable.
		<ul style="list-style-type: none"> Accrued income 	-	0.41	It was an accrued service fee resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and it was a normal accrued expense item. Therefore, it was considered that such transactions are appropriate and reasonable.
		<ul style="list-style-type: none"> Accounts Receivable 	107.81	81.04	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		<ul style="list-style-type: none"> Accounts payable 	-	0.03	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> • Other Accounts Payable 	0.02	0.04	It was the other account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		3.3 Nam Hua Rubber	236.18	706.64	Nam Hua Rubber sold concentrated latex to STGT. Nam Hua Rubber were a producer of concentrated latex that could produce quality concentrated latex that met the needs of STGT and could deliver in the volume and quality to STGT. Moreover, the selling price of latex was the price agreed upon by the buyer and seller monthly. The price was comparable to the market price of concentrated latex at that time such as the price of MRB (Malaysian Rubber Board) announcement which was the main reference price used by manufacturers of rubber gloves to purchase concentrate in their production. The above price reflected related cost conditions such as delivery, maintenance of latex, etc. In addition, on June 28, 2019, STGT entered into a latex purchase agreement with STA and its subsidiaries which had a commercial condition that is based on the market price and has a pricing formula based on the MRB price.	Price of concentrated latex that Nam Hua Rubber sold to STGT was the selling price in line with the market price and reference price that other rubber glove manufacturers use for purchasing raw materials in their production process. Moreover, the selling price reflected the delivery conditions, including the properties of latex that the STGT requires appropriately.
		<ul style="list-style-type: none"> • Sales of latex 	-	-	Nam Hua Rubber provided its employees to work at STGT's factory during Q3 I 2020 - Q4 I 2020 because during that time STGT was unable to procure workers in time. Nam Hua Rubber charged wages based on to the actual amount paid to those employees.	<ul style="list-style-type: none"> • This item reflected the actual cost of labor. • It considered as a reasonable transaction, as its purpose was to maximize the benefit for the whole Group.
		<ul style="list-style-type: none"> • Other income 	0.10	-		



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		• Other income (latex tank rental)	-	0.49	Nam Hua Rubber provide a 500-ton latex tank rental service to STGT for use in the storage of synthetic and charging the tank service at the rate per tank per month. The tank rental fee covered other related services such as latex's receiving and disbursing, maintenance, and tank cleaning. Such rate was comparable to the market price of a similar size or adjusted to each other.	Tank rental fee and LTX storage fee were temporary transaction and were agreed the general commercial term. Therefore, it was considered that such transaction was appropriate and reasonable.
		• Rental Fee	-	0.33	Nam Hua Rubber leased land of STGT, title deed no. 38592, located at Samnak Kham Subdistrict, Sadao District, Songkhla Province, for the staff's residence. The 3-year lease agreement started during February 1, 2021 to January 31, 2024. The monthly rental rate of Baht 30,000, which was agreed between the lessor and the lessee under the land lease agreement for a specific area.	Such rental rate was agreed between the lessor and the lessee under the land lease agreement, which was general commercial term. Therefore, it was considered that such transaction was appropriate and reasonable.
		• Other service charges (water and electricity)	-	0.06	Nam Hua Rubber paid for water and electricity bills used in its employee houses to STGT based on the actual used unit and the rate was equal to the rate specified by STGT regarding to STGT's Regulation No. 04/2562.	Such rate was comprehensive and reflected the relevant costs and reasonable profit margins, which was general commercial term and list of normal trade account receivables. Therefore, it was considered that such transaction was appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> • Expenses for purchasing materials used in factory 	0.01	-	Nam Hua Rubber purchased factory supplies from STGT to save the Group's purchasing cost and to effectively manage the raw materials. The purchase was made at the STGT actual cost plus appropriate margin.	The aforementioned transaction was reasonable reflected associated costs and margin. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Purchases of gloves 	0.01	Nam Hua Rubber purchase gloves from STGT. All purchases are made through purchase orders. The price of rubber gloves traded is the company's cost price plus profit as appropriate.	Nam Hua Rubber purchase gloves from STGT. All purchases are made through purchase orders. The price of rubber gloves traded is the company's cost price plus profit as appropriate.	The said item is a selling price that is comparable to the market price at STGT can sell latex gloves to other customers and is a selling price that reflects a suitable business model including general commercial terms therefore considered that the said transaction was appropriate and reasonable.
		<ul style="list-style-type: none"> • Accounts receivable 	25.68	43.76	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		<ul style="list-style-type: none"> • Accounts payable 	-	0.01	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		<ul style="list-style-type: none"> • Other Accounts Payable 	-	0.07	It was the other account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		3.4 Anvar Parawood • Revenue from selling raw materials	1,202.54	1,436.44	Anvar Parawood sold firewood to STGT. Anvar Parawood had expertise in the procurement and distribution of rubberwood business with more than 30-years experience and had personnel ready to provide such services and able to supply the firewood for STGT. There was a need for large quantities of firewood as an energy source in production. Firewood price was the Company's purchase price of firewood as of the transaction date plus operating expenses.	Trading prices for firewood were market prices plus a reasonable operating fee. As the amount of firewood that STGT needed to use was very high. It could be difficult to compare the market price due to the factors of quantity and transportation costs from various sources. However, we have tried to collect data and found that the trading price was comparable to other firewood suppliers.
		• Other income	1.81	-	As of May 11, 2018, Anvar Parawood transferred its factory business license (Por Ngor 4), registration number 10900002725611, factory type No. 34 (4) and on 31 July 2018 Anvar Parawood transferred its license to establish a wood processing factory using machines Vol. 2430, No.59 to STGT. As STGT used wood chips as a biomass to generate heat for the production process. And STGT aimed to own a chopped plant and hold ownership of the relevant wood chip production license considered reasonable to be consistent with STGT's business operations.	The aforementioned transaction was calculated based on actual expenses plus operating expenses. Moreover, this transaction was transacted under general commercial terms which considered appropriate and reasonable.
		• Revenue from sales of factory materials	-	0.04	Anvar Parawood sold fuel to STGT which is used with forklift for used in Sadao. In order to save the cost of purchasing the fuel of the group efficiently. The fuel price is based on the oil price on the trading date, and reflect the relevant costs and reasonable profits.	Such items it is a comprehensive rate and reflects the relevant costs and reasonable profit margins. including general commercial terms therefore considered that the said transaction was appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		• Advance income	20.00	10.34	It was an item for supplying firewood for STGT. STGT had a high demand for firewood to support the increased production capacity. It was effective since January 2020 onwards.	The aforementioned transaction was under normal trading conditions. This was in line with an increase in production and use of firewood. Therefore, it was considered that such transaction was appropriate and reasonable.
		• Income from the sale of land	-	69.21	Anvar Parawood sold the land and buildings to STGT, in the area of 34 rai 1 ngan 0.7 square wa in Samnak Kham Sub-district, Sadao District, Songkhla Province. The purchase price was agreed between the buyer and seller based on the appraisal price of land from First Star Consulting Company Limited, which was approved by the Board of Directors Meeting No. 9/2020 held on November 13, 2020.	Such purchase price was reasonable and similar to the appraisal price based on the market value from an independent appraiser.
		• Accounts Receivable	9.86	1.44	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
	3.5 Starlight Express Transport		77.68	76.98	Starlight Express Transport provided transportation services for STGT. Starlight Express Transport engaged in transporting goods business and preparing documents for import and export. Moreover, it also had equipment and professional teams for such services with more than 20-year experience in this business. The service fee was set according to the market price and the price was adjusted based on oil price fluctuation in each period.	Starlight Express Transport had expertise in transport operations and processing documents related to transportation. The service rate was reasonable reflected associated costs and margin and was comparable to other service providers.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Income from import-export ceremony 	10.49	10.31	Starlight Express Transport provided document preparation services for import and export to STGT. Starlight Express Transport engaged in the business of importing and exporting documents with more than 20-year experience in this business. Such service was charged for import and export document per set and this rate was comparable to other service providers in this market.	Starlight Express Transport had expertise in transport operations and processing documents related to transportation. The service rate was reasonable reflected associated costs and margin and was comparable to other service providers.
		<ul style="list-style-type: none"> Other service income 	9.95	11.29	Starlight Express Transport provided freight forwarding services and management fees to STGT. Starlight Express Transport had the expertise professional teams for such services with more than 20-year experience in this business. The service fee was set according to the market price and the price was adjusted based on oil price fluctuation in each period.	Starlight Express Transport had expertise in transport operations and processing documents related to transportation. The service rate was reasonable reflected associated costs and margin and was comparable to other service providers.
		<ul style="list-style-type: none"> Accrued income 	1.46	1.60	It was an accrued service fee resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and it was a normal accrued expense item. Therefore, it was considered that such transactions are appropriate and reasonable.
		<ul style="list-style-type: none"> Accounts Receivable 	8.71	10.25	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		3.6 Premier System Engineering • Sales of Material	149.05	0.49	Premier System Engineering sold spare parts to STGT such as motors, pumps, valves, electronic devices, etc. Premier System Engineering specialized in supplying machinery and equipment for gloves production to the group and purchases in large quantities in conjunction with the purchase of similar parts of STA group. The above rate was comparable to market prices.	Premier System Engineering had expertise in such works. And the service rate was comparable in the market.
			623.92	0.22	Premier System Engineering designed, manufactured and installed machines for STGT. Premier System Engineering had expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing gloves, STGT, for a long time. Moreover, the production and installation of machines for the rubber gloves production were considered as confidential because it needed to access to the production technology; therefore, STGT did not want to hire third parties for this work. The profit margin was consistent with other operators in the same business.	



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Income from maintenance service and others 	24.58	0.19	Premier System Engineering provided maintenance services for STGT. Premier System Engineering had expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing gloves. STGT, for a long time. In addition, the production and installation of machines for the rubber gloves production were considered as confidential because it needed to access to the production technology; therefore, STGT did not want to hire third parties for this work. In addition, hiring Premier System Engineering in such jobs allowed STGT not to recruit staff and reduced the labor costs as well. Such service fee was comparable to the market price.	Premier System Engineering had expertise in such works. And the service rate was comparable in the market.
		<ul style="list-style-type: none"> Cleaning service income 	106.32	-	Premier System Engineering provided cleaning services to STGT as Premier System Engineering had expertise in glove manufacturing equipment and machinery. Moreover, the cleaning of the machines in rubber gloves production was considered as confidential because it needed to access to the production technology; therefore, STGT did not want to hire third parties for this work. Such service fee was comparable to the market price.	Premier System Engineering had expertise in such works. And the service rate was comparable in the market.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Revenue from calibration services 	5.92	-	Premier System Engineering provided precision calibration services for tools and equipment to STGT as Premier System Engineering was ISO IEC17025 certified for calibration standards and was well-equipped equipment with professional teams service in urgent cases. Such service fee was set by type of equipment, which was comparable with the market price of other calibration work from outsiders.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.
		<ul style="list-style-type: none"> Other income 	0.53	-	Premier System Engineering provided transportation equipment to STGT following the agreement specified in the purchase order which occurred occasionally. In addition, Premier System Engineering also provided training space for STGT to save cost of training arrangement effectively. The service fee was charged at Premier System Engineering's average cost price. The above price was comparable to the service provided for outside training locations.	The aforementioned service fee was related to the manufacture and installation of machines, and maintenance which Premier System Engineering had expertise in work. Moreover, it had professional teams and tools involved in the service. The service rates were comparable to the same type of business in the market. Furthermore, this transaction was transacted under general commercial terms. In addition, this transaction helped reduce training costs of STGT and the Group. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Revenue from sales of factory materials 	1.08	-	Premier System Engineering sold control valve and miscellaneous equipment such as netting, shelves, etc. to STGT, which the purchase price was comparable to the market price.	Such selling price was reasonable and comparable to market value. Therefore, it was considered appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Expenses for purchasing factory materials 	6.00	-	STGT sold chemicals and hand socket cleaners to Premier System Engineering, the service provider of cleaning machines and equipment of STGT. Due to the frequent bulk orders of chemicals and equipment, STGT sold these materials at the average cost price of STGT to save the cost of purchasing chemicals, equipment, and efficient inventory management of the Group.	It was a reasonable item as it saved the purchase cost of the whole the Group as a whole.
		<ul style="list-style-type: none"> Other expenses 	0.03	-	Premier System Engineering paid internet fee to STGT based on the actual use from Premier System Engineering's employees. Such fee was at the same rate that TOT Public Company Limited charged from STGT.	The aforementioned service fee was reasonable and the rate was comparable to the market price of the service in a similar manner or comparable. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Accounts Receivable 	91.39	94.69	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		<ul style="list-style-type: none"> Other Accounts Payable 	0.41	0.41	It was the other account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Bahn)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		3.7 Sri Trang Indochina • Purchases of glove	37.61	202.95	Sri Trang Indochina bought gloves from STGT for selling to customers in Vietnam. The price of the gloves being traded was at the cost of STGT added margin as appropriated by considering the increase in the price of the main raw material is latex, production cost, exchange rate, and the market situation of glove prices in the world market in determining the selling price of gloves. The above price was set monthly. Such purchase price was considered by the profit margin that Sri Trang Indochina should be suitably received following the rubber gloves suppliers' business models.	The selling price was comparable to market prices and reflected the appropriate business manner.
		• Commission income	0.42	1.92	Sri Trang Indochina received commission income from STGT in contacting customers and coordinating sales of rubber gloves. The commission rate could be comparable to the commission rate of STGT paid to other clients. STGT had established its commission fee policy and promulgated since February 7, 2020.	The aforementioned service rate was reasonable and comparable to the commission rates of STGT paid to other clients, and support the business operation of the STGT, which was general commercial term. Therefore, it was considered appropriate and reasonable.
		• Accounts Receivable	0.07	0.17	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		• Accounts Payable	7.75	46.85	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		3.8 Sri Trang IBC • Revenue from providing information services	46.14	80.72	Sri Trang IBC provided IT services and information systems as Sri Trang IBC had equipment and personnel available to provide such services. The service fee was set based on the type of information work and was comparable to the market price.	The service rate was comparable to market prices.
		• Consulting service income	16.97	15.20	Sri Trang IBC provided consulting services to STGT under the agreement to advise to STGT by Mr. Chia Chee Ping, Mr. Daniel Stocker, the marketing and development team by providing advice on goal setting, vision, strategic plans for marketing execution, and management development product aspect to operate following the Company's business objectives. The service fee agreement started from January 2020 to December 2024 and from March 2020 to December 2020, respectively. The aforementioned service rate couldn't be found and comparable to market prices, but if considering personnel costs and qualification to provide this services, such rate was reasonable.	Since such service couldn't be compared to the market price, however, if considering the comprehensive knowledge, experience and qualifications to support this service. Therefore, it was considered that the aforementioned transaction was appropriate and reasonable.
		• Accounts Receivable	8.62	12.34	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		3.9 Sri Trang Rubber & Plantation • Expenses for purchasing factory materials	0.10	0.05	Sri Trang Rubber and Plantation purchased unused 200 liters plastic buckets from STGT. That price was at the market price and it was sold to general customers.	The transaction was transacted under the market price and could be compared with selling to other customers, which was general commercial term. Therefore, it was considered appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)	Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
		<ul style="list-style-type: none"> Purchases of gloves 	0.04	Sri Trang Rubber and Plantation purchase gloves from STGT. All purchases are made through purchase orders. The price of rubber gloves traded is the company's cost price plus profit as appropriate.	The said item is a selling price that is comparable to the market price at STGT can sell latex gloves to other customers and is a selling price that reflects a suitable business model including general commercial terms therefore considered that the said transaction was appropriate and reasonable.
		3.10 Startex Rubber <ul style="list-style-type: none"> Land rental income 	0.26	STGT leased land from Startex Rubber Title Deed No. 9875, Land No. 53, survey page 915, area 3 rai 43 square wa and Title Deed No. 9883, Land No. 54, survey page 973, land area 11 rai 2 ngan 32 Tarawa, Khuan Thani Subdistrict, Kantang District, Trang Province to set up a pumping plant and lay water pipes by having a land lease agreement. The lease term was 1 year, starting from May 1, 2021 to April 30, 2022 at the rental rate of 33,000 baht per month.	The aforementioned service rates were reasonable and the rate was comparable to the market price of the service in a similar manner or comparable.
		3.11 Sri Trang International <ul style="list-style-type: none"> Consulting service income 	6.65	9.59	Considering the qualifications of the consultants and the roles of the consultants available to the Company, consider that the transaction is appropriate and reasonable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity/ Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
4. Sri Trang USA	Company with Directors: Mr. Veerasith Sincharoenkul is the Company's director.	4.1 STA • Revenue from service information and maintenance of the SAP system	1.55	2.86	STA provided information system and SAP maintenance services for Sri Trang USA consisting of computer rental, hardware service, software services, etc. since STA had the equipment and personnel ready for providing such services. The service fee was determined by the type of information work and could be compared with other service providers. There was a service charge per device per month. Equivalent to other service providers, charged at the same rate and the service charge for the hardware, repair equipment charge rate per device per month. It was comparable with other service providers, which might differ in detail on the area and type of equipment provided.	The aforementioned service rate was reasonable and the rate was comparable to the market price of the service in a similar manner or comparable.
		• Other Debtor	-	0.78	It was the other debtor resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal.
		4.2 Sri Trang IBC • Revenue from providing information services	0.14	0.16	Sri Trang IBC provided services for IT and information systems. Sri Trang IBC had equipment and personnel available to provide such services. The service fee was set according to the type of information work which the said service rate was comparable to the market price.	The service rate was comparable to market prices.
		• Accounts Receivable	-	0.01	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
5. Shi Dong Shanghai Medical Equipment	Company with directors: Dr. Viyavood Sincharoenkul is the Company's director.	5.1 STA • Revenue from SAP information services and maintenance	-	0.24	STA had provided information system services and SAP maintenance work with Shi Dong Shanghai Medical Equipment consisting of computer rental, hardware service fees, software services, etc. since STA had the equipment and personnel ready for providing such services. Such service fees could be compared with other service providers such as notebook rental, computer rental. Rental rate was charged per device per month that equivalent to other service providers, charged at the same rate and the service charge for the hardware, repair equipment charge rate per device per month. It was comparable with other service providers that provide services in a similar manner, which might differ in detail on the area, type of equipment provided.	The aforementioned service rate was reasonable and the rate was comparable to the market price of the service in a similar manner or comparable.
		5.2 Sri Trang IBC • Revenue from providing information services	0.11	0.50	Sri Trang IBC provided services for IT and information systems. Sri Trang IBC had equipment and personnel available to provide such services. The service fee was set based on the type of information work which the said service rate was comparable to the market price.	The service rate was comparable to market prices.
		• Accounts Receivable	0.11	0.40	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
	5.3 Shi Dong Shanghai • Revenue from providing information services	5.73	4.31	Shi Dong Shanghai provided office services to Shi Dong Shanghai Medical Equipment consisting of human resources, accounting, financial, and branding. Such fees were charged and agreed since September 15, 2019, were required annual price review as specified in the contract.	The aforementioned service rate was reasonable, which was general commercial term and the rate was comparable to the market price of the service in a similar manner or comparable.	
6. Premier System Engineering	Company with directors: Mr. Veerasith Sincharoerkul is the Company's director.	6.1 STA • Purchase spare part	-	7.65	STA purchased spare parts for machinery equipment such as rollers, rolling pins, shaft gears, etc. from Premier System Engineering for use with machines in the production of STR as a service provider with expertise in installation and maintaining machinery and equipment for a long time. This was a service through a purchase order, which the purchase price was the cost price of the Premier System Engineering plus relevant operating costs and reasonable profit.	The above rates were comprehensive and reflected the relevant costs and reasonable margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> • Others Maintenance fees 	-	0.57	STA paid for office building maintenance and the Executive's housing to Premier System Engineering by providing a service through a purchase order. Such charge was determined following reasonable labor cost and profit.	Such item was a comprehensive rate and reflect the relevant costs and reasonable profit margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Revenue from calibration services 	-	2.13	Premier System Engineering provided precision calibration services for tools and equipment to STA as Premier System Engineering was ISO IEC17025 certified for calibration standards and was well-equipped equipment with professional teams service in urgent cases. Such service fee was set by type of equipment, which was comparable with the market price of other calibration work from outsiders.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.
		<ul style="list-style-type: none"> • Other services fees 	-	0.86	STA paid for the services of inspection, certification, and maintenance of assets according to annual plans such as buildings, cranes, and electrical systems to Premier System Engineering. These services were provided under the agreement specified in the purchase order, in which the service fees were calculated based on the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit.	Such services were related to the production, installation of machines, and maintenance provided by Premier System Engineering who had expertise in such work. Moreover, it had personnel experience and tools involved in providing services at the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit, which was general commercial term. Therefore, it was considered appropriate and reasonable.



Related Parties	Relationship	Type of Transaction		Value of Transaction (Million Baht)	Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
		• Rental fees	-	0.05	STA paid for office rentals to Premier System Engineering because the QA Center staff was transferred following their responsibilities and actual performance during the contract replacement period and the contract change completed in February 2021. The rate was charged at actual expenses.	It was the actual service charge rate. Therefore, it was considered appropriate and reasonable. And such items were expected not to continue in the future.
		• Other expenses	-	0.11	STA paid for testing services to Premier System Engineering. This is a service through the purchase order which the service fee is the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit. STA purchased uniforms from Premier System Engineering to save the cost of ordering uniforms and to manage the Company's inventory efficiently. This selling price reflected the relevant costs and reasonable profits of Premier System Engineering.	Such rate was comprehensive and reflected the relevant costs and reasonable profit margins, which was general commercial term and list of normal trade account receivables. Therefore, it was considered that such transaction was appropriate and reasonable.
		• Advance payment	-	12.19	It was an advance expense resulting from the above expenditure group items.	It was the amount paid according to the normal commercial terms of payment which considered appropriate and reasonable.



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Revenue from office services 	-	2.06	STA provided office services with Premier System Engineering for sever room, office space, warehouse area, legal work, insurance, finance, human resources, public relations, and sustainability. The service fee was reviewed every three years, at a rate that Premier System Engineering considered reasonable, in case that it would acquire its staff in such department or acquire working space and do such services by itself.	Such service rates were reasonable, if considered costs and expenses that Premier System Engineering would do by itself. Therefore, the aforementioned rate was a price that could be compared with the market price and considered appropriate and reasonable.
		<ul style="list-style-type: none"> Revenue from SAP information services and maintenance 	-	9.92	STA provided information system services and SAP maintenance work to Premier System Engineering consisting of computer rental, hardware service fees, software services, etc. since STA had equipment and professional team for providing such services. The service fee could be compared with other service providers such as notebook rental, computer rental. Rental rates were charged per device per month that was equivalent to other service providers, charged at the same rate and the service charge for the hardware, repair equipment charge rate per device per month. It was comparable with other service providers provided services in a similar manner, which might differ in detail on the area, type of equipment provided. The aforementioned service rates were reasonable and comparable to them market price of the service in a similar manner.	The aforementioned service rates were reasonable and comparable to the market price of the service in a similar manner or comparable.

Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		• Account receivable	-	0.18	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		• Account payable	-	8.39	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		• Other creditor	-	0.05	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
	6.2 Sri Trang IBC	-	7.47	Sri Trang IBC provided IT and information services to Premier System Engineering because Sri Trang IBC had the equipment and personnel ready to provide services. The service fee was determined according to the type of information work, which was comparable to the market price.	The service rate was comparable to market prices.	



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Office service fees 	-	4.31	Sri Trang IBC paid for office services to Premier System Engineering, which provided office space, parking, and human resource. The service fee was charged monthly. Premier System Engineering and Sri Trang IBC had agreed on the service fee appropriately and reasonably according to the quotation from January 2020 to December 2022 in this regard, the policy has been set for a price review every 3 years, was the rate that the Company considered reasonable compared to staffing or the provision of space and such services by itself.	Such service rates were reasonable, if considered costs and expenses that the Sri Trang IBC had to recruit staff or provide space and such service by itself. Therefore, the aforementioned rate was a price that could be compared with the market price and considered appropriate and reasonable.
		<ul style="list-style-type: none"> Account receivable 	-	0.71	It was the account receivable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable.
		<ul style="list-style-type: none"> Other creditor 	-	0.38	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.

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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		6.3 PT Sri Trang Lingga • Machine manufacturing and installation service fees	-	3.81	PT Sri Trang Lingga paid for manufacturing and installation services to Premier System Engineering. Premier System Engineering had expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing to PT Sri Trang Lingga, for a long time. Moreover, the production and installation of machines for rubber production was considered as confidential because it needed to access to the production technology; therefore, PT Sri Trang Lingga did not want to hire third parties for this work. The profit margin was consistent with other operators in the same business.	It was a reasonable transaction because Premier System Engineering already has expertise in such work. The service rate was comparable in the market.
		• Factory material cost	-	0.26	PT Sri Trang Lingga purchased spare parts for machinery equipment such as rollers, rolling pins, shaft gears, etc. from Premier System Engineering for use with machines in the production of STR as a service provider with expertise in installation and maintaining machinery and equipment for a long time. This service was provided through a purchase order, which the purchase price was at the cost price of Premier System Engineering plus relevant operating costs and reasonable profit.	The above rates were comprehensive and reflected the relevant costs and reasonable margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.
		• Advance payment	-	0.48	It was an advance expense resulting from the above expenditure group items.	It was the amount paid according to the normal commercial terms of payment which considered appropriate and reasonable.



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
	6.4 Rubberland Products	<ul style="list-style-type: none"> • Purchase spare parts 	2.47		<p>Rubberland Products purchased spare parts for machinery equipment such as rollers, rolling pins, shaft gears, etc. from Premier System Engineering for use with machines in the production of STR as a service provider with expertise in installation and maintain and maintain machinery and equipment for a long time. This service was provided through a purchase order, which the purchase price was at the cost price of Premier System Engineering plus relevant operating costs and reasonable profit.</p>	<p>The above rates were comprehensive and reflected the relevant costs and reasonable margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> • Machine manufacturing and installation service fees 	-	27.19	<p>Rubberland Products paid for manufacturing and installation services to Premier System Engineering because Premier System Engineering had expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing to Rubberland Products, for a long time. Moreover, the production and installation of machines for rubber production was considered as confidential because it needed to access to the production technology; therefore, Rubberland Products did not want to hire third parties for this work. The profit margin was consistent with other operators in the same business.</p>	<p>It was a reasonable transaction because Premier System Engineering already has expertise in such work. The service rate was comparable in the market.</p>

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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> • Other maintenance fees 	-	0.03	Rubberland Products paid for office building maintenance and executive housing to Premier System Engineering by providing a service through a purchase order for which Premier System Engineering was charged with reasonable labor cost and profit.	Such rate was at a comprehensive rate and reflect the relevant costs and reasonable profit margins, which was under general commercial term. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> • Calibration service fees 	-	0.81	Premier System Engineering provided precision calibration services for tools and equipment to Rubberland Products as Premier System Engineering was ISO IEC17025 certified for calibration standards and was well equipped with equipment and personnel to service and in urgent cases. Premier System Engineering could take action immediately. The service fee was set by the type of equipment, which was comparable to the market price of other calibration providers.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.
		<ul style="list-style-type: none"> • Other services fees 	-	0.14	Rubberland Products paid for the services of inspection, certification, and maintenance of assets according to annual plans such as buildings, cranes, and electrical systems to Premier System Engineering. This was a service under the agreement specified in the purchase order, in which the service fee was at the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit, which was under general commercial terms. Therefore, it was considered appropriate and reasonable.	Such services were related to the production, installation of machines, and maintenance by Premier System Engineering has expertise in such work. Moreover, it had personnel experience and tools involved in providing services at the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit, which was under general commercial terms. Therefore, it was considered appropriate and reasonable.



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Advance payment 	-	5.03	It was an advance expense resulting from the above expenditure group items.	It was the amount paid according to the normal commercial terms of payment which considered appropriate and reasonable.
		<ul style="list-style-type: none"> Other expenses 	-	0.15	Rubberland Products paid Premier System Engineering for the cost of quality testing of rubber products as a service through purchase orders. The service fee was at the cost price of Premier System Engineering plus the relevant operating cost and reasonable profit.	The aforementioned service rates were reasonable and the rate was comparable to the market price of the service in a similar manner or comparable. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Account payable 	-	0.38	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		6.5 Nam Hua Rubber	-	0.99	Nam Hua Rubber purchased spare parts for machinery equipment such as rollers, rolling pins, shaft gears, etc. from Premier System Engineering for use with machines in the production of STR as a service provider with expertise in installation, maintaining machinery, and equipment for a long time. This is a service through a purchase order, which the purchase price is the cost price of the Premier System Engineering plus relevant operating costs and reasonable profit.	The above rates were comprehensive and reflected the relevant costs and reasonable margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.

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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Machine manufacturing and installation service fees 	-	0.02	Nam Hua Rubber paid for manufacturing and installation services to Premier System Engineering because Premier System Engineering had expertise in designing, installing and maintaining, repairing machinery and equipment for manufacturing to Nam Hua Rubber, for a long time. Moreover, the production and installation of machines for rubber production was considered as confidential because it needed to access to the production technology; therefore, Nam Hua Rubber Products did not want to hire third parties for this work. The profit margin was consistent with other operators in the same business.	It was a reasonable transaction because Premier System Engineering already has expertise in such work. The service rate was comparable in the market.
		<ul style="list-style-type: none"> Other maintenance fees 	-	0.05	Nam Hua Rubber paid for office building maintenance and executive housing to Premier System Engineering by providing a service through a purchase order for which Premier System Engineering was charged with reasonable labor cost and profit.	Such rate was at a comprehensive rate and reflect the relevant costs and reasonable profit margins, which was under general commercial term. Therefore, it was considered appropriate and reasonable.
		<ul style="list-style-type: none"> Calibration service fees 	-	0.22	Premier System Engineering provided precision calibration services for tools and equipment to Nam Hua Rubber as Premier System Engineering is ISO IEC17025 certified for calibration standards and was well equipped with equipment and personnel to service and in urgent cases. Premier System Engineering could take action immediately. The service fee was set by the type of equipment, which was comparable to the market price of other calibration providers.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		• Advance payment	-	0.93	It was an advance expense resulting from the above expenditure group items.	It was the amount paid according to the normal commercial terms of payment. Therefore, it was considered appropriate and reasonable.
		• Other service fees	-	0.09	Nam Hua Rubber paid for the services of inspection, certification, and maintenance of assets according to annual plans such as buildings, cranes, and electrical systems to Premier System Engineering. This was a service under the agreement specified in the purchase order, in which the service fee was at the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit.	Such services were related to the production, installation of machines, and maintenance by Premier System Engineering had expertise in such work. Moreover, it had personnel experience, tools involved in providing services at the cost price of Premier System Engineering plus the relevant operating costs and reasonable profit, which was under general commercial terms. Therefore, it was considered that such transactions were appropriate and reasonable.
		• Account payable	-	0.42	It was the account payable resulting from the aforementioned item.	It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable.
		6.6 PT Star Rubber	-	0.21	PT Star Rubber purchased spare parts for machinery equipment such as rollers, rolling pins, shaft gears, etc. from Premier System Engineering for use with machines in the production of STR as a service provider with expertise in installation, maintaining machinery, and equipment for a long time. This was a service through a purchase order, which the purchase price at was the cost price of Premier System. Engineering plus relevant operating costs and reasonable profit.	The above rates were comprehensive and reflected the relevant costs and reasonable margins, which was general commercial term. Therefore, it was considered appropriate and reasonable.

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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		<ul style="list-style-type: none"> Other Expenses 	-	0.01	PT Star Rubber paid for preparing import documents and transporting goods for the product within the warranty period to Premier System Engineering. The rate charged is the actual cost incurred.	It is the rate that the actual expenses are charged, therefore consider that Such transactions are appropriate and reasonable.
		<ul style="list-style-type: none"> Advance payment 	-	1.75	It was an advance expense resulting from the above expenditure group items.	It was the amount paid according to the normal commercial terms of payment. Therefore, it was considered appropriate and reasonable.
		6.7 Starlight Express Transport	-	0.05	Starlight Express Transport provided transportation services for Premier System Engineering because Starlight Express Transport engaged in the business of transporting goods and preparing documents for import and export which had equipment and personnel ready for such service with more than 20-year experience in this business. The service fee was set according to the market price and the price was adjusted based on oil price fluctuation in each period.	Starlight Express Transport had expertise in transport operations and processing documents related to transportation. The service rate was reasonable reflected associated costs and margin and was comparable to other service providers.
		<ul style="list-style-type: none"> Revenue from transportation costs 	-	0.06	Starlight Express Transport provided services to prepare documents for import and export to Premier System Engineering because Starlight Express Transport engaged in the business of importing and exporting documents with more than 20-year experience in this business. Such service was charged for import and export document per set and this rate was comparable to other service providers in this market.	Starlight Express Transport had expertise in transport operations and processing documents related to transportation. The service rate was reasonable reflected associated costs and margin and was comparable to other service providers.



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
		6.8 Thai Tech Rubber • Calibration service fees	-	0.02	Premier System Engineering provided precision calibration services for tools and equipment to Thai Tech Rubber as Premier System Engineering was ISO IEC17025 certified for calibration standards and was well-equipped equipment with professional teams service in urgent cases. Such service fee was set by type of equipment, which was comparable with the market price of other calibration work from outsiders.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.
		6.9 Sri Trang Ayeyar • Calibration service fees	-	0.17	Premier System Engineering provided precision calibration services for tools and equipment to Sri Trang Ayeyar as Premier System Engineering was ISO IEC17025 certified for calibration standards and was well-equipped equipment with professional teams service in urgent cases. Such service fee was set by type of equipment, which was comparable with the market price of other calibration work from outsiders.	This transaction was able to generate additional income to the Group, without adding any human resource costs. Such service rate was comparable in the same industry in the market.



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			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
7. PT Sri Trang Gloves Indo	STGT holds 100% of PT Sri Trang Gloves Indo shares.	7.1 SLI <ul style="list-style-type: none"> Land Rental Income 	-	0.01	<p>PT Sri Trang Lingga provided PT Sri Trang Gloves Indo renting land to build a warehouse, Land no. 04.01.13.05.01860, track number 21-12-2017, in area 5,950 square meters. The area is located at Keramasan Village, Kertapati District, Palembang City, South Sumatra Indonesia. A land lease agreement term in 5 years, starting from December 1, 2021 to December 1, 2026. The rental is paid annually at Rp 45,696,000 per year or Rp 228,480,000 per 5 years. The rental rate for the said land is the price agreed between the lessor and the lessee, without adjusting the rental rate during the year which is based on the land appraisal price of Indonesia it is considered a reasonable rental rate.</p>	<p>Land rental rate referenced from the land appraisal price of Indonesia and including general commercial terms therefore considered that the said transaction was appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Advance Income Land Rental 	-	0.10	<p>It was an advance income resulting from the above income group items.</p>	<p>It was the amount received according to the normal commercial terms of payment. Therefore, it was considered appropriate and reasonable.</p>
		<ul style="list-style-type: none"> Other Debtor 	-	0.01	<p>It was the other debtor resulting from the aforementioned item.</p>	<p>It was an outstanding balance based on payment criteria, which was general commercial term and list of normal.</p>



Related Parties	Relationship	Type of Transaction	Value of Transaction (Million Baht)		Necessity / Reasonableness of the Transaction	Opinion(s) of the Audit Committee
			Consolidated Jan-Dec 2020	Consolidated Jan-Dec 2021		
8. Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul	Chairman/ Chairman of Executive Committee/ Father/Brothers/The younger brother of the director	8.1 STA <ul style="list-style-type: none"> • Purchase Land 	-	13.98	STA purchased land form Dr.Viyavood Sincharoenkul, in the area of 9 rai 3 ngan 66 square wa, at a price of 8.43 million bath and purchase land form Mr. Kitichai Sincharoenkul,in the area of 13 rai 1 ngan 18 square wa, at a price of 5.55 million bath ,in Phhai at,Kanchanadit,Surat Thani Province. STA needs to expand the factory, Therefore, it is necessary to purchase such land due to the area adjacent to the current factory area. The purchase price was agreed between the buyer and seller based on the appraisal price of land from First Star Consulting Company Limited, which was approved by the Board of Directors Meeting No. 5/2021 held on August 10, 2021.	Such purchase price was reasonable and similar to the appraisal price based on the market value from an independent appraiser.

Apart from what was disclosed in "Related Party Transactions," there were no other material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder which are either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Justification and Sensibility of Related Party Transactions

The Audit Committee has reviewed STA's related party transactions, enquiring additional necessary details from the management, and reviewed the documents and information specified in the corporate financial statement notes by the external auditor. The Committee has agreed to regard the related party transactions made normal business practices or support of STA and its affiliates' normal business on an arm's length basis.

Policy on Future Related Party Transactions

STA's future related transactions will be recurrently conducted as part of its normal course of business. Prices setting will be market-based and follows the rules and guidelines of normal business practices under appropriate and fair terms and conditions in a sensible and accountable manner for the best interests of STA and its shareholders and can be checked. The transactions will follow the general commercial terms and conditions approved by the Board of Directors. STA disclosure of related party transactions conforms to the notification of the SEC and SET and the accounting standard for the disclosure of information on related party transactions. In addition, STA must also comply with the policy or other relevant laws.

In addition, when STA enters into related party transactions, STA shall seek the Audit Committee's opinion on the reasonableness of such transactions. In the event that the Audit Committee is unable to evaluate related party transactions due to a lack of expertise in certain areas, the Committee may arrange an independent expert, such as the auditor or independent appraiser, to give an opinion on the transactions. The opinion of the Audit Committee or the independent expert will be used by STA's Board of Directors or shareholders, as the case may be, for deciding to ensure that these related party transactions are carried out without any conflict of interest and for the best interest of all shareholders.







3

PART

FINANCIAL STATEMENTS

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

As at 31 December 2021



REPORT ON THE BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL REPORTS

The Board of Directors is responsible for the stand-alone financial statements of Sri Trang Agro-Industry Public Company Limited and the consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as well as the financial information stated in the Company's Annual Registration Statement/ Annual Report 2021 (Form 56-1 One Report). The financial statement ended on December 31, 2021 was prepared in accordance with the generally accepted accounting standards by using appropriate and consistent accounting policy including careful consideration and reasonableness. The important information was adequately disclosed in the notes to the financial statements to transparently reflect the actual financial position, operating results and cash flow for the understanding of shareholders and investors. The financial statements have been audited by EY Office Limited and all the related information was provided to the auditors for supporting their opinion in accordance with the auditing standards.

The Board of Directors recognized their duties and responsibilities for supervising the efficient preparation of financial report and have instituted risk management system and appropriate internal control system for both operation and related information systems to ensure the accuracy and completeness of the financial information and to prevent fraud or mismanagement and to protect the Company's assets.

In this regard, the Board also appointed an Audit Committee to review the accuracy and reliability of the financial reports, the effectiveness of the internal audit and internal control system as well as the risk management system, along with the appropriateness and completeness of information disclosure regarding related party transactions and to state their opinion in the Audit Committee Report in the Annual Report.

From the corporate governance practices mentioned above, the Board is of the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance that the stand-alone financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 are accurate, reliable and in compliance with generally accepted accounting practices and all the relevant legal guidelines and policies.

Mr. Viyavood Sincharoenkul
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sri Trang Agro-Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as

issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.



Revenue recognition

Revenue from sales of goods is significant to the financial statements. The Coronavirus disease 2019 pandemic has a direct impact on the competition in the natural rubber market and selling prices of natural rubber products. Moreover, the Group has a large number of customers under a variety of conditions. As a result, revenue from sale of goods is a significant account which directly affects the Group's operating results.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examined supporting documents on a sampling basis for actual sale transactions occurring during the year, expanded the scope of audit near the end of the reporting period and tested sale transactions with respect to the accuracy and timing of revenue recognition. I also examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Financial instruments

The Group has entered into financial instruments with numerous counterparties which are financial institutions, in order to mitigate its exposure to fluctuations in rubber prices, foreign exchange rates and interest rates. It presents the fair value of such financial instruments in the statement of financial position, and recognises material gains or losses on financial instruments in the financial statements. Management therefore relies on valuation techniques and models suggested by the counterparties, in which most of the inputs used are observable in the relevant market. Differences in the assumptions used in the calculation may therefore affect the fair value of such financial instruments presented in the financial statements.

I gained an understanding of the transactions and the process of recording the fair value of financial instruments, and the accounting records related to financial instruments. Moreover, I recalculated the fair value of such financial instruments, sent confirmation requests to counterparties to determine the completeness of the recording of the transactions and verified supporting documents, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the appropriateness of the fair values by comparing them to available market inputs. Moreover, I examined the information disclosed in the notes to the financial statements for appropriateness and completeness.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 17 February 2022

Statement of financial position

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2021	2020	2021	2020	
Assets						
Current assets						
Cash and cash equivalents	7	22,809,650,413	26,446,683,536	272,036,452	298,780,383	
Trade and other receivables	8	8,946,114,385	9,260,149,876	4,550,919,850	2,886,595,893	
Amounts due from future brokers		1,307,490,634	801,544,051	105,737,796	-	
Inventories	9	32,578,453,173	19,031,541,468	16,849,685,126	10,075,612,645	
Current portion of long-term loan to subsidiary	6	-	-	332,469,000	597,348,000	
Derivative financial instruments	37.1	215,294,913	235,945,051	111,626,440	173,362,103	
Other current financial assets	12	264,105,305				
Other current assets	10	1,665,458,806	1,599,102,740	71,700,484	72,815,215	
Non-current assets held for sale	11	-	-	-	307,402,970	
Total current assets		<u>67,786,567,629</u>	<u>57,374,966,722</u>	<u>22,294,175,148</u>	<u>14,411,917,209</u>	
Non-current assets						
Other non-current financial assets	12	475,841,743	97,086,142	103,990,591	96,071,528	
Investments in subsidiaries	13	-	-	18,839,137,708	18,705,637,813	
Investment in associate	14	553,365,209	507,741,337	142,500,000	142,500,000	
Investment in joint venture	15	469,119,233	431,884,363	134,716,526	134,716,526	
Investment properties	16	215,174,171	193,600,198	75,663,125	75,663,125	
Property, plant and equipment	17	37,317,329,706	27,243,331,530	7,637,917,584	7,707,942,980	
Right-of-use assets	23	403,901,677	273,158,309	109,612,548	114,209,614	
Economic tree plantations	18	2,469,746,973	2,390,231,063	14,434,997	13,938,754	
Intangible assets - computer software	19	461,176,066	451,342,005	283,911,559	338,848,102	
Goodwill	20	3,174,667,132	3,174,667,132	-	-	
Withholding tax deducted at source		547,354,998	492,219,875	401,547,114	386,383,967	
Deferred tax assets	30	616,835,426	269,818,457	-	-	
Other non-current assets		<u>36,009,945</u>	<u>217,175,166</u>	<u>13,018,707</u>	<u>11,583,615</u>	
Total non-current assets		<u>46,740,522,279</u>	<u>35,742,255,577</u>	<u>27,756,450,459</u>	<u>27,727,496,024</u>	
Total assets		<u>114,527,089,908</u>	<u>93,117,222,299</u>	<u>50,050,625,607</u>	<u>42,139,413,233</u>	

The accompanying notes are an integral part of the financial statements.



Statement of financial position (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2021	2020	2021	2020	
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	21	5,321,957,249	4,635,946,027	1,214,142,162	988,045,291	
Short-term borrowings from financial institutions	22	21,639,969,479	22,162,290,499	11,817,781,000	15,889,794,000	
Current portions of:						
- Long-term borrowings from financial institutions	22	2,140,100,708	2,328,352,364	807,279,000	1,554,136,000	
- Debenture	22	-	1,455,000,000	-	1,455,000,000	
- Lease liabilities	23	148,072,594	115,706,540	43,435,693	58,005,394	
Short-term loan from subsidiary	6	-	-	145,000,000	145,000,000	
Income tax payable		702,429,814	1,399,708,727	-	-	
Derivative financial instruments	37.1	552,736,881	139,406,892	333,273,161	63,000,451	
Other current liabilities		304,880,640	183,957,212	205,311,058	88,173,474	
Total current liabilities		<u>30,810,147,365</u>	<u>32,420,368,261</u>	<u>14,566,222,074</u>	<u>20,241,154,610</u>	
Non-current liabilities						
Non-current portions of:						
- Long-term borrowings from financial institutions	22	7,127,733,907	5,996,840,314	-	471,350,000	
- Debentures	22	10,000,000,000	-	10,000,000,000	-	
- Lease liabilities	23	240,145,648	137,145,778	68,085,258	55,298,123	
Derivative financial instruments	37.1	21,332,231	44,471,537	-	-	
Provision for retirement benefit obligations	24	425,373,598	440,267,971	138,391,700	136,673,521	
Deferred tax liabilities	30	820,385,826	647,918,723	311,247,628	96,228,324	
Other non-current liabilities		33,383,077	33,291,499	-	-	
Total non-current liabilities		<u>18,668,354,287</u>	<u>7,299,935,822</u>	<u>10,517,724,586</u>	<u>759,549,968</u>	
Total liabilities		<u>49,478,501,652</u>	<u>39,720,304,083</u>	<u>25,083,946,660</u>	<u>21,000,704,578</u>	

The accompanying notes are an integral part of the financial statements.

Statement of financial position (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements		
		2021	2020	2021	2020	
Shareholders' equity						
Share capital						
Registered						
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	
Issued and fully paid-up						
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998	
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634	
Surplus from the change in the ownership						
interests in subsidiaries	13.2	6,247,647,636	6,087,887,261	-	-	
Retained earnings						
Appropriated - statutory reserve	25	153,600,000	153,600,000	153,600,000	153,600,000	
Unappropriated		24,741,526,831	16,795,645,402	10,638,643,488	6,702,074,215	
Other components of shareholders' equity						
Surplus on revaluation of assets						
- net of income tax	26	3,635,007,392	3,815,836,066	1,770,413,550	1,895,167,475	
Surplus (deficit) on changes in fair value through						
other comprehensive income of investments						
in equity - net of income tax		3,645,991	(66,260)	6,250,583	(84,667)	
Cash flow hedge reserve - net of income tax		(22,960,096)	(19,987,589)	9,819,694	-	
Exchange differences on translation of						
financial statements in foreign currency		<u>(494,288,125)</u>	<u>(1,149,629,226)</u>	-	-	
Equity attributable to equity holders of the Company		46,652,131,261	38,071,237,286	24,966,678,947	21,138,708,655	
Non-controlling interests of the subsidiaries	13.2	<u>18,396,456,995</u>	<u>15,325,680,930</u>	-	-	
Total shareholders' equity		<u>65,048,588,256</u>	<u>53,396,918,216</u>	<u>24,966,678,947</u>	<u>21,138,708,655</u>	
Total liabilities and shareholders' equity		<u>114,527,089,908</u>	<u>93,117,222,299</u>	<u>50,050,625,607</u>	<u>42,139,413,233</u>	

The accompanying notes are an integral part of the financial statements.

Directors



Statement of comprehensive income

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues from sales of goods and services	31	118,275,372,503	75,478,744,621	50,926,372,325	32,885,620,441
Cost of sales and services		(80,216,448,854)	(53,697,457,457)	(44,494,317,576)	(29,559,739,751)
Gross profit		38,058,923,649	21,781,287,164	6,432,054,749	3,325,880,690
Other income	27	420,579,507	347,299,550	137,448,398	137,057,991
Dividend income		1,414,541	2,093,094	9,204,701,672	1,438,635,594
Selling and distribution expenses		(5,952,552,884)	(3,127,819,248)	(2,859,597,386)	(1,836,827,566)
Administrative expenses		(1,974,619,744)	(1,654,928,043)	(605,497,174)	(636,233,909)
Gain (loss) on exchange rates		474,369,128	267,817,291	(70,392,399)	121,440,344
Gain from disposal of non-current assets held for sale	11	-	-	957,865,596	-
Gain (loss) from disposal of investments in an associate	14.1	-	192,977	-	(6,713,800)
Other gain (loss)	28	(1,835,522,913)	(80,872,178)	(816,075,885)	267,614,490
Profit from operating activities		29,192,591,284	17,535,070,607	12,380,507,571	2,810,853,834
Share of profit from investments in associate and joint venture		241,386,542	168,585,842	-	-
Finance income		113,208,829	51,323,881	14,129,704	56,431,385
Finance cost		(828,733,698)	(690,930,984)	(315,813,666)	(333,555,363)
Profit before income tax		28,718,452,957	17,064,049,346	12,078,823,609	2,533,729,856
Income tax	30	(2,541,576,681)	(1,667,479,505)	(209,386,108)	(48,988,231)
Profit for the year		26,176,876,276	15,396,569,841	11,869,437,501	2,484,741,625

Other comprehensive income:

Other comprehensive income to be reclassified

to profit or loss in subsequent periods

Exchange differences on translation of financial statements

in foreign currency	785,403,262	(57,659,888)	-	-
Gain (loss) on cash flow hedges - net of income tax	5,120,134	(7,072,137)	9,819,694	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax				
	790,523,396	(64,732,025)	9,819,694	-

Other comprehensive income not to be reclassified

to profit or loss in subsequent periods

Changes in surplus on revaluation of assets - net of income tax

Changes in surplus on revaluation of assets - net of income tax	(10,816,551)	(6,345,600)	-	(6,345,600)
Actuarial gain (loss) - net of income tax	56,931,511	(11,496,930)	6,377,837	452,515
Gain (loss) on changes in value of equity investments				

designated at fair value through other comprehensive

income - net of income tax	1,578,316	(7,611,043)	6,335,250	(7,723,847)
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Other comprehensive income not to be reclassified to

profit or loss in subsequent periods - net of income tax

	47,693,276	(25,453,573)	12,713,087	(13,616,932)
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Other comprehensive income for the year

Total comprehensive income for the year	838,216,672	(90,185,598)	22,532,781	(13,616,932)
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The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Baht)

<u>Note</u>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to:				
Equity holders of the Company	15,846,701,459	9,531,213,266	11,869,437,501	2,484,741,625
Non-controlling interests of the subsidiaries	10,330,174,817	5,865,356,575		
	<u>26,176,876,276</u>	<u>15,396,569,841</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	16,543,432,394	9,446,216,545	11,891,970,282	2,471,124,693
Non-controlling interests of the subsidiaries	10,471,660,554	5,860,167,698		
	<u>27,015,092,948</u>	<u>15,306,384,243</u>		
Earnings per share	32			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>10.32</u>	<u>6.21</u>	<u>7.73</u>	<u>1.62</u>

The accompanying notes are an integral part of the financial statements.



Statement of changes in shareholders' equity

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
 For the year ended 31 December 2021

For the year ended 31 December 2021

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The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Separate financial statements									
Other components of shareholders' equity									
Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Surplus on revaluation of assets - net of income tax	Surplus on income of investments in equity	Cash flow reserve	components of shareholders' equity	Total other components of shareholders' equity	Total other comprehensive income	Other components of shareholders' equity
		Appropriated - statutory reserve							
		Unappropriated							
Balance as at 1 January 2020									
Profit for the year									
Other comprehensive income for the year									
Total comprehensive income for the year									
Amortisation on surplus on revaluation of assets									
Dividend paid (Note 34)									
Balance as at 31 December 2020									
Balance as at 1 January 2021									
Profit for the year									
Other comprehensive income for the year									
Total comprehensive income for the year									
Amortisation on surplus on revaluation of assets									
Dividend paid (Note 34)									
Balance as at 31 December 2021									

The accompanying notes are an integral part of the financial statements.



Cash flow statement

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before income tax	28,718,452,957	17,064,049,346	12,078,823,609	2,533,729,856
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	6,997,206	(17,967,914)	7,587,088	(2,201,371)
Unrealised loss (gain) on revaluation of derivative financial instruments	62,521,448	(148,661,759)	76,914,555	(153,701,683)
Share-based payment expenses	10,618,118	21,753,441	-	-
Expected credit losses (reversal)	6,671,563	2,157,057	4,418,178	(939,025)
Reduction of inventory cost to net realisable value (reversal)	3,514,186	30,707,852	(48,319,232)	43,848,318
Expenses for retirement benefit obligations	61,860,764	45,887,178	11,761,108	12,473,951
Depreciation	2,909,791,117	2,717,553,906	816,093,056	871,077,987
Amortisation - economic tree plantations	17,168,916	9,351,303	409,263	403,186
Amortisation - intangible assets	79,484,243	74,472,376	65,342,773	66,306,466
Loss on impairment of asset	6,868,384	-	-	-
Write-off for withholding tax deducted at source	-	38,404,456	-	34,990,288
Finance income	(113,208,829)	(51,323,881)	(14,129,704)	(56,431,385)
Finance cost	828,733,698	690,930,984	315,813,666	333,555,363
Dividend income	(1,414,541)	(2,093,094)	(9,204,701,672)	(1,438,635,594)
Share of profit from investments in associate and joint venture	(241,386,542)	(168,585,842)	-	-
Written-off for machinery and assets under construction				
from fire incident	51,195,141	9,627,483	-	9,627,483
Loss (gain) on disposal and write-off for property, plant and equipment, right-of-use assets, economic tree plantations and intangible assets	56,223,174	76,156,205	(31,996,182)	(5,751,241)
Loss (gain) on disposal of investment in associate	-	(192,977)	-	6,713,800
Gain from disposal of non-current assets held for sale	-	-	(957,865,596)	-
Profit from operating activities before changes in operating assets and liabilities	32,464,091,003	20,392,226,120	3,120,150,910	2,255,066,399
Operating assets (increase) decrease				
Trade and other receivables	346,320,397	(4,249,967,172)	(1,670,241,191)	(289,723,847)
Amounts due from future brokers	(505,946,583)	(71,878,300)	(105,737,796)	30,384,003
Inventories	(13,195,706,352)	(5,568,698,343)	(6,458,384,814)	(2,897,812,343)
Other current assets	(43,346,087)	(660,104,761)	1,114,731	9,033,811
Other non-current assets	(30,583)	(179,130,797)	(1,435,092)	334,523
Operating liabilities increase (decrease)				
Trade and other payables	(311,644,012)	2,065,335,443	119,268,258	3,695,846
Other current liabilities	120,923,428	127,181,911	117,137,584	71,752,356
Provision for retirement benefit obligations	(4,525,192)	(4,107,778)	(2,070,633)	(1,482,500)
Other non-current liabilities	91,578	73,155	-	-
Cash flows provided by operating activities	18,870,227,597	11,850,929,478	(4,880,198,043)	(818,751,752)
Cash received from interest income	107,680,489	32,776,975	14,219,162	56,630,911
Cash paid for interest income	(884,091,965)	(722,805,507)	(266,027,032)	(335,352,079)
Cash received for withholding tax deducted at source refund	51,864,050	167,260,678	-	50,045,714
Cash paid for income tax	(3,549,079,775)	(372,922,646)	(15,163,147)	(65,203,056)
Net cash flows provided by (used in) operating activities	14,596,600,396	10,955,238,978	(5,147,169,060)	(1,112,630,262)

The accompanying notes are an integral part of the financial statements.

Cash flow statement (continued)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in other financial assets	(639,673,615)	-	-	-
Dividends received	159,942,341	118,883,094	9,204,701,672	1,438,635,594
Cash received from repayment of long-term loan to subsidiary	-	-	597,348,000	839,347,600
Cash paid for long-term loan to subsidiary	-	-	(311,818,000)	-
Cash paid for investment in subsidiary	-	-	(133,499,895)	(196,400,000)
Cash received from disposal of property, plant and equipment, economic tree plantations and intangible assets	47,608,589	28,942,551	165,978,677	80,947,287
Cash received from disposal of non-current assets held for sale	-	-	1,265,268,566	-
Cash paid for purchases of property, plant and equipment, economic tree plantations and intangible assets	(11,754,545,753)	(2,494,577,476)	(772,510,742)	(268,373,445)
Cash received from disposal of investment in associate	-	8,355,000	-	8,355,000
Net cash flows provided by (used in) investing activities	(12,186,668,438)	(2,338,396,831)	10,015,468,278	1,902,512,036
Cash flows from financing activities				
Increase (decrease) in short-term borrowings from financial institutions	(906,898,034)	5,253,574,488	(4,072,013,000)	2,386,806,000
Repayment of short-term loan from subsidiary	-	-	-	(15,000,000)
Proceeds from long-term borrowings from financial institutions	3,244,500,000	2,347,000,000	309,500,000	-
Repayments of long-term borrowings from financial institutions	(2,329,136,000)	(4,517,276,400)	(1,554,136,000)	(1,674,276,400)
Proceeds from issuance of debentures	10,000,000,000	-	10,000,000,000	-
Cash paid for redemption of debentures	(1,455,000,000)	-	(1,455,000,000)	-
Repayments of lease liabilities	(167,520,402)	(146,213,468)	(59,512,672)	(74,183,539)
Dividend paid	(8,063,881,477)	(1,304,603,647)	(8,063,881,477)	(1,304,603,647)
Dividend paid by subsidiaries	(7,522,703,733)	(782,410,499)	-	-
Cash received from increase in share capital of subsidiary	212,662,697	14,609,276,074	-	-
Net cash flows provided by (used in) financing activities	(6,987,976,949)	15,459,346,548	(4,895,043,149)	(681,257,586)
Increase (decrease) in translation adjustments	941,011,868	(11,327,882)	-	-
Net increase (decrease) in cash and cash equivalents	(3,637,033,123)	24,064,860,813	(26,743,931)	108,624,188
Cash and cash equivalents at beginning of the year	26,446,683,536	2,381,822,723	298,780,383	190,156,195
Cash and cash equivalents at end of the year	22,809,650,413	26,446,683,536	272,036,452	298,780,383
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	600,205,955	12,827,530	43,067,074	-
Purchases of assets by entering into lease agreements	290,810,392	70,207,839	58,548,248	31,641,322
Increase in retention	339,296,409	11,549,798	13,456,902	-
Transfer advance payments for fixed assets				
to be assets under construction and machinery	181,195,804	-	-	-

The accompanying notes are an integral part of the financial statements.



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

1. General information

Sri Trang Agro-Industry Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of natural rubber products such as ribbed smoked sheets, concentrated latex, block rubber, and other products. In addition, the Group is engaged in the manufacture and distribution of natural gloves and provides engineering, logistics and IT services. The registered office of the Company is at 10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation		Percentage of shareholding	
		<u>2021</u>	<u>2020</u>	(%)	(%)
<u>Subsidiaries directly owned by the Company</u>					
PT Sri Trang Lingga Indonesia	Manufacture of block rubber products	Indonesia		90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of processed rubber wood	Thailand		99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand		99.99	99.99

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			(%)	(%)
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Providing rental services of real estate	Thailand	-	99.99
Startex Rubber Co., Ltd.	Investment holding	Thailand	99.99	99.99
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	-	99.99
Starlight Express Transport Co., Ltd.	Providing of logistics services	Thailand	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	99.99	99.99
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	100.00	100.00
Sri Trang Gloves (Thailand) Plc.	Manufacture of medical gloves	Thailand	56.07	56.18
Sri Trang IBC Co., Ltd.	Providing of IT Services	Thailand	99.99	99.99
<u>Subsidiaries indirectly owned by the Company</u>				
Held by Startex Rubber Co., Ltd.				
Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	99.99	99.99
Held by Sri Trang International Pte Ltd.				
Shi Dong Investments Pte Ltd.	Investment holding	Singapore	99.99	99.99
Sri Trang Indochina (Vietnam) Co., Ltd.	Distribution of rubber products	Vietnam	99.99	99.99
Sri Trang Ayeyar Rubber Industry Co., Ltd.	Manufacture of block rubber products	Myanmar	58.99	58.99
Held by Shi Dong Investments Pte Ltd.				
PT Star Rubber	Manufacture of block rubber products	Indonesia	98.99	98.99
Held by Sri Trang Gloves (Thailand) Plc.				
Shidong Shanghai Medical Equipment Co., Ltd.	Distribution of gloves	China	56.07	56.18
Sri Trang USA, Inc.	Distribution of gloves	USA	56.07	56.18
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	56.07	-
Sadao P.S. Rubber Co., Ltd.	Providing rental services of real estate	Thailand	56.07	-
Sri Trang Gloves (Singapore) Pte. Ltd.	Distribution of gloves and research and development	Singapore	56.07	-
Sri Trang Gloves Global Pte. Ltd.	Financial asset management and financial investment	Singapore	56.07	-
PT Sri Trang Gloves Indo	Distribution of gloves	Indonesia	56.07	-
Sri Trang Gloves Vietnam Co., Ltd.	Distribution of gloves	Vietnam	56.07	-



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) A change in the ownership interest of subsidiaries of the Group, without a loss of control, are recorded as "Surplus (deficit) from the changes in the ownership interests in subsidiaries" within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, a joint venture and an associate under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

However, the Group has applied specific hedge accounting requirements amend to TFRS 9: Financial Instruments and TFRS 7: Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

The Group recognises revenue when the revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity, which relates to these transactions as follows.

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

The recognised revenue which is not yet due per the contracts has been presented under caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to receivables when the Group’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” in the statement of financial position. Advance received from customers are recognised as revenue when the Group perform under the contract.

Finance income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of the allowance for expected credit loss allowance (if any).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Rental income

Rental income is recognised on an accrual basis based on a straight-line basis over the lease term.

4.2 Government Grants

The Group recognises government grants when all attached conditions have been met and there is reasonable assurance that the grants will be received. The Group recognises those government grants as income in profit or loss, included in other income.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

4.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The cost of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion finished goods and the estimated costs necessary to make the sale.

4.5 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company will classify assets held for sale when the sale is highly probable, which is completed within one year from the date of the classification. In addition, the asset is available for immediate sale in its present condition.

4.6 Investments in subsidiaries, a joint venture and an associate

Investments in a joint venture and an associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, a joint venture and an associate in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value estimated by an independent professional appraiser. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value on the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

4.8 Property, plant and equipment and depreciation

Land and building are stated at revalued amount. Other assets are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows.

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets, and can neither be offset against deficit nor used for dividend payment.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvements	5 - 43 years
Buildings and structures	5 - 50 years
Machinery and equipment	2 - 20 years
Furniture, fixtures and office equipment	2 - 10 years
Motor vehicles	5 - 12 years

Depreciation is recognised as expenses in profit or loss.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

The assets will be tested for impairment whenever there is an indication. The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

4.9 Economic tree plantations

Rubber and palm plantations

Rubber trees for tapping of latex and palm oil trees for harvesting of fresh fruit bunches are stated at cost less accumulated amortisation and allowance for impairment loss (if any).

Costs of rubber and palm plantation are comprised of costs of land clearing, land terracing and drainage, planting, weeding and fertilizing. These are incurred from the immature stage until the rubber and palm trees are ready for commercial harvesting at ages of approximately 7 years and 3 years, respectively.

The Group amortises costs less salvage value of rubber and palm trees that are commercially harvested using a straight-line basis over the estimated harvesting period of 25 years.

Amortisation is recognised as expenses in profit or loss.

Biological assets, which consist of latex produced inside the rubber trees and fresh fruit bunches on trees, are measured at fair value less costs to sell, upon initial recognition and at the end of each reporting period.

Agricultural produce, which consists of latex and harvested fresh fruit bunches, is measured at fair value less costs to sell at the point of harvest.



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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Economic plantations

Economic plantations of the Group consist of perennial plants (e.g. teak, padauk, rosewood and makha) and herbaceous plants (e.g. hemp).

Costs of economic plantations comprise of costs of land and trench preparation, seeding, weeding and fertilizing which are incurred from the planting and maintenance period until the economic trees are ready for commercial harvesting at approximately 20 - 50 years for perennial plants and not more than 1 year for herbaceous plants.

Biological assets, which are immature perennial and herbaceous plants, are measured at fair value less costs to sell upon initial recognition and at the end of each reporting period. However, young perennial plants for which there is not yet a recognised market price are stated at cost less allowance for impairment loss (if any).

Agricultural produce, which consists of logs from perennial plants and parts of hemp (e.g. seeds, leaves and roots) are measured at fair value less costs to sell at the point of harvest.

Gains or losses on changes in the fair value of biological assets and agricultural produce are recognised in profit or loss.

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4.11 Intangible assets - computer software

Intangible assets - computer software is recognised at cost. Following the initial recognition, the intangible assets - computer software is carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets - computer software with finite useful lives of 3 - 10 years is amortised on the straight-line basis over the economic useful lives and tested for impairment whenever there is an indication that the intangible assets - computer software may be impaired. The amortisation period and the amortisation method of such intangible assets - computer software are reviewed at least at each financial year end. Amortisation is recognised as expenses in profit or loss.

No amortisation is provided on computer software under installation.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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4.12 Business combinations and goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that is expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

4.13 Leases

At inception of contract, the Group assesses whether the contract is a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group recognises right-of-use assets and lease liabilities for all lease at the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made on or before the commencement date of the lease.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease terms or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and land improvement	1 - 2 years
Buildings and building improvement	3 years
Motor vehicles	1 - 3 years
Equipment	1 - 5 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, which discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and is remeasured if there is a change in the lease.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include an associate, a joint venture and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

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4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in profit or loss.

4.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and computer software whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property and plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.



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Post-employment benefits

Defined contribution plans

The Group and its employees in Thailand have jointly established a provident fund. The fund is monthly contributed by employees and by the Group in Thailand. The fund's assets are held in a separate trust fund and contributions of the Group in Thailand are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Share-based payments with equity-settled transactions

The Group recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

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4.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect cash flows with the contractual terms. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.



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Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Moreover, Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivative financial instruments, Equity linked notes, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Return on the such financial assets is recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are initially recognised at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortised cost, except for derivative liabilities as described in Note 4.22 to the financial statements. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control over it.

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A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.22 Derivatives and hedge accounting

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Interest rate swaps to hedge its interest rate risks
- Rubber options, rubber price swaps, rubber futures, physical forward contracts and open rubber sale contracts to hedge its commodity price risks

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under fair value hedge and cash flow hedge. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives.

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.



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Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the hedging relationships.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedge accounting is applied to hedge the Group's exposure to changes in the fair value that are attributable to changes in the prices of a commodity (rubber). The carrying amount of inventory (hedged item) is adjusted for gains and losses attributable to changes in rubber price, while designated open rubber sale contracts (hedging instrument) are recorded at fair value as a derivative asset or liability. Gains and losses on remeasurement of these two items are recognised in profit and loss.



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The application of hedge accounting is discontinued in cases where the Group revokes the hedging relationship, a hedging relationship ceases to meet the hedge accounting criteria or there is a change in the risk management objective. Adjustment of the carrying amount of the inventory (hedged item) then ceases and the cumulative change in the fair value is taken to profit and loss when the inventory is sold. Where a hedge relationship does not meet the criteria for an effective hedge due to the hedge ratio, the Group may adjust the hedge ratio to re-establish the effectiveness of the hedging relationship, or may decide to discontinue the hedge in cases where the risk management objective has changed.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



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5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimations.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.



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6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Transactions with subsidiaries				
Sales of goods	-	-	19,199,808	8,091,431
Purchases of goods	-	-	895,598	2,225,358
Service income	-	-	155,959	164,895
Service expenses	-	-	521,228	476,421
Rental income	-	-	-	193
Rental expenses	-	-	854	799
Dividend income	-	-	9,060,411	1,333,494
Interest income	-	-	13,969	56,243
Interest expenses	-	-	1,450	1,504
Sales of fixed assets	-	-	333,285	-
Sales of investments	-	-	1,087,799	-
Transactions with an associate				
Sales of goods	21,065	17,625	-	-
Purchases of goods	195	165	-	5
Service income	29,912	26,452	2,622	2,650
Service expenses	-	33	-	-
Rental income	400	400	-	-
Dividend income	133,025	116,790	117,375	103,050
Transactions with a joint venture				
Purchases of goods	2,303,918	1,932,800	-	-
Service income	15,453	10,820	15,434	10,780
Dividend income	25,503	-	25,503	-
Transactions with directors and related parties				
Purchases of fixed assets	27,366	94,700	14,046	-



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The pricing policies of the Group are as follows.

- (1) Sales/purchases of goods are made at market prices or reference to market prices.
- (2) Service and rental income/expenses are based on contract prices.
- (3) Dividend income is made with announced payment rate.
- (4) Interest income/expenses are charged at rates with reference to loan agreements.
- (5) Sales/purchases of assets are based on contract prices which reference to market prices.

Outstanding balances arising from significant business transactions

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related parties were as follows.

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade accounts receivable (Note 8)					
Subsidiaries	-	-	-	1,448,813	621,622
Associate	5,129	4,018	223	223	223
	<u>5,129</u>	<u>4,018</u>	<u>1,449,036</u>	<u>621,845</u>	
Other receivables (Note 8)					
Subsidiaries	-	-	-	33,539	16,418
Associate	1,026	716	-	-	-
	<u>1,026</u>	<u>716</u>	<u>33,539</u>	<u>16,418</u>	
Advance payments for goods (Note 8)					
Subsidiaries	-	-	-	505,353	-
Trade accounts payable (Note 21)					
Subsidiaries	-	-	-	130,434	142,757
Associate	26	10	-	-	-
Joint venture	62,360	34,722	-	-	-
	<u>62,386</u>	<u>34,732</u>	<u>130,434</u>	<u>142,757</u>	
Other payables (Note 21)					
Subsidiaries	-	-	-	21,096	8,921

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Outstanding balances arising from loans to subsidiaries

As at 31 December 2021 and 2020, the balances of loans between the Company and subsidiaries were as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest receivables (Note 8)	-	-	78	168
Long-term loans	-	-	332,469	597,348

As at 31 December 2021 and 2020, long-term loans to subsidiaries were unsecured and were summarised as below.

	Separate financial statements			
	As at 31 December 2021			
	Principle			
	Relationship	Million USD	Million Baht	(Equivalent) Interest Borrowing
PT Star Rubber	An indirect subsidiary	10	332	4.23 periods

	As at 31 December 2020			
	Principle			
	(Equivalent) Interest Borrowing			
	Relationship	Million USD	Million Baht	rates % periods
PT Star Rubber	An indirect subsidiary	20	597	5.05 3 years

Movements in the balance of long-term loans to subsidiaries during the year ended 31 December 2021 were as follows.

	Separate financial statements				
	Balance as at 31 December	Increase during	Decrease during	Unrealised gain on exchange rate	Balance as at 31 December
Long-term loans	2020	the year	the year		2021
PT Star Rubber	597,348	311,818	(597,348)	20,651	332,469



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Outstanding balances arising from loan from a subsidiary

As at 31 December 2021 and 2020, unsecured short-term loan from a subsidiary were summarised as below.

Relationship	Separate financial statements			
	As at 31 December		Interest rates %	Borrowing periods
	2021	2020		
Startex Rubber Co., Ltd. A direct subsidiary	145	145	1.00	On call

The balance has no movement during the year ended 31 December 2021.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of its directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	373,120	299,388	82,409	60,863
Post-employment benefits	10,167	9,483	2,956	3,138
Share-based payment benefits	6,104	12,506	-	-
Total	<u>389,391</u>	<u>321,377</u>	<u>85,365</u>	<u>64,001</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 35 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	77,562	60,398	9,971	9,324
Bank deposits	<u>22,732,088</u>	<u>26,386,286</u>	<u>262,065</u>	<u>289,456</u>
Total	<u>22,809,650</u>	<u>26,446,684</u>	<u>272,036</u>	<u>298,780</u>

As at 31 December 2021, bank deposits carried interests between 0.05 and 2.50 percent per annum (2020: between 0.05 and 3.25 percent per annum).

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8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade accounts receivable - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	5,129	4,018	1,093,560	621,845
Past due				
Up to 30 days	-	-	195,200	-
31 - 60 days	-	-	101,287	-
61 - 90 days	-	-	58,989	-
Total trade accounts receivable - related parties	<u>5,129</u>	<u>4,018</u>	<u>1,449,036</u>	<u>621,845</u>
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	7,573,069	8,111,952	2,126,886	2,028,242
Past due				
Up to 30 days	626,515	463,710	300,366	126,278
31 - 60 days	63,981	13,529	8,238	13,365
61 - 90 days	15,983	863	-	51
91 - 120 days	6,138	1,972	-	-
121 - 365 days	57	3,525	-	907
Over 365 days	37,900	39,273	30,885	30,443
Total	<u>8,323,643</u>	<u>8,634,824</u>	<u>2,466,375</u>	<u>2,199,286</u>
Less: Allowance for expected credit losses	(41,946)	(35,274)	(31,115)	(26,697)
Total trade accounts receivable - unrelated parties, net	<u>8,281,697</u>	<u>8,599,550</u>	<u>2,435,260</u>	<u>2,172,589</u>
Total trade accounts receivable - net	<u>8,286,826</u>	<u>8,603,568</u>	<u>3,884,296</u>	<u>2,794,434</u>
Other receivables				
Other receivables - related parties (Note 6)	1,026	716	33,539	16,418
Other receivables - unrelated parties	161,962	97,813	17,396	16,140
Interest receivables - related parties (Note 6)	-	-	78	168
Advance payments for goods				
- related parties (Note 6)	-	-	505,353	-
Prepaid expenses and advance payments for goods				
- unrelated parties	496,300	558,053	110,258	59,436
Total other receivables	<u>659,288</u>	<u>656,582</u>	<u>666,624</u>	<u>92,162</u>
Total trade and other receivables - net	<u>8,946,114</u>	<u>9,260,150</u>	<u>4,550,920</u>	<u>2,886,596</u>

The normal credit term are 30 to 90 days.



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9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	2021	2020	2021	2020	2021	2020
Finished goods	10,015,802	5,988,723	(14,157)	(7,095)	10,001,645	5,981,628
Work in process	5,944,449	3,820,907	(73,494)	(27,596)	5,870,955	3,793,311
Raw materials, packaging, and chemicals	15,610,300	8,943,210	(27,890)	(93,288)	15,582,410	8,849,922
Spare parts and supplies	804,409	426,414	(35,686)	(19,734)	768,723	406,680
Total	32,374,960	19,179,254	(151,227)	(147,713)	32,223,733	19,031,541
Fair value hedge adjustments					354,720	-
Total inventory - net					32,578,453	19,031,541
Separate financial statements						
	Cost		Reduction of cost to net realisable value		Inventories, net	
	2021	2020	2021	2020	2021	2020
	4,052,851	2,783,130	-	(300)	4,052,851	2,782,830
Finished goods	3,312,009	2,112,936	-	-	3,312,009	2,112,936
Work in process	9,162,628	5,174,630	-	(47,799)	9,162,628	5,126,831
Raw materials, packaging, and chemicals	55,611	54,018	(783)	(1,002)	54,828	53,016
Spare parts and supplies	16,583,099	10,124,714	(783)	(49,101)	16,582,316	10,075,613
Fair value hedge adjustments					267,369	-
Total inventory - net					16,849,685	10,075,613

During the years 2021 and 2020, reduction of cost to net realisable value is summarised as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Recorded amount was included in cost of sales	4	31	-	44
Reversal and reduced the amount of inventories recognised as cost of sales	-	-	48	-

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Additional information

Inventory balances of the Group, only for ribbed smoked sheets, concentrated latex and block rubber (net of fair value hedge transactions), as at 31 December 2021 and 2020 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Inventories at net realisable value (NRV)*	15,293,209	16,061,791	7,416,257	10,328,030
Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements	14,063,664	15,505,784	6,756,718	9,905,671
Differences	1,229,545	556,007	659,539	422,359

* For reporting purposes, inventories are stated at the lower of cost or net realisable value, while for inventory management purposes the Group uses net realisable value (NRV) which is the estimated selling price in the ordinary course of business less the necessary costs of completion and cost to make the sale. The use of different valuation methods for these two purposes resulted in differences at the reporting date.

Under Thai Financial Reporting Standards, such differences are not allowed to be recognised in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Refundable value-added tax	1,544,504	1,557,020	62,572	69,234
Prepaid withholding tax deducted at source	33,800	10,790	-	-
Input tax waiting for tax invoice or not yet due	87,155	31,293	9,128	3,581
Total other current assets	1,665,459	1,599,103	71,700	72,815



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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11. Non-current assets held for sale

On 13 November 2020, the Company's Board of Director meeting passed resolutions approving the sale of ordinary shares of two subsidiaries and certain plots of land and buildings thereon of the Company to Sri Trang Gloves (Thailand) Plc. (a subsidiary) ("STGT") which were summarised as follows.

1. Approval for sale of the 419,996 ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary) ("PSE") at a par value of Baht 100, a proportion of 83.9992 percent of all shares with voting rights, for a total of Baht 941 million (in comparison with the report of an independent financial advisor).
2. Approval for sale of the 399,994 ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary) ("PS") at a par value of Baht 100, a proportion of 99.9985 percent of all shares with voting rights, for a total of Baht 147 million (in comparison with the report of the independent professional appraiser).
3. Approval for sale of land and buildings thereon located in Patew, Chumporn of the Company, for Baht 177 million (in comparison with the report of the independent professional appraiser).

As at 31 December 2020, the Company classified investments of PSE and PS as well as the land and buildings thereon as non-current assets held for sale, with the total approximate carrying amount of Baht 307 million.

Subsequently, in January 2021, the Company received the full payment from STGT. In addition, the Company completely transferred its ownership of the ordinary shares together with land and buildings thereon to STGT in the same month. The Company then recognised gain on disposal of the such assets, amounting to Baht 958 million in its accounts and presented as a separate caption in the statement of comprehensive income.

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12. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Financial assets at amortised cost				
Fixed deposits pledged as collateral	701	701	-	-
Equity instruments designated at fair value through other comprehensive income				
Quoted equity instruments	77,493	32,385	40,991	32,072
Unquoted equity instruments	397,648	64,000	63,000	64,000
Financial assets at fair value through profit or loss				
Equity linked notes	264,105	-	-	-
Total other financial assets	<u>739,947</u>	<u>97,086</u>	<u>103,991</u>	<u>96,072</u>
Current	264,105	-	-	-
Non-current	475,842	97,086	103,991	96,072
	<u>739,947</u>	<u>97,086</u>	<u>103,991</u>	<u>96,072</u>



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements

Company's name	Shareholding								(Unit: Million Baht)			
	Paid-up capital		percentage		Cost		Dividend received					
	2021	2020	2021	2020	2021	2020	2021	2020				
Subsidiaries												
PT Sri Trang Lingga Indonesia	359	359	90.00	90.00	330	330	-	-				
Anvar Parawood Co., Ltd.	10	10	99.94	99.94	26	26	60	-				
Rubberland Products Co., Ltd.	1,600	1,600	99.99	99.99	1,935	1,935	300	148				
Namhua Rubber Co., Ltd.	500	500	99.99	99.99	560	560	-	-				
Sadao P.S. Rubber Co., Ltd. (Note 11)	40	40	-	99.99	-	-	-	-				
Startex Rubber Co., Ltd.	2,198	2,198	99.99	99.99	2,196	2,196	-	20				
Premier System Engineering Co., Ltd.												
(Note 11)	50	50	-	83.99	-	-	-	213				
Starlight Express Transport Co., Ltd.	15	15	79.99	79.99	42	42	-	46				
Sri Trang Rubber & Plantation Co., Ltd.	7,039	6,909	99.99	99.99	7,039	6,909	-	-				
Shi Dong Shanghai Rubber Co., Ltd.	155	155	100.00	100.00	155	155	-	-				
Sri Trang Gloves (Thailand) Plc.	1,432	1,429	50.64	50.74	6,551	6,551	8,700	906				
Sri Trang IBC Co., Ltd.	5	2	99.99	99.99	5	2	-	-				
Total					18,839	18,706	9,060	1,333				

13.1.1 Details of investments in subsidiaries that have material non-controlling interests.

Company's name	Profit allocated to								(Unit: Million Baht)			
	Proportion of equity		Accumulated balance of		non-controlling interests		Dividend paid to					
	interest held by	non-controlling interests										
2021	2020	2021	2020	2021	2020	2021	2020	2021				
		(%)	(%)									
Sri Trang Gloves (Thailand) Plc. *	43.93	43.82	18,115	15,280	10,394	5,921	7,523	782				

* The consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited

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13.1.2 Summarised financial information that based on amounts before inter-company elimination of Sri Trang Gloves (Thailand) Public Company Limited (Unit: Million Baht)

Summarised information about financial position

	As at 31 December	
	2021	2020
Current assets	29,546	33,138
Non-current assets	21,757	13,884
Current liabilities	5,646	5,825
Non-current liabilities	7,443	5,926

Summarised information about comprehensive income

	For the year ended 31 December	
	2021	2020
Revenue	47,551	30,405
Profit	23,704	14,327
Other comprehensive income	300	(10)
Total comprehensive income	24,004	14,317

Summarised information about cash flow

	For the year ended 31 December	
	2021	2020
Cash flow provided by operating activities	24,071	13,611
Cash flow used in investing activities	(12,522)	(2,051)
Cash flow provided by (used in) financing activities	(15,102)	12,035
Translation adjustment	285	12
Net increase (decrease) in cash and cash equivalents	(3,268)	23,607

13.2 Sri Trang Gloves (Thailand) Public Company Limited (“STGT”)

The restructuring of the subsidiary

- a) On 7 January 2021, STGT acquired ordinary shares of Premier System Engineering Co., Ltd. (“PSE”) (a subsidiary) 83.9992 percent and 16.0000 percent of shareholding from the Company and Rubberland Products Co., Ltd. (a subsidiary) respectively, at a price of Baht 1,120 million (in comparison with the report of independent financial advisor). This acquisition of PSE was under common control of the Company before and after the acquisition of this investment. Following the acquisition, the shareholding of the Group in PSE was changed from 100 percent to 56.18 percent (interest through STGT).



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The Group recorded the effect of the change in shareholding of PSE, amounting to Baht 38 million, under the caption of "Surplus from the change in the ownership interests in subsidiaries" in shareholders' equity in the consolidated financial statements.

- b) On 7 January 2021, STGT acquired ordinary shares of Sadao P.S. Rubber Co., Ltd. ("PS") (a subsidiary) 99.9985 percent of shareholding from the Company, at a price of Baht 147 million (in comparison with the report of the independent professional appraiser). This acquisition of PS was under common control of the Company before and after the acquisition of this investment. Following the acquisition, the shareholding of the Group in PS was changed from 100 percent to 56.18 percent (interest through STGT).

The Group recorded the effect of the change in shareholding of PS, amounting to Baht 20 million, under the caption of "Surplus from the change in the ownership interests in subsidiaries" in shareholders' equity in the consolidated financial statements.

Share-based payment under STGT ESOP

STGT recognised share-based payment expenses amounting to Baht 10.62 million for the year ended 31 December 2021 (2020: Baht 21.75 million).

On 25 June 2021, STGT's Board of Director meeting passed a resolution to approve to offer of newly-issued ordinary shares under the STGT ESOP for the second allocation of 6,000,000 of new shares with a par value of Baht 0.5 each, at an offering price of Baht 37.30 per share, which was equivalent to 90 percent of the market price.

Subsequently, on 14 July 2021, there were 5,701,410 exercised rights to acquire. STGT received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 1,428,780,000 (2,857,560,000 ordinary shares with a par value of Baht 0.5 each) to Baht 1,431,630,705 (2,863,261,410 ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce on 16 July 2021.

As a result, the shareholdings of the Company and Rubberland Products Co., Ltd. in STGT decreased from 50.74 percent and 5.44 percent to 50.64 percent and 5.43 percent, respectively, non-controlling interests of STGT increased Baht 111 million, and surplus from the change in the ownership interests in STGT increased Baht 102 million.

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Dividend payment

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Dividends for the year 2020	STGT's the Annual General Meeting on 2 April 2021	5,715.12	2.00
Interim dividends for 2021	STGT's Board of Directors meeting on 12 May 2021	4,286.34	1.50
Interim dividends for 2021	STGT's Board of Directors meeting on 10 August 2021	3,579.08	1.25
Interim dividends for 2021	STGT's Board of Directors meeting on 8 November 2021	3,579.08	1.25
Total dividends for 2021		<u>17,159.62</u>	

Subsequently on 17 February 2022, STGT's Board of Director meeting passed resolutions to approve a dividend payment in respect of operating results of 2021 to their shareholders of Baht 0.65 per share, totaling of Baht 1,861.12 million. STGT will propose their Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2022.

Share repurchase program

On 17 February 2022, STGT's Board of Director meeting resolved to approve the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 3,600 million and the number of the shares to be repurchased not exceeding 120,000,000 shares (par value of Baht 0.5 each) or equivalent to 4.2 percent of the total issued shares. The repurchase period covers the duration of 6 months, starting from 7 March 2022 to 6 September 2022. In this regard, STGT intends to repurchase the shares on the Stock Exchange of Thailand only. The share resales period will be determined after 6 months from the completion date not later than 3 years.



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Incorporation of new subsidiaries

On 19 July 2021, STGT's Board of Directors meeting passed resolutions approving the incorporation of the following new subsidiaries.

Company's name	Country of incorporation	Nature of business	Currency	Registered share capital	Shareholding percentage	Registered the incorporation	Payment of the called-up share capitals
Sri Trang Gloves (Singapore) Pte. Ltd. ("STGS")	Singapore	Distribution of gloves and research and development	USD	1,000,000	100	August 2021	November 2021
Sri Trang Gloves Global Pte. Ltd. ("STGG")	Singapore	Financial asset	USD	100,000,000*	100	August 2021	November 2021
PT Sri Trang Gloves Indo ("STGI")	Indonesia	Distribution of gloves in Indonesia	IDR	10,000,000,000	100	October 2021	November 2021
Sri Trang Gloves Vietnam Co., Ltd. ("STGV")	Vietnam	Distribution of gloves in Vietnam	VND	22,670,000,000	100	November 2021	December 2021
Sri Trang Gloves Philippines ("STGP")	Philippines	Distribution of gloves in Philippines				In the process of considering and deciding on a registered share capital and registering the incorporation	

* Paid-up capital of STGG is comprised of 80,000,000 ordinary shares and 20,000,000 preferred shares. (Par value of USD 1)



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13.3 Sri Trang Rubber & Plantation Co., Ltd. (“SRP”)

During the current year, the Company paid Baht 66 million for the additional capital of SRP that was called up in 2019.

On 16 February 2021, the Board of Directors of the Company passed a resolution to approve the increase in SRP’s registered share capital amounting to Baht 160 million for use in its operation in 2021. During the current year, the Company paid Baht 64 million for the additional capital.

13.4 Sri Trang IBC Co., Ltd. (“IBC”)

During the current year, the Company paid Baht 3.5 million for the paid-up capital of IBC that was called up in 2019.

14. Investment in an associate

14.1 Details of an associate

Associate	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements		Separate financial statements	
				Carrying amounts based on equity method		Cost	(Unit: Thousand Baht)
				2021	2020		
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50 (%)	42.50 (%)	553,365	507,741	142,500
							142,500

(Shareholding held by the Company 37.50% and by a subsidiary 5.00%)

14.2 Share of comprehensive income and dividend received

During the years, the Group has recognised its share of profit and dividend income from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows.

Associates	Consolidated financial statements				Separate financial statements		
	Share of profit from investments in associates		Dividend received		Dividend received		
	during the years	2021	2020	2021	2020	2021	2020
Semperflex Asia Co., Ltd.	-	178,649	133,091	133,025	116,790	117,375	103,050
Pattana Agro Futures Co., Ltd.	-	2	-	-	-	-	-
Total		178,649	133,093	133,025	116,790	117,375	103,050



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14.3 Summarised financial information about Semperfex Asia Co., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

	As at 31 December	
	<u>2021</u>	<u>2020</u>
Current assets	1,372,362	1,139,003
Non-current assets	246,277	270,954
Current liabilities	(279,082)	(178,950)
Non-current liabilities	(20,342)	(20,003)
Net assets	1,319,215	1,211,004
Shareholding percentage (%)	42.50%	42.50%
Share of net assets	560,666	514,677
Adjustments on equity method	(7,301)	(6,936)
Carrying amounts of the associate based on equity method	<u>553,365</u>	<u>507,741</u>

Summarised information about comprehensive income

	For the year ended 31 December	
	<u>2021</u>	<u>2020</u>
Revenue	1,489,341	1,166,586
Profit	420,350	313,156
Other comprehensive income	(845)	577
Total comprehensive income	419,505	313,733

14.4 Semperfex Asia Co., Ltd.

On 18 January 2017, the meeting of the Company's Board of Directors passed a resolution to enter into the Umbrella agreement, the Share Sale and Purchase agreement, Call Option agreement between the Company and Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") which collectively was the Demerger agreement for all associates and joint ventures, in which the Company had invested with Semperit both locally and abroad.

The Company granted a call option to Semperit for the acquisition of Semperfex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperfex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is commencing as from 30 June 2019 to 30 June 2026.

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Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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15. Investment in a joint venture

15.1 Details of investment in a joint venture

Investment in a joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of this investment are as follows.

Joint venture	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements		Separate financial statements	
				Carrying amounts based on equity method		Cost	
				2021	2020	2021	2020
			(%)	(%)			
Thaitech Rubber Corp., Ltd.	Manufacture of rubber products	Thailand	42.505	42.505	469,119	431,884	134,717
							134,717

15.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from Thaitech Rubber Corp., Ltd. in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)			
Consolidated financial statements		Separate financial statements	
Share of profit during the years		Dividend received during the years	
2021	2020	2021	2020
62,738	35,493	25,503	-



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15.3 Summarised financial information about Thaitech Rubber Corp., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

	As at 31 December	
	2021	2020
Current assets	3,023,682	2,204,590
Non-current assets	1,051,189	1,077,487
Current liabilities	(3,077,992)	(2,414,635)
Non-current liabilities	(18,095)	(19,019)
Net assets	978,784	848,423
Shareholding percentage (%)	42.505%	42.505%
Share of net assets	416,032	360,622
Adjustments on equity method	53,087	71,262
Carrying amounts of the joint venture based on equity method	469,119	431,884

Summarised information about comprehensive income

	For the year ended 31 December	
	2021	2020
Revenue	7,442,544	5,617,895
Profit	125,739	80,391
Other comprehensive income	43,029	(5,418)
Total comprehensive income	168,768	74,973

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16. Investment properties

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	193,600	190,332	75,663	75,663
Transfer from fixed assets (Note 17)	8,650	3,713	-	-
Translation adjustment	12,924	(445)	-	-
Net book value at end of year*	<u>215,174</u>	<u>193,600</u>	<u>75,663</u>	<u>75,663</u>

* Fair values of investment properties as at 31 December 2021 and 2020 were not significantly different. The Group, therefore, considered not to recognise changes in such fair values.

The investment properties of the Group are land not being used in operations and office building held for rent. The Group has not determined whether being held as owner-occupied property or for short-term capital gain appreciation.

The Group's land not being used in operations and office building for rent were revalued by an independent professional appraiser. The revaluation was based on market approach and sales comparison approach between the investment property with the same characteristic in market or same location respectively.



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17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis			Cost basis		
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation
As at 1 January 2020						
Cost / Revalued amount	12,343,649	7,773,689	13,938,112	1,197,096	739,922	3,074,889
<u>Less</u> Accumulated depreciation	(1,216,220)	(1,346,355)	(7,186,622)	(880,949)	(580,437)	-
Less Allowance for impairment	(49,700)	-	(5,556)	-	-	(55,256)
Net book value	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889
For the year ended 31 December 2020						
Net book value at beginning of year	11,077,729	6,427,334	6,745,934	253,774	159,485	3,074,889
Additions	142,703	17,505	123,928	31,930	20,886	1,948,439
Transfers in (out)	72,134	823,138	2,469,003	2,577	17,776	(3,384,628)
Transfer to other assets, net (Notes 18, 19)	-	-	-	-	-	(4,592)
Transfer to investment properties (Note 16)	-	(3,713)	-	-	-	(3,713)
Disposals and write-off, net	(1,951)	(70,125)	(33,475)	(198)	(1,088)	(160)
Reductions of revaluation	(7,932)	-	-	-	-	(7,932)
Depreciation for the year	(240,857)	(493,325)	(1,677,955)	(82,206)	(72,056)	-
Depreciation capitalised to assets (Note 18)	(52,414)	(4,947)	(2,273)	(3,280)	-	(62,914)
Interest capitalized to assets	-	-	-	-	-	56,500
Translation adjustment, net	(32,911)	(45,511)	(5,990)	(61)	(89)	(45)
Net book value at end of year	10,956,501	6,650,356	7,619,172	201,986	124,914	1,690,403
						27,243,332



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(Unit: Thousand Baht)

	Consolidated financial statements				
	Revaluation basis		Cost basis		
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment
As at 31 December 2020					
Cost / Revalued amount	12,505,446	8,452,319	16,285,753	1,095,333	751,615
<u>Less</u> Accumulated depreciation	(1,499,245)	(1,801,963)	(8,664,911)	(893,347)	(626,701)
<u>Less</u> Allowance for impairment	(49,700)	-	(1,670)	-	-
Net book value	10,956,501	6,650,356	7,619,172	201,986	124,914
 For the year ended 31 December 2021					
Net book value at beginning of year	10,956,501	6,650,356	7,619,172	201,986	124,914
Additions	26,864	6,947	108,356	148,299	38,162
Transfers in (out)	517,201	177,994	1,741,421	61,945	11,924
Transfer to other assets, net (Notes 18, 19)	-	-	(95)	1,402	(1,392)
Transfer to investment properties (Note 16)	(8,650)	-	-	-	-
Disposals and write-off, net	(23,797)	(15,762)	(35,805)	(953)	(899)
Allowance for impairment	(2,688)	(17,678)	(22)	-	-
Depreciation for the year	(230,115)	(497,982)	(1,850,528)	(82,112)	(74,576)
Depreciation capitalised to assets (Note 18)	(41,369)	(4,295)	(1,306)	(2,813)	-
Interest capitalized to assets	-	-	-	-	108,737
Translation adjustment, net	51,244	106,453	29,289	5,831	2,389
Net book value at end of year	11,245,191	6,406,033	7,610,482	333,585	100,522
					11,621,517
					37,317,330



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(Unit: Thousand Baht)

Consolidated financial statements					
	Revaluation basis			Cost basis	
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment
As at 31 December 2021					
Cost / Revalued amount	13,063,261	8,729,330	17,973,252	1,267,566	756,062
<u>Less</u> Accumulated depreciation	(1,766,555)	(2,318,265)	(10,361,078)	(933,981)	(655,540)
<u>Less</u> Allowance for impairment	(51,515)	(5,032)	(1,692)	-	-
Net book value	<u>11,245,191</u>	<u>6,406,033</u>	<u>7,610,482</u>	<u>333,585</u>	<u>100,522</u>
 Depreciation for the year					
<u>2020</u>					
Included in manufacturing cost				2,594,900	2,396,747
Included in selling and administrative expenses				140,414	169,652
				<u>2,735,314</u>	<u>2,566,399</u>



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(Unit: Thousand Baht)

	Separate financial statements					Assets under construction and installation	Total		
	Revaluation basis		Cost basis						
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment				
As at 1 January 2020									
Cost / Revalued amount	4,388,271	3,033,637	4,814,455	294,091	400,023	117,206	13,047,683		
<u>Less</u> Accumulated depreciation	(453,518)	(530,015)	(2,945,041)	(248,097)	(335,418)	-	(4,512,089)		
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	-	(5,556)		
Net book value	<u><u>3,934,753</u></u>	<u><u>2,503,622</u></u>	<u><u>1,863,858</u></u>	<u><u>45,994</u></u>	<u><u>64,605</u></u>	<u><u>117,206</u></u>	<u><u>8,530,038</u></u>		
 For the year ended 31 December 2020									
Net book value at beginning of year	3,934,753	2,503,622	1,863,858	36,575	64,605	117,206	8,520,619		
Additions	2,461	(69)	24,132	2,085	4,964	185,508	218,451		
Transfer to non-current assets held for sale (Note 11)	(143,305)	-	-	-	-	-	(143,305)		
Transfers in (out)	6,256	19,723	155,691	335	6,474	(188,479)	-		
Disposals and write-off, net	(69,894)	(969)	(14,112)	-	(293)	(69)	(85,337)		
Reductions of revaluation	(7,932)	-	-	-	-	-	(7,932)		
Depreciation for the year	<u><u>(114,443)</u></u>	<u><u>(183,288)</u></u>	<u><u>(451,073)</u></u>	<u><u>(15,854)</u></u>	<u><u>(29,895)</u></u>	<u><u>(794,553)</u></u>			
Net book value at end of year	<u><u>3,607,896</u></u>	<u><u>2,338,389</u></u>	<u><u>1,578,496</u></u>	<u><u>23,141</u></u>	<u><u>45,855</u></u>	<u><u>114,166</u></u>	<u><u>7,707,943</u></u>		



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(Unit: Thousand Baht)

	Separate financial statements					
	Cost basis					
	Revaluation basis	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation
As at 31 December 2020						
Cost / Revalued amount	4,175,225	3,051,216	4,384,300	260,588	405,823	114,166
<u>Less</u> Accumulated depreciation	(567,329)	(712,827)	(3,304,134)	(237,447)	(359,968)	-
<u>Less</u> Allowance for impairment	-	-	(1,670)	-	-	(1,670)
Net book value	3,607,896	2,338,389	1,578,496	23,141	45,855	114,166
For the year ended 31 December 2021						
Net book value at beginning of year	3,607,896	2,338,389	1,578,496	23,141	45,855	114,166
Additions	20,398	2,539	36,790	34,525	7,874	715,595
Transfers in (out)	3,214	18,793	118,643	328	2,502	(143,480)
Disposals and write-off, net	(98,987)	(24,349)	(9,092)	(128)	(360)	(1,882)
Depreciation for the year	(112,292)	(179,624)	(427,195)	(13,149)	(20,688)	(134,798)
Net book value at end of year	3,420,229	2,155,748	1,297,642	44,717	35,183	684,399
						7,637,918



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Revaluation basis			Cost basis			Assets under construction and installation	Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment			
As at 31 December 2021								
Cost / Revalued amount	4,092,209	3,039,270	4,920,602	285,920	382,469	684,399	13,404,869	
<u>Less</u> Accumulated depreciation	(671,980)	(883,522)	(3,621,290)	(241,203)	(347,286)	-	(5,765,281)	
<u>Less</u> Allowance for impairment	-	-	(1,670)	-	-	-	(1,670)	
Net book value	3,420,229	2,155,748	1,297,642	44,717	35,183	684,399	7,637,918	
 Depreciation for the year								
Included in manufacturing cost						2021		
Included in selling and administrative expenses						2020		
							679,492	707,830
							73,456	86,723
							752,948	794,553



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The Group arranged for independent professional appraisers to appraise the value of certain assets in 2017 and 2018 on an asset-by-asset basis. The basis of the revaluation was as follows.

- Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures were revalued the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

The asset revaluation surplus net of applicable deferred income tax was credited to other components of shareholder's equity.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and land improvements	7,649,362	7,515,683	1,770,216	2,002,263
Buildings and structures	5,035,581	5,254,123	1,511,194	1,646,092

As at 31 December 2021, a domestic subsidiary's construction of new plants has been financed with a loan from a financial institution. Borrowing costs were capitalised with details as follows.

	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Outstanding balance of new plants under construction (Million Baht)	10,601	1,586
Borrowing costs included in costs of the project (Million Baht)	109	57
Capitalisation weighted average rates (percent per annum)	2.36 - 3.47	2.17 - 3.78

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Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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As at 31 December 2021 and 2020, certain items of buildings and equipment had been fully depreciated but were still in use as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss	9,782	5,582	2,677	2,122



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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18. Economic tree plantations

(Unit: Thousand Baht)

	Consolidated financial statements				
	Rubber plantations		Palm and other plantations		Economic tree plantations- Immature
	Mature	Immature	Mature	Immature	Total
As at 1 January 2020					
Cost	302,432	1,936,369	12,424	5,856	16,514
<u>Less</u> Accumulated amortisation	(20,201)	-	(6,674)	-	(26,875)
Net book value	282,231	1,936,369	5,750	5,856	16,514
For the year ended 31 December 2020					
Net book value at beginning of year	282,231	1,936,369	5,750	5,856	16,514
Acquisition	-	92,629	-	824	3,976
Transfer in (out)	285,793	(285,793)	-	-	-
Transfer from fixed assets (Note 17)	710	-	-	-	710
Disposals and write-off, net	-	(7,438)	(754)	-	(8,192)
Amortisation	(8,756)	-	(595)	-	(9,351)
Depreciation capitalised to assets (Note 17)	-	62,139	-	-	776
Net book value at end of year	559,978	1,797,906	4,401	6,680	21,266
As at 31 December 2020					
Cost	588,935	1,797,906	11,476	6,680	21,266
<u>Less</u> Accumulated amortisation	(28,957)	-	(7,075)	-	(36,032)
Net book value	559,978	1,797,906	4,401	6,680	21,266
					2,390,231



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements					
	Rubber plantations		Palm and other plantations		Economic tree plantations- Immature	
	Mature	Immature	Mature	Immature	Total	
For the year ended 31 December 2021						
Net book value at beginning of year	559,978	1,797,906	4,401	6,680	21,266	2,390,231
Acquisition	-	51,794	-	686	12,009	64,489
Transfer in (out)	459,821	(459,821)	-	-	-	-
Transfer from fixed assets (Note 17)	208	-	-	-	-	208
Disposals and write-off, net	(941)	(16,222)	(157)	-	(475)	(17,795)
Amortisation	(16,587)	-	(582)	-	-	(17,169)
Depreciation capitalised to assets (Note 17)	-	49,783	-	-	-	49,783
Net book value at end of year	<u>1,002,479</u>	<u>1,423,440</u>	<u>3,662</u>	<u>7,366</u>	<u>32,800</u>	<u>2,469,747</u>
As at 31 December 2021						
Cost	1,047,991	1,373,657	9,807	7,366	32,800	2,471,621
Less Accumulated amortisation	(45,512)	49,783	(6,145)	-	-	(1,874)
Net book value	<u>1,002,479</u>	<u>1,423,440</u>	<u>3,662</u>	<u>7,366</u>	<u>32,800</u>	<u>2,469,747</u>



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Thousand Baht)

Separate financial statements					
	Rubber plantations	Palm and other plantations			Total
	Mature	Immature	Immature	Mature	
As at 1 January 2020					
Cost	3,584	3,061	5,731	5,856	18,232
<u>Less</u> Accumulated amortisation	(2,278)	-	(2,928)	-	(5,206)
Net book value	1,306	3,061	2,803	5,856	13,026
 For the year ended 31 December 2020					
Net book value at beginning of year	1,306	3,061	2,803	5,856	13,026
Acquisition	-	492	-	824	1,316
Transfer in (out)	460	(460)	-	-	-
Amortisation	(103)	-	(300)	-	(403)
Net book value at end of year	1,663	3,093	2,503	6,680	13,939
 As at 31 December 2020					
Cost	4,043	3,093	5,732	6,680	19,548
<u>Less</u> Accumulated amortisation	(2,380)	-	(3,229)	-	(5,609)
Net book value	1,663	3,093	2,503	6,680	13,939



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Immature	Mature	
For the year ended 31 December 2021					
Net book value at beginning of year	1,663	3,093	2,503	6,680	13,939
Acquisition	-	219	-	686	905
Amortisation	(109)	-	(300)	-	(409)
Net book value at end of year	1,554	3,312	2,203	7,366	14,435
 As at 31 January 2021					
Cost	4,044	3,312	4,281	7,366	19,003
<u>Less</u> Accumulated amortisation	(2,490)	-	(2,078)	-	(4,568)
Net book value	1,554	3,312	2,203	7,366	14,435



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

19. Intangible assets - computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020		
Cost	712,606	616,612
<u>Less</u> Accumulated amortisation	<u>(326,705)</u>	<u>(260,061)</u>
Net book value	<u>385,901</u>	<u>356,551</u>
For the year ended 31 December 2020		
Net book value at beginning of year	385,901	356,551
Additions	136,134	48,605
Transfers from fixed assets (Note 17)	3,882	-
Write-off, net	(111)	(2)
Amortisation	(74,472)	(66,306)
Translation adjustment	8	-
Net book value at end of year	<u>451,342</u>	<u>338,848</u>
As at 31 December 2020		
Cost	838,418	663,287
<u>Less</u> Accumulated amortisation	<u>(387,076)</u>	<u>(324,439)</u>
Net book value	<u>451,342</u>	<u>338,848</u>
For the year ended 31 December 2021		
Net book value at beginning of year	451,342	338,848
Additions	88,437	10,409
Transfers from fixed assets (Note 17)	10	-
Write-off, net	(31)	(2)
Amortisation	(79,484)	(65,343)
Translation adjustment	902	-
Net book value at end of year	<u>461,176</u>	<u>283,912</u>
As at 31 December 2021		
Cost	925,472	673,109
<u>Less</u> Accumulated amortisation	<u>(464,296)</u>	<u>(389,197)</u>
Net book value	<u>461,176</u>	<u>283,912</u>

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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20. Goodwill

For the propose of annually impairment testing for goodwill, the Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection were prepared.	0.00% per annum
Pre-tax discount rate	12.53% per annum

The management determined expected operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth.

The discount rate is a pre-tax rate that reflects the risks specific to cash generating units.

The management determined that goodwill is not impaired.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties (Note 6)	62,386	34,732	130,434	142,757
Trade payables - unrelated parties	1,365,268	1,475,782	362,350	287,327
Other payables - related parties (Note 6)	-	-	21,096	8,921
Other payables - unrelated parties	2,232,225	1,224,542	434,144	282,635
Advance receipt for goods and others				
- unrelated parties	1,662,078	1,900,890	266,118	266,405
Total trade and other payables	<u>5,321,957</u>	<u>4,635,946</u>	<u>1,214,142</u>	<u>988,045</u>



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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22. Borrowings

Movements in the borrowing account for the years ended 31 December 2021 and 2020 were summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	32,195,335	29,236,133	19,483,584	18,825,543
Decrease in short-term borrowings from financial institutions	(906,898)	5,253,574	(4,072,013)	2,386,806
Increase in long-term borrowings from financial institutions	3,244,500	2,347,000	309,500	-
Repayments of long-term borrowings from financial institutions	(2,329,136)	(4,517,276)	(1,554,136)	(1,674,276)
Amortisation of finance fee	850	2,294	-	-
Issuance of debentures	10,000,000	-	10,000,000	-
Redemption of debenture	(1,455,000)	-	(1,455,000)	-
Increase in lease liabilities	290,810	70,208	58,548	31,641
Written-off lease liabilities	(1,714)	(11,015)	(818)	(9,456)
Repayments of lease liabilities	(167,520)	(146,213)	(59,513)	(74,184)
Unrealised (gain) loss on exchange rates	25,153	(541)	26,429	(2,490)
Translation adjustment	<u>399,642</u>	<u>(38,829)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>41,296,022</u>	<u>32,195,335</u>	<u>22,736,581</u>	<u>19,483,584</u>

22.1 Short-term and long-term borrowings from financial institutions

As at 31 December 2021 and 2020, An overseas subsidiary had credit facilities with an overseas financial institution which were guaranteed by a domestic subsidiary and the standby-letters of credit of a commercial bank as follows.

	Consolidated financial statements			
	2021		2020	
	(Equivalent) Million USD	(Equivalent) Million Baht	(Equivalent) Million USD	(Equivalent) Million Baht
(Audited)				
Credit facilities	10	334	10	300
Balance of short-term borrowings	-	-	-	-

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22.2 Long-term loans from financial institutions

As at 31 December 2021 and 2020, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated financial statements		Separate financial statements	
					2021	2020	2021	2020
The Company								
1	Baht 3,800 Million granted in 2012	10 years	MLR less fixed rate per annum	Principal is repayable quarterly from September 2012 and interest is repayable monthly.	471,350	1,421,350	471,350	1,421,350
2	USD 10 Million granted in 2021	1 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	335,929	-	335,929	-
3	USD 20 Million granted in 2018	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	-	604,136	-	604,136
Subsidiaries								
1	Baht 950 Million granted in 2018	7 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from September 2018 and interest is repayable quarterly.	686,000	810,000	-	-
2	Baht 700 Million granted in 2018	4 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2019 and interest is repayable quarterly.	271,000	427,000	-	-
3	Baht 1,623 Million granted in 2018	7 years	6M THBFX plus fixed rate per annum	Principal is repayable quarterly from December 2019 and interest is repayable quarterly.	1,153,000*	1,393,000*	-	-
4	Baht 1,445 Million granted in 2019	7 years 9 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2020 and interest is repayable quarterly.	1,145,000	1,325,000	-	-



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No.	Credit facility	Borrowing periods	Interest rate (%)	Outstanding balances as at 31 December			
				Consolidated financial statements	2020	2021	Separate financial statements
5	Baht 1,000 Million granted in 2020	6 years	6M THB FIX plus fixed rate per annum	Principal and interest repayment from March 2022 and interest is repayable quarterly.	-	1,000,000	880,000
6	Baht 2,000 Million granted in 2020	6 years 1 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2021 and interest is repayable quarterly.	-	-	-
7	Baht 1,500 Million granted in 2020	6 years 2 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly after the first drawdown of the loan.	-	1,925,000	1,467,000
8	Baht 782 Million granted in 2021	6 years	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	-	1,500,000	-
Total					782,000	9,269,279	8,327,486
	<u>Less Deferred financial service fee</u>				(1,444)	(2,294)	-
	Long-term borrowing - net				9,267,835	8,325,192	807,279
	<u>Less Current portion of long-term borrowings</u>				(2,140,101)	(2,328,352)	(1,554,136)
	Long-term borrowings - net of current portion				7,127,734	5,996,840	471,350

In addition, the borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

* The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.



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22.3 Debentures

The Company issues senior unsecured debentures, interest is payable semi-annually. Details of debentures are summarised below:

Debenture	Term (years)	Issue date	Maturity date	Par value (Baht per unit)	Fixed interest rate (Percent per annum)	Interest payment condition		2021	2020
						Consolidated and separate financial statements			
STA215A	5	18 May 2016	18 May 2021	1,000	3.10	Starting from 18 November 2016 to 18 May 2021	-	1,455,000	-
STA234A	2	1 April 2021	1 April 2023	1,000	2.15	Starting from 1 October 2021 to 3 April 2023	1,000,000	-	
STA264A	5	1 April 2021	1 April 2026	1,000	3.70	Starting from 1 October 2021 to 1 April 2026	1,800,000	-	
STA314A	10	1 April 2021	1 April 2031	1,000	4.40	Starting from 1 October 2021 to 1 April 2031	700,000	-	
STA247A	3	22 July 2021	22 July 2024	1,000	1.79	Starting from 1 January 2022 to 23 July 2024	1,500,000	-	
STA257A	4	22 July 2021	22 July 2025	1,000	2.75	Starting from 1 January 2022 to 22 July 2025	500,000	-	
STA31DA	10	3 December 2021	3 December 2031	1,000	3.56	Starting from 6 June 2022 to 3 December 2031	1,250,000	-	
STA25DA	4	3 December 2021	3 December 2025	1,000	2.39	Starting from 6 June 2022 to 3 December 2025	1,000,000	-	
STA28DA	7	3 December 2021	3 December 2028	1,000	3.12	Starting from 6 June 2022 to 4 December 2028	1,250,000	-	
STA24DA	3	3 December 2021	3 December 2024	1,000	1.98	Starting from 6 June 2022 to 3 December 2024	1,000,000	-	
Total							10,000,000	1,455,000	
<u>Less current portion</u>							-	(1,455,000)	
Debentures, net of current portion							10,000,000	-	
Fair value							10,121,447	1,460,571	

On 27 January 2022, the Company's Extraordinary General Meeting passed resolutions to approve the additional issuance and offering of debentures in an amount of Baht 20,000 million, totaling not exceeding Baht 30,000 million.

The debenture agreements contain covenants and restrictions on the Company, pertaining to matters such as the maintenance of a certain debt to equity ratio.



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23. Lease

The Group as a lessee

The Group has lease contracts for use in its operations. Leases generally have lease terms between 1 - 5 years.

A) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and		Buildings and			
	land	improvement	building	Motor	Total	
1 January 2020	7,776		179,561	174,046	1,214	362,597
Additions	1,849		12,932	55,427	-	70,208
Write-off, net	(1,424)		(8,143)	(875)	-	(10,442)
Depreciation for the year	(5,132)		(59,117)	(86,264)	(642)	(151,155)
Translation adjustment	(12)		2,316	(354)	-	1,950
31 December 2020	3,057		127,549	141,980	572	273,158
Additions	14,305		45,350	116,384	114,771	290,810
Write-off, net	-		-	(906)	-	(906)
Depreciation for the year	(7,173)		(67,894)	(79,322)	(20,089)	(174,478)
Translation adjustment	52		12,403	2,863	-	15,318
31 December 2021	10,241		117,408	180,999	95,254	403,902

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(Unit: Thousand Baht)

	Separate financial statements					
	Land and		Buildings and			
	land	improvement	building	Motor	Total	
1 January 2020	4,605		83,680	78,535	1,214	168,034
Additions	1,860		-	29,781	-	31,641
Write-off, net	(1,007)		(7,933)	-	-	(8,940)
Depreciation for the year	(4,193)		(27,789)	(43,901)	(642)	(76,525)
31 December 2020	1,265		47,958	64,415	572	114,210
Additions	4,223		1,147	53,178	-	58,548
Depreciation for the year	(3,692)		(17,578)	(41,570)	(305)	(63,145)
31 December 2021	1,796		31,527	76,023	267	109,613

B) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	410,037	264,428	115,917	117,265
Less: Deferred interest expenses	(21,819)	(11,576)	(4,396)	(3,692)
Total	388,218	252,852	111,521	113,303
Less: Portion due within one year	(148,072)	(115,706)	(43,436)	(58,005)
Lease liabilities - net of current portion	240,146	137,146	68,085	55,298

A maturity analysis of lease payments is disclosed in Note 37.2 to the financial statements under the liquidity risk.

C) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation of Right-of-use assets	174,478	151,155	63,145	151,155
Interest payments on lease liabilities	10,005	10,228	3,001	10,228
Expense relating to leases of low-value assets	200,307	100,085	83,576	100,085



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24. Provision for retirement benefit obligations

Movements of provision for retirement benefit obligations, which represents compensation payable to employees after they retire, during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for retirement benefit obligations				
at beginning of year	440,268	384,951	136,674	126,248
Included in profit or loss:				
Current service cost	47,909	36,011	10,050	10,375
Interest cost	13,952	9,876	1,711	2,099
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	491	-	-
Financial assumptions changes	(74,823)	19,517	(12,758)	3,906
Experience adjustments	2,593	(6,470)	4,786	(4,471)
Benefits paid during the year	(4,525)	(4,108)	(2,071)	(1,483)
Provision for retirement benefit obligations				
at end of year	<u>425,374</u>	<u>440,268</u>	<u>138,392</u>	<u>136,674</u>

The Group expects to pay Baht 9 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2020: Baht 6 million, separate financial statements: Baht 4 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2020: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and separate financial statements	
	<u>2021</u>	<u>2020</u>
Discount rate	2.4	1.6
Future salary increase rate	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0

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The results of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(45,010)	52,549	(12,859)	14,756
Salary increase rate	51,767	(45,060)	14,479	(12,796)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(23,074)	27,468	(7,694)	9,179

	(Unit: Thousand Baht)			
	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(51,565)	59,924	(13,976)	15,784
Salary increase rate	59,329	(51,112)	15,775	(13,807)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(25,209)	30,129	(8,660)	10,398

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.



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26. Revaluation surplus

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year - net of income tax	3,815,836	3,964,399	1,895,167	1,994,351
Decrease from revaluation of assets				
- net of income tax	(10,816)	(6,346)	-	(6,346)
Decrease from sale/write-off for assets				
- net of income tax	(2,749)	(37,466)	(67,231)	(32,503)
<u>Less</u> depreciation on assets revaluation				
- net of income tax	(109,073)	(104,751)	(57,522)	(60,335)
Increase in share capital of a subsidiary (Note 13.2)	(145)	-	-	-
Effect of restructuring of the subsidiaries (Note 13.2)	(58,046)	-	-	-
Balance at end of year - net of income tax	<u>3,635,007</u>	<u>3,815,836</u>	<u>1,770,414</u>	<u>1,895,167</u>

27. Other income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	149,599	82,485	-	2,535
Income of production waste sales	72,923	62,080	7,372	2,368
Income of export incentive	57,209	29,505	-	-
Income from insurance claim compensation	47,835	77,113	37,615	46,922
Income from government subsidy	32,039	-	-	-
Income of management fee	15,434	10,780	15,434	10,780
Rental income	14,458	20,537	1,316	1,219
Income of factory supply sales	4,804	4,954	574	4,351
Income from computer software	120	140	3,013	2,734
Income from guaranteed loans	1	-	29,872	14,869
Office service income	-	1	42,252	46,322
Others	26,158	59,705	-	4,958
Total other income	<u>420,580</u>	<u>347,300</u>	<u>137,448</u>	<u>137,058</u>

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28. Other gain (loss)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>2021</u>	<u>2020</u>	<u>financial statements</u>
Gain (loss) from derivative financial instruments		(1,779,300)	4,912	(848,072)
Gain (loss) from disposals and write-off for fixed assets		(56,223)	(85,784)	31,996
Total other gain (loss), net		<u>(1,835,523)</u>	<u>(80,872)</u>	<u>(816,076)</u>
				267,614

29. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	<u>financial statements</u>	<u>2021</u>	<u>2020</u>	<u>financial statements</u>
Changes in inventories of finished goods and work in progress		(6,150,621)	(2,130,572)	(2,468,794)
Raw materials and consumables used		75,196,113	45,786,812	38,382,423
Reduction of inventory cost to net realisable value (reversal)		3,514	30,708	(48,319)
Salaries and wages and other employee benefits		4,346,678	3,946,595	930,740
Depreciation		2,909,791	2,717,554	816,093
Amortisation - economic tree plantations		17,169	9,351	409
Amortisation - intangible assets		79,484	74,472	65,343
Transportation and distribution expense		3,793,218	1,478,726	1,289,902
Energy expense		3,631,319	3,025,153	751,036
Cess expense*		1,630,058	1,180,181	1,167,767
				838,297

* The cess expense is a fee charged to exporters of natural rubber products for the rubber replanting aid fund managed by the Office of the Rubber Authority of Thailand (RAOT) for the purpose of replanting support. Such fee is calculated based on exported quantity at the price on export dates multiplied by a fixed rate as agreed.



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30. Income tax

Income tax for the years ended 31 December 2021 and 2020 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	2,686,021	1,495,538	-	-
Income tax directly related to share holders' equity	-	59,129	-	-
Adjustment in respect of income tax of previous year	19,530	(15,101)	-	233
Deferred tax:				
Relating to origination and reversal of temporary differences	(163,974)	127,914	209,386	48,755
Income tax reported in profit or loss	<u>2,541,577</u>	<u>1,667,480</u>	<u>209,386</u>	<u>48,988</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to				
Gain (loss) on changes in value of equity investments designated at fair value				
through other comprehensive income	1,609	(1,903)	1,584	(1,931)
Loss on revaluation of assets	(2,704)	(1,586)	-	(1,586)
Actuarial gain (loss)	15,298	(2,041)	1,594	113
Gain (loss) on cash flow hedges	1,280	(8,894)	2,455	-
	<u>15,483</u>	<u>(14,424)</u>	<u>5,633</u>	<u>(3,404)</u>

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The reconciliation between accounting profit and income tax is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
Accounting profit before tax	<u>28,718,453</u>	<u>17,064,049</u>	<u>12,078,824</u>	<u>2,533,710</u>
Applicable tax rate	8 - 25%	17 - 25%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	5,924,308	3,484,108	2,415,765	506,746
Share of profit from investments in an associate				
and a joint venture	(48,277)	(33,717)	-	-
Unused tax losses and deductible temporary				
difference were not recognised during the year	99,177	173,280	-	800
Utilisation of previously unused tax losses and				
deductible temporary unrecognised difference	(186,826)	(159,210)	(215,497)	(117,542)
Adjustment in respect of income tax of previous year	19,530	(15,101)	-	233
Effects of:				
Promotional privileges (Note 31)	(3,130,710)	(1,704,631)	(114,054)	(23,958)
Exemption of income	(31,338)	(42,820)	(1,840,941)	(293,862)
Non-deductible expenses	47,936	76,920	23,012	26,901
Additional expense deductions allowed	(118,858)	(100,028)	(56,490)	(48,814)
Tax at concessionary rate of 10% (a)	(20,886)	(14,428)	-	-
Others	(12,479)	3,107	(2,409)	(1,516)
Total	<u>(3,266,335)</u>	<u>(1,781,880)</u>	<u>(1,990,882)</u>	<u>(341,249)</u>
Income tax reported in the profit or loss	<u>2,541,577</u>	<u>1,667,480</u>	<u>209,386</u>	<u>48,988</u>

Additional information

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to a subsidiary of the Group for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 16 February 2015, this status was extended from 1 January 2020 to 31 December 2024.



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The components of deferred tax assets and deferred tax liabilities are as follows.

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	2021	2020
	2021	2020	2021	2020
Deferred tax assets				
Unused tax losses	372,274	644,925	110,478	362,525
Unrealised losses on derivative financial instruments	7,317	23,165	3,732	12,602
Allowance for diminution in value of inventories	382,666	65,009	83	5,352
Cumulative loss from assets revaluation and allowance for asset impairment	51,959	44,455	16,691	16,934
Provision for retirement benefit obligations	84,410	86,391	27,678	27,334
Loss on cash flow hedge	21,621	8,894	9,113	-
Others	68,889	20,336	46	67
Total	989,136	893,175	167,821	424,814
Deferred tax liabilities				
Asset revaluation surplus	1,142,407	1,218,401	442,603	473,792
Fair value estimation of investment properties	12,577	12,578	12,578	12,578
Unrealised gains on derivative financial instruments	17,533	39,969	10,757	34,672
Gains on cash flow hedge	18,079	-	11,568	-
Others	2,091	328	1,563	-
Total	1,192,687	1,271,276	479,069	521,042
Deferred tax liabilities,net	(203,551)	(378,101)	(311,248)	(96,228)
Deferred tax assets (liabilities) presented in the statements of financial position:				
Deferred tax assets	616,835	269,818	-	-
Deferred tax liabilities	(820,386)	(647,919)	(311,248)	(96,228)
	<u>(203,551)</u>	<u>(378,101)</u>	<u>(311,248)</u>	<u>(96,228)</u>

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Movements of deferred tax liabilities during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year - net	378,101	322,453	96,228	50,877
Deferred tax recognised in				
profit or loss	(163,974)	68,785	209,387	48,755
other comprehensive income	15,483	(14,424)	5,633	(3,404)
Translation adjustment	(26,060)	1,287	-	-
Balance at end of year - net	<u>203,550</u>	<u>378,101</u>	<u>311,248</u>	<u>96,228</u>

As at 31 December 2021, the Group had deductible temporary differences and unused tax losses totaling Baht 1,640 million (the Company only: Baht 793 million) (2020: Baht 1,853 million, the Company only: Baht 793 million), on which deferred tax assets have not been recognised as the Group and the Company believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Group has the unused tax losses amounting to Baht 1,535 million which will expire by 2024 (the Company only: Baht 757 million by 2024).

31. Promotional privileges

The Group is granted certain privileges on its manufactures of concentrated latex, block rubber Skim Crepe and rubber gloves, which included among others, as follows.

- (a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- (b) Exemption from payment of income tax for the periods of 5 to 8 years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next 3 to 5 years after the period of exemption from payment of income tax is expired

As a promoted industry, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.



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The Group operating revenues for the years ended 31 December 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales and service income						
Domestic sales and service income	7,043,850	6,129,043	19,620,526	13,549,531	26,664,376	19,678,574
Export sales and service income	38,010,514	36,163,034	101,295,548	45,198,100	139,306,062	81,361,134
Total sales and service income	45,054,364	42,292,077	120,916,074	58,747,631	165,970,438	101,039,708
Elimination					(47,695,065)	(25,560,963)
Total					118,275,373	75,478,745

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Sales and service income						
Domestic sales and service income	6,182,157	4,227,135	11,275,952	8,373,007	17,458,109	12,600,142
Export sales and service income	14,555,212	11,271,504	18,913,051	9,013,974	33,468,263	20,285,478
Total sales and service income	20,737,369	15,498,639	30,189,003	17,386,981	50,926,372	32,885,620

32. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the years.

The basic earnings per share are as follows.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to owners of the Company				
(Thousand Baht)	15,846,701	9,531,213	11,869,438	2,484,742
Weighted average number of ordinary shares				
(Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Basic earnings per share (Baht)	10.32	6.21	7.73	1.62

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33. Segment information

The chief operating decision-maker has been identified as the Managing Director. The Managing Director reviews the Group's internal reporting regularly in order to assess performance and allocate resources. The Managing Director measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the year in the consolidated financial statements.

Operating segments are defined as components of the Group for which separate financial statements available on a company basis are evaluated regularly by the chief operating decision-maker.

There are three reportable segments as follows.

- 1) Natural Rubber Products: This segment is engaged in manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers.
- 2) Gloves: this segment also includes the manufacture and sale of powdered and powder-free latex examination gloves
- 3) Other Businesses:
 - Plantation: This is engaged in plantations including rubber, palm, temperate fruits and economic trees.
 - Engineering Business: This is engaged in the engineering services including research and development of machinery and production processes, and also providing information system services.
 - Logistics services and other services: These services are provided mainly to the Group, with minor services provided externally.
 - Other Rubber Products: This segment is engaged in manufacture, sale of escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.

Financial information by products and services for the years ended 31 December 2021 and 2020 is presented as follows.



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For the year ended 31 December 2021

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	70,701,104	47,497,236	77,033	-	118,275,373
Inter-segment revenues	5,922,887	-	4,918,960	(10,841,847)	-
Total revenues	76,623,991	47,497,236	4,995,993	(10,841,847)	118,275,373
Other income and expenses					
Depreciation and amortisation	(1,478,634)	(1,416,383)	(112,325)	-	(3,007,342)
Finance income	5,632	104,933	3,729	(1,085)	113,209
Finance cost	(698,741)	(126,560)	(4,518)	1,085	(828,734)
Share of profit from investments in an associate and a joint venture	62,738	-	178,649	-	241,387
Segment profit					
Profit before income tax	13,706,078	25,769,562	463,662	(11,220,849)	28,718,453
Income tax	(413,102)	(2,095,379)	(44,296)	11,200	(2,541,577)
Profit for the year	13,292,976	23,674,183	419,366	(11,209,649)	26,176,876
Total assets	77,468,176	55,496,566	18,086,600	(36,524,252)	114,527,090

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	44,678,063	30,750,423	50,259	-	75,478,745
Inter-segment revenues	4,283,097	-	2,743,275	(7,026,372)	-
Total revenues	48,961,160	30,750,423	2,793,534	(7,026,372)	75,478,745
Other income and expenses					
Depreciation and amortisation	(1,586,107)	(1,132,295)	(82,976)	-	(2,801,378)
Finance income	10,028	39,185	2,111	-	51,324
Finance cost	(547,000)	(142,152)	(1,779)	-	(690,931)
Share of profit from investments in an associate and a joint venture	35,493	-	133,093	-	168,586
Segment profit					
Profit (loss) before income tax	2,395,712	16,145,896	(68,925)	(1,408,634)	17,064,049
Income tax	(58,264)	(1,590,698)	(13,984)	(4,533)	(1,667,479)
Profit (loss) for the period	2,337,448	14,555,198	(82,909)	(1,413,167)	15,396,570
Total assets	59,859,216	46,233,238	12,474,069	(25,449,301)	93,117,222

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Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Revenue from external customers		
Thailand	14,530,235	8,564,442
China	37,843,635	26,856,336
USA	18,249,915	7,803,335
Singapore	4,888,716	6,517,835
Japan	4,049,432	3,922,242
Others	38,713,440	21,814,555
Total	<u>118,275,373</u>	<u>75,478,745</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	43,282,040	32,995,140
Indonesia	2,062,888	2,111,127
Others	302,917	269,084
Total	<u>45,647,845</u>	<u>35,375,351</u>

Major customers

The Group has no major customer with revenue of 10 percent or more of its revenues.



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34. Dividends

	<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Interim dividends for 2019	Board of Directors' meeting on 16 April 2020		538	0.35
Interim dividends for 2020	Board of Directors' meeting on 13 November 2020		768	0.50
Total dividends for 2020			<u>1,306</u>	
Dividends for the year 2020	The Company's Annual General Meeting on 16 February 2021		2,688	1.75
Interim dividends from the operating for 2021	The Company's Board of Directors meeting on 12 May 2021		1,536	1.00
Interim dividends from the operating for 2021	The Company's Board of Directors meeting on 10 August 2021		1,920	1.25
Interim dividends from the operating for 2021	The Company's Board of Directors meeting on 8 November 2021		<u>1,920</u>	1.25
Total dividends for 2021			<u>8,064</u>	

35. Commitments and contingent liabilities

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	<u>financial statements</u>	<u>2021</u>	<u>2020</u>	<u>financial statements</u>
Sales and purchases commitments*				
Purchases from				
Joint venture	1,335	715	-	-
Third parties	282	95	-	-
Sales to				
Subsidiaries	-	-	6,015	4,680
Third parties	27,118	15,318	10,901	8,543

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Sri Trang Agro-Industry Public Company Limited and its subsidiaries
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(Unit: Million Baht)

	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Capital commitments relating to				
the construction of factory buildings and				
acquisition of machinery	8,090	3,235	628	12
the acquisition of computer software	-	30	4	1
Guarantees on borrowings of subsidiaries				
(USD 5 million)	167	150	167	150
(IDR 1,031 billion)	2,420	2,515	2,420	2,515
Guarantees and contingent liabilities				
Bank guarantees for electricity usage and				
sales of goods	165	162	67	66
Credit facility of standby-letters of credit				
(USD 5 million)	-	150	-	150
Letters of credit with overseas suppliers				
(USD 4 million)	147	505	-	-
The future aggregate minimum payments				
under non-cancellable lease and				
service agreements				
Not later than 1 year	33	41	17	2
Later than 1 year but not later than 5 years	30	60	20	2

* The Group is committed to certain sales and purchases of natural rubber. Some of the contractual prices are fixed, and settled at future dates, and some of the contractual prices are not fixed at the contract date. However, the values of these commitments are presented at the fixed contractual prices, or the market prices at the end of the period in cases where the contract price is not fixed at the contract date.



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36. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	77,493	334,648	63,000	475,141
Financial assets at fair value through profit or loss	-	264,105	-	264,105
Derivative financial instruments (Note 37.1)	82,654	132,641	-	215,295
Property and plant	-	-	17,651,224	17,651,224
Investment properties	-	-	215,174	215,174
Liabilities measured at fair value				
Derivative financial instruments (Note 37.1)	19,345	196,769	-	216,114
Liabilities for which fair value are disclosed				
Debentures	-	10,121,447	-	10,121,447
(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	32,385	-	64,000	96,385
Derivative financial instruments (Note 37.1)	77,669	158,276	-	235,945
Property and plant	-	-	17,606,857	17,606,857
Investment properties	-	-	193,600	193,600
Liabilities measured at fair value				
Derivative financial instruments (Note 37.1)	30,577	153,301	-	183,878
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

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(Unit: Thousand Baht)				
Separate financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	40,991	-	63,000	103,991
Derivative financial instruments (Note 37.1)	49,649	61,977	-	111,626
Property and plant	-	-	5,946,285	5,946,285
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 37.1)	13,702	50,522	-	64,224
Liabilities for which fair value are disclosed				
Debentures	-	10,121,447	-	10,121,447

(Unit: Thousand Baht)				
Separate financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	32,072	-	64,000	96,072
Derivative financial instruments (Note 37.1)	67,037	106,325	-	173,362
Property and plant	-	-	5,946,285	5,946,285
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 37.1)	21,454	41,546	-	63,000
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

During the current year, there are no transfer within the fair value hierarchy.



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37. Financial instruments

37.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange options	-	23,050	-	10,023
Rubber options	-	9,432	-	9,432
Rubber price swaps	4,136	180	4,136	180
Forward foreign exchange contracts	58,201	125,614	-	86,690
Rubber futures	82,654	77,669	49,649	67,037
Physical forward contracts	270	-	-	-
Derivative assets designated as hedging instruments				
Forward foreign exchange contracts	70,034	-	57,841	-
Total derivative assets	215,295	235,945	111,626	173,362
Current derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange options	-	92,706	-	37,968
Rubber options	6,085	4,286	2,108	2,020
Rubber price swaps	2,847	-	2,847	-
Forward foreign exchange contracts	78,249	11,838	-	1,558
Rubber futures	19,345	30,577	13,702	21,454
Physical forward contracts	1,482	-	-	-
Derivatives liabilities designated as hedging instruments				
Forward foreign exchange contracts	86,774	-	45,567	-
Open rubber sale contracts	357,955	-	269,049	-
Total current derivative liabilities	552,737	139,407	333,273	63,000

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				(Unit: Thousand Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
Non - current derivative liabilities					
Derivatives liabilities designated as hedging instruments					
Interest rate swap		21,332	44,471	-	-
Total non - current derivative liabilities		21,332	44,471	-	-
Total derivative liabilities		574,069	183,878	333,273	63,000

Derivative financial instruments are measured at fair value with hierarchy level 2, except for rubber futures are measured at fair value with hierarchy level 1.

Derivatives not designated as hedging instruments

The Group has entered into contacts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Rubber options, rubber price swaps, rubber futures and physical forward contracts to hedge its commodity price risks

The contracts are entered into for periods consistent with the underlying transactions, generally within 1 year.

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

The Group had an interest rate swap agreement to hedge the exposure to cash flow volatility which the Group has to pay. The Group receives a variable rate of interest and pays fixed rate of interest.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., interest rate, notional amount, maturity and payment dates). There is no ineffectiveness portion of such hedge.



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(Unit Million Baht)

	Consolidated financial statements	
	As at 31 December	
	2021	2020
Carrying liability amount of the interest rate swap	(21)	(45)
Notional amount	1,153	1,393
Hedge ratio	1 : 1	1 : 1
Maturity date	June 2023 to March 2025	June 2023 to March 2025
Changes in fair value of the hedging instruments		
used for measuring ineffectiveness	24	(45)
Cash flow hedge reserve	(17)	(36)

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

In addition, hedge ineffectiveness can arise from changes to the forecasted amount of cash flows of hedged items and hedging instruments.

(Unit Million Baht)

	As at 31 December 2021	
	Consolidated financial statements	Separate financial statements
Carrying amount of the foreign exchange forward contracts		
Assets	70,034	57,841
Liabilities	(86,774)	(45,567)
Notional amount (USD)	457,871	321,486
Hedge ratio	1 : 1	1 : 1
Maturity date	January 2022 to June 2023	January 2022 to June 2023
Changes in fair value of the hedging instruments		
used for measuring ineffectiveness	(17)	12
Cash flow hedge reserve	(13)	10

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Impact of hedging on equity

Set out below is a reconciliation of each component of equity and analysis of other comprehensive income:

	(Unit: Million Baht)	
	Cash flow hedge reserve	
	Consolidated financial statements	Separate financial statements
As at 1 January 2020	(29)	-
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	(16)	-
Amount reclassified to profit or loss	-	-
Tax effect	9	-
As at 31 December 2020	(36)	-
Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges	7	12
Amount reclassified to profit or loss	-	-
Tax effect	(1)	(2)
As at 31 December 2021	(30)	10

Fair value hedge

Commodity price risk (rubber)

For natural rubber product segment of the Group, it purchases cup lump which is main raw material of block rubber manufacturing. The Group entered into open rubber sale contracts to hedge against risks of rubber price volatility in sales expected to be delivered in the future in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the open rubber sale contracts and the cup lump or block rubber as the significant terms, i.e. volume and deliver period, match those of the forecast sales considered to be highly probable within the next 12 months.

In addition, hedge ineffectiveness can arise from quality inspection results of block rubber or cup lump not complied with the term of sale contracts, or changes in conditions of sale contracts.



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	(Unit Million Baht)	
	As at 31 December 2021	
	Consolidated financial statements	Separate financial statements
Carrying amount of the open rubber sale contracts	(358)	(269)
Delivery period	January to May 2022	January to May 2022
Reference rubber price at end of year (USD per ton)	1,738 - 1,830	1,738 - 1,830
Hedge ratio	1 : 1	1 : 1
Changes in fair value of the hedging instruments used for measuring ineffectiveness (presented in profit or loss net of sales of goods)	(358)	(269)
Changes in fair value of the hedged items used for measuring ineffectiveness (presented in profit or loss net of cost of sales)	355	267
Carrying amount with accumulated fair value adjustments of inventories only part of cup lump, crepe rubber and block rubber which are the hedged items (presented in statement of financial position as inventories)	355	267

Effect from interest rate benchmark reform

The Group has exposures from certain loan agreements to benchmark InterBank Offered Rates ("IBORs") on its financial instruments that will be reformed. The Group anticipates that IBORs reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty.

However, the Group monitors and evaluates the effect of IBORs reform and adhere to International Swaps and Derivatives Association (ISDA) protocol to transit to alternative benchmark rates after the IBORs reform. If the counterparties agree to adhere to ISDA protocol, the Company and the counterparties are not required to revise a bilateral contract.

As at 31 December 2021, the Group has interest rate swaps, that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on THBFIIX and mature within 2025.

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37.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Thus, risk management plan for the Group focusing on the fluctuation of financial market to reduce the effect of risk to the Group's operations. The Group used financial instruments to protect potential risk.

Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks. In addition, the Group applies hedge accounting as follows.

- Interest rate swap to leverage risk of volatility of interest rate
- Forward foreign exchange contracts to leverage risk of volatility of foreign currency
- Open rubber sale contracts to leverage risk of volatility of raw material and finished goods price

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans to subsidiaries, investments, and short-term and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.



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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography, product type, customer type and customer rating.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loan to subsidiaries, short-term and long-term borrowings from financial institutions and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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Sri Trang Agro-Industry Public Company Limited and its subsidiaries

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((Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2021						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
Financial Assets							
Cash and cash equivalent	7,686,852	-	-	12,830,012	2,292,787	22,809,650	0.05 - 2.50
Trade and other receivables*	-	-	-	-	8,449,814	8,449,814	-
Amounts due from future brokers	1,307,491	-	-	-	-	1,307,491	(1)
Other financial assets	264,105	701	-	-	475,141	739,947	0.90 - 15.00
Total	9,258,448	701	-	12,830,012	11,217,741	33,306,902	
Financial liabilities							
Trade and other payables*	-	-	-	-	3,659,879	3,659,879	-
Short-term borrowings from financial institutions	21,639,969	-	-	-	-	21,639,969	(1)
Debentures	-	6,800,000	3,200,000	-	-	10,000,000	(1)
Long-term borrowings from financial institutions*	335,929	-	-	8,933,350	-	9,269,279	(1), (2), (3)
Total	21,975,898	6,800,000	3,200,000	8,933,350	3,659,879	44,569,127	

((Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
Financial Assets							
Cash and cash equivalent	6,423,548	-	-	17,261,506	2,761,630	26,446,684	0.05 - 3.25
Trade and other receivables*	-	-	-	-	8,702,097	8,702,097	-
Amounts due from future brokers	801,544	-	-	-	-	801,544	(1)
Other financial assets	-	701	-	-	96,385	97,086	1.25
Total	7,225,092	701	-	17,261,506	11,560,112	36,047,411	
Financial liabilities							
Trade and other payables*	-	-	-	-	2,735,056	2,735,056	-
Short-term borrowings from financial institutions	22,162,290	-	-	-	-	22,162,290	(1), (2)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions*	604,136	-	-	7,723,350	-	8,327,486	(1), (2), (3)
Total	24,221,426	-	-	7,723,350	2,735,056	34,679,832	

* excluded from non-financial assets or liabilities



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Separate financial statements as at 31 December 2021

	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non - interest	Total	Effective
	1 year	years	5 years	interest rate	bearing		interest rate
Financial Assets							
Cash and cash equivalent	-	-	-	188,033	84,003	272,036	0.05 - 0.55
Trade and other receivables*	-	-	-	-	3,935,309	3,935,309	-
Amounts due from future brokers	105,738	-	-	-	-	105,738	(1)
Long-term loans to subsidiary	332,469	-	-	-	-	332,469	(1)
Other financial assets	-	-	-	-	103,991	103,991	-
Total	438,207	-	-	188,033	4,123,303	4,749,543	
Financial liabilities							
Trade and other payables*	-	-	-	-	948,024	948,024	-
Short-term borrowings from financial institutions	11,817,781	-	-	-	-	11,817,781	(1)
Short-term borrowings from subsidiary	145,000	-	-	-	-	145,000	(1)
Debentures	-	6,800,000	3,200,000	-	-	10,000,000	(1)
Long-term borrowings from financial institutions*	335,929	-	-	471,350	-	807,279	(1), (2)
Total	12,298,710	6,800,000	3,200,000	471,350	948,024	23,718,084	

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non - interest	Total	Effective
	1 year	years	5 years	interest rate	bearing		interest rate
Financial Assets							
Cash and cash equivalent	-	-	-	116,911	181,869	298,780	0.30 - 0.60
Trade and other receivables*	-	-	-	-	2,827,160	2,827,160	-
Long-term loans to subsidiary	597,348	-	-	-	-	597,348	(1)
Other financial assets	-	-	-	-	96,072	96,072	-
Total	597,348	-	-	116,911	3,105,101	3,819,360	
Financial liabilities							
Trade and other payables*	-	-	-	-	721,640	721,640	-
Short-term borrowings from financial institutions	15,889,794	-	-	-	-	15,889,794	(1)
Short-term borrowings from subsidiary	145,000	-	-	-	-	145,000	(1)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions*	604,136	-	-	1,421,350	-	2,025,486	(1) , (2)
Total	18,093,930	-	-	1,421,350	721,640	20,236,920	

(1) Fixed rate per annum

(2) MLR less fixed rate per annum

(3) THBFX6M plus fixed rate per annum

* excluded from non-financial assets or liabilities

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Interest rate sensitivity analysis

The Group's interest rate risk arises from borrowings. Borrowings on which interest is charged at floating rates expose the Group to risk in respect of interest cash flows.

If the interest rate changes by 0.25% per annum (2020: 0.75% per annum), with all other variables held constant, the impact of floating rate borrowings on profit before tax would be as follows.

(Unit: Thousand Baht)

	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in interest rate by 0.75%				
Pre-tax profit increase		57,908		10,660
- Increase in interest rate by 0.75%				
Pre-tax profit decrease		(57,908)		(10,660)
- Decrease in interest rate by 0.25%				
Pre-tax profit increase	22,330		1,178	
- Increase in interest rate by 0.25%				
Pre-tax profit decrease	(22,330)		(1,178)	
Impact to shareholders' equity				
in the statements of financial position				
- Decrease in interest rate by 0.75%				
shareholders' equity increase	(11,879)	(23,599)		
- Increase in interest rate by 0.75%				
shareholders' equity decrease	11,613	23,599		

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies. The Group manages its risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted foreign sales by entering into forward foreign exchange contracts with maturity within one year.



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the Group negotiates the terms of forward foreign exchange contracts to match the terms of such sales. The derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable that is denominated in the foreign currency.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021 (Million)	2020 (Million)	2021 (Million)	2020 (Million)	2021 (Baht per 1 foreign currency unit)	2020
US dollar	124.5	208.4	34.5	92.1	33.4199	30.0371
Japan yen	990.9	1,081.9	-	-	0.2906	0.2907
Singapore dollar	1.0	0.6	0.1	2.7	24.7357	22.6632
China renminbi	133.8	89.8	-	-	5.2507	4.6187

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021 (Million)	2020 (Million)	2021 (Million)	2020 (Million)	2021 (Baht per 1 foreign currency unit)	2020
US dollar	56.5	64.4	14.9	30.5	33.4199	30.0371

In addition, the Group's exposures to foreign currency risk arises from investments in overseas subsidiaries companies and an indirect joint venture which are unhedged. The management of the Group intends to hold such investments for the long term, and has no plans to dispose of them in the future.

Foreign currency sensitivity analysis

The Group operates internationally and is exposed to foreign exchange risk in respect of various foreign currencies, primarily the US Dollar and Indonesian Rupiah. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 1.56% (2020: 3.10%) against the US Dollar and by 3.32% (2020: 5.25%) against the Indonesian Rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows.

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	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Impact to profit before tax				
in the statements of comprehensive income				
THB against USD				
- Weakened	121,429	231,716	16,326	21,309
- Strengthened	(121,429)	(231,716)	(16,326)	(21,309)
THB against IDR				
- Weakened	(77,634)	(129,634)	-	-
- Strengthened	77,634	129,634	-	-
Impact to shareholders' equity				
in the statements of financial position				
THB against USD				
- Weakened	(190,667)	(212,532)	-	-
- Strengthened	190,667	212,532	-	-
THB against IDR				
- Weakened	41,265	56,921	-	-
- Strengthened	(41,265)	(56,921)	-	-

Risk from fluctuation in raw material and finished goods prices

The Group is exposed to natural rubber price risk. The Group, therefore, enters into rubber options, rubber price swaps, rubber futures, physical forward contracts and open rubber sale contracts to manage the risks arising from such rubber price fluctuations



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For the year ended 31 December 2021

Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 1.76% (2020: 1.52%), with all other variables held constant, profit before tax for the years would be affected as follows.

(Unit: Thousand Baht)

As at 31 December			
Consolidated financial statements		Separate financial statements	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>

Impact to profit before tax

in the statements of comprehensive income

- Decrease in price of natural rubber			
Pre-tax profit decrease	(51,998)	(29,173)	(28,443)
- Increase in price of natural rubber			
Pre-tax profit increase	51,998	29,173	28,443
			29,393

Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date based on notional amount. The positive figures represent cash to be inflows and negative figures represent cash to be outflows due to be mature.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2021				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(21,724,645)	-	-	-	(21,724,645)
Trade accounts payable	(1,427,654)	-	-	-	(1,427,654)
Accrued expenses	(2,232,225)	-	-	-	(2,232,225)
Long-term borrowings					
from financial institutions	(2,378,590)	(1,565,790)	(5,867,194)	(118,424)	(9,929,998)
Debentures	(286,700)	(1,270,560)	(6,393,769)	(3,625,600)	(11,576,629)
Finance lease liabilities	(159,378)	(134,837)	(115,822)	-	(410,037)
Derivative financial instruments					
- Interest rate swaps	-	-	(1,153,000)	-	(1,153,000)
- Rubber futures (Buy)	(582,394)	-	-	-	(582,394)
- Rubber futures (Sell)	3,327,511	-	-	-	3,327,511
- Forward foreign exchange contracts (Buy)	(3,566,678)	-	-	-	(3,566,678)
- Forward foreign exchange contracts (Sell)	22,388,362	-	-	-	22,388,362
- Physical forward contracts	45,949	-	-	-	45,949
- Rubber price swaps (Buy)	(160,520)	-	-	-	(160,520)
- Rubber price swaps (Sell)	113,385	-	-	-	113,385
- Rubber options (Sell)	207,496	-	-	-	207,496



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(24,711,383)	-	-	-	(24,711,383)
Trade accounts payable	(1,510,514)	-	-	-	(1,510,514)
Accrued expenses	(1,224,542)	-	-	-	(1,224,542)
Long-term borrowings					
from financial institutions	(2,544,794)	(1,454,465)	(4,663,962)	(246,861)	(8,910,082)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(122,722)	(96,344)	(45,362)	-	(264,428)
Derivative financial instruments					
- Interest rate swaps	-	-	(1,393,000)	-	(1,393,000)
- Rubber futures (Buy)	(424,304)	-	-	-	(424,304)
- Rubber futures (Sell)	2,299,445	-	-	-	2,299,445
- Forward foreign exchange contracts (Buy)	(894,195)	-	-	-	(894,195)
- Forward foreign exchange contracts (Sell)	8,825,829	-	-	-	8,825,829
- Foreign exchange options (Buy)	(32,650,328)	-	-	-	(32,650,328)
- Foreign exchange options (Sell)	4,220,213	-	-	-	4,220,213
- Rubber price swaps (Buy)	(67,583)	-	-	-	(67,583)
- Rubber options (Buy)	(302,744)	-	-	-	(302,744)
- Rubber options (Sell)	417,835	-	-	-	417,835

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

	Separate financial statements as at 31 December 2021				
	Less than	Between	Between	Over	
	1 year	1 to 2 years	2 to 5 years	5 years	Total
Short-term borrowings					
from financial institutions	(11,834,102)	-	-	-	(11,834,102)
Trade accounts payable	(492,784)	-	-	-	(492,784)
Accrued expenses	(455,240)	-	-	-	(455,240)
Long-term borrowings					
from financial institutions	(813,332)	-	-	-	(813,332)
Debentures	(286,700)	(1,270,560)	(6,393,769)	(3,625,600)	(11,576,629)
Finance lease liabilities	(45,795)	(37,766)	(32,357)	-	(115,918)
Derivative financial instruments					
- Rubber futures (Buy)	(565,958)	-	-	-	(565,958)
- Rubber futures (Sell)	2,114,126	-	-	-	2,114,126
- Forward foreign exchange contracts (Sell)	10,744,040	-	-	-	10,744,040
- Rubber price swaps (Buy)	(160,520)	-	-	-	(160,520)
- Rubber price swaps (Sell)	113,385	-	-	-	113,385
- Rubber options (Sell)	113,385	-	-	-	113,385



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements as at 31 December 2020				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(18,375,093)	-	-	-	(18,375,093)
Trade accounts payable	(430,084)	-	-	-	(430,084)
Accrued expenses	(291,473)	-	-	-	(291,473)
Long-term borrowings					
from financial institutions	(1,589,389)	(474,427)	-	-	(2,063,816)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(60,604)	(43,983)	(12,679)	-	(117,266)
Derivative financial instruments					
- Rubber futures (Buy)	(231,043)	-	-	-	(231,043)
- Rubber futures (Sell)	2,159,029	-	-	-	2,159,029
- Forward foreign exchange contracts (Sell)	4,802,293	-	-	-	4,802,293
- Foreign exchange options (Buy)	(13,787,029)	-	-	-	(13,787,029)
- Foreign exchange options (Sell)	1,832,263	-	-	-	1,832,263
- Rubber price swaps (Buy)	(67,583)	-	-	-	(67,583)
- Rubber options (Buy)	(302,744)	-	-	-	(302,744)
- Rubber options (Sell)	379,508	-	-	-	379,508

37.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group has considered counterparty credit risk when determining the fair value of derivatives.

During the current year, there are no transfers within the fair value hierarchy.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

38. Financial instruments by category

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2021				
Financial assets at fair value				
	through other comprehensive income	through profit or loss	amortised cost	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	22,809,650	22,809,650
Derivatives not designated as hedging instruments	145,261	-	-	145,261
Trade accounts receivable, net	-	-	8,449,814	8,449,814
Amounts due from future brokers	-	-	1,307,491	1,307,491
Other financial assets	264,105	475,141	701	739,947
Total	409,366	475,141	32,567,656	33,452,163
Financial liabilities at fair value				
	through other comprehensive income	through profit or loss	amortised cost	Total
Liabilities as per statement of financial position				
Trade accounts payable	-	-	3,659,879	3,659,879
Short-term borrowings from financial institutions	-	-	21,639,969	21,639,969
Derivatives not designated as hedging instruments	108,008	-	-	108,008
Long-term borrowings from financial institutions	-	-	9,269,279	9,269,279
Debentures	-	-	10,000,000	10,000,000
Total	108,008	-	44,569,127	44,677,135



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2020				
Financial assets at fair value				
	through other comprehensive income	through profit or loss	amortised cost	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	26,446,684	26,446,684
Derivatives not designated as hedging instruments	235,945	-	-	235,945
Trade accounts receivable, net	-	-	8,702,097	8,702,097
Amounts due from future brokers	-	-	801,544	801,544
Other financial assets	96,385	-	701	97,086
Total	235,945	96,385	35,951,026	36,283,356
Financial liabilities at fair value				
	through other comprehensive income	through profit or loss	amortised cost	Total
Liabilities as per statement of financial position				
Trade accounts payable	-	-	2,735,056	2,735,056
Short-term borrowings from financial institutions	-	-	22,162,290	22,162,290
Derivatives not designated as hedging instruments	139,407	-	-	139,407
Long-term borrowings from financial institutions	-	-	8,327,486	8,327,486
Debentures	-	-	1,455,000	1,455,000
Total	139,407	-	34,679,832	34,819,239

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2021				
Financial assets at fair value				
	through other			
	through profit or loss	comprehensive income	amortised cost	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	272,036	272,036
Derivatives not designated as hedging instruments	53,785	-	-	53,785
Trade accounts receivable, net	-	-	3,935,309	3,935,309
Amounts due from future brokers	-	-	105,738	105,738
Long-term borrowings to subsidiary	-	-	332,469	332,469
Other financial assets	-	103,991	-	103,991
Total	53,785	103,991	4,645,552	4,803,328
Financial liabilities at fair value				
	through profit or loss	amortised cost		Total
Liabilities as per statement of financial position				
Trade accounts payable	-	948,024		948,024
Short-term borrowings from financial institutions	-	11,817,781		11,817,781
Short-term borrowings from subsidiary	-	145,000		145,000
Derivatives not designated as hedging instruments	18,657	-		18,657
Long-term borrowings from financial institutions	-	807,279		807,279
Debentures	-	10,000,000		10,000,000
Total	18,657	23,718,084		23,736,741



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2020			
	Financial assets at fair value			
	through other comprehensive income	through profit or loss	amortised cost	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	298,780	298,780
Derivatives not designated as hedging instruments	173,362	-	-	173,362
Trade accounts receivable, net	-	-	2,827,160	2,827,160
Long-term borrowings to subsidiary	-	-	597,348	597,348
Other financial assets	-	96,072	-	96,072
Total	173,362	96,072	3,723,288	3,992,722
 Financial liabilities at fair value				
	through profit or loss	amortised cost		Total
Liabilities as per statement of financial position				
Trade accounts payable	-	721,557		721,557
Short-term borrowings from financial institutions	-	15,889,794		15,889,794
Short-term borrowings from subsidiary	-	145,000		145,000
Derivatives not designated as hedging instruments	63,000	-		63,000
Long-term borrowings from financial institutions	-	2,025,486		2,025,486
Debentures	-	1,455,000		1,455,000
Total	63,000	20,236,837		20,299,837

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

39. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default rates:

Group 1: New other customers/related parties (less than 6 months)

Group 2: Existing customers/related parties (more than 6 months) with no defaults in the past

Group 3: Existing customers/related parties (more than 6 months) with some defaults in the past that were fully recovered

Maintenance margins are held with high quality counterparties with no history of default. None of the financial assets that are fully performing had been renegotiated during the financial year.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deposits held at call with banks				
Aa1	1,988,063	721,168	-	-
Aa3	320,034	371,507	-	136
A1	1,162,495	1,122,109	314	436
A2	4	-	-	-
A3	6,109	-	-	-
Baa1	11,386,906	23,632,543	261,739	286,942
Baa2	276,213	443,291	11	1,941
No rating	7,609,529	95,668	1	1
Total deposits held at call with banks	<u>22,749,353</u>	<u>26,386,286</u>	<u>262,065</u>	<u>289,456</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade accounts receivable				
Counterparties without external credit rating				
Group 1	429,899	621,341	186,639	123,618
Group 2	7,856,911	7,952,147	2,248,844	2,049,195
Group 3	16	14	-	-
Total unimpaired trade accounts receivable	<u>8,286,826</u>	<u>8,573,502</u>	<u>2,435,483</u>	<u>2,172,813</u>



Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2021

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative financial instruments				
Counterparties with external credit rating				
Aa1	84,158	81,643	49,649	67,037
Aa2	11,407	-	-	-
Aa3	-	65	-	-
Baa1	115,230	144,625	57,841	96,713
Counterparties without external credit rating				
Group 2	<u>4,500</u>	<u>9,612</u>	<u>4,136</u>	<u>9,612</u>
Total derivative financial instruments				
(Note 37.1)	<u>215,295</u>	<u>235,945</u>	<u>111,626</u>	<u>173,362</u>

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Fixed deposits pledged as collateral				
Baa1	<u>701</u>	<u>701</u>	-	-
Total fixed deposits pledged as collateral				
(Note 12)	<u>701</u>	<u>701</u>	-	-

40. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

41. Events after the reporting period

On 17 February 2022, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2021 to shareholders of Baht 0.65 per share, totaling of Baht 998 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2022.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2021

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors
on 17 February 2022.





The background of the entire page is a blurred photograph of a stack of papers and a pen resting on a dark surface, suggesting a professional or academic environment.

4

PART
**CERTIFICATION OF
INFORMATION AND
DATA ACCURACY
FOR SUBMITTING
ONE REPORT**



CERTIFICATION OF INFORMATION AND DATA ACCURACY FOR SUBMITTING ONE REPORT

Having carefully verified the information and data shown in this annual registration statement/ annual report, the authorized director shall affix the director's signature along with the Company seal (if any) in the annual registration/ annual report including delegating any person to sign the document as well, by using the text and formats as follows;

"The Company certifies that they are completely accurate, factual, and not misleading or lacking in essential detail. In addition:

- (1) The financial statements and data summarized in annual registration statement / annual report show essentially accurate information and data about its financial standing, performance, and cash flow of STA and its subsidiaries.
- (2) It has put in place a good information and data disclosure system to ensure that it discloses essential details about itself and its subsidiaries completely and accurately, while ensuring due compliance.
- (3) It has put in place a good internal control system and ensured due compliance with such system. The Company has provided internal control system assessment details as of the latest update, to the external auditor and the Audit Committee, including defects and key changes in the internal control system together with wrongdoing potentially affecting the preparation of the financial reports for itself and its subsidiaries.

As evidence that all documents are identical to those certified by STA, the Company has assigned Mr. Veerasith Sinchareonkul to put his initials on every page of the documents. Therefore, if his initials are missing on any given page, STA will disown such data.

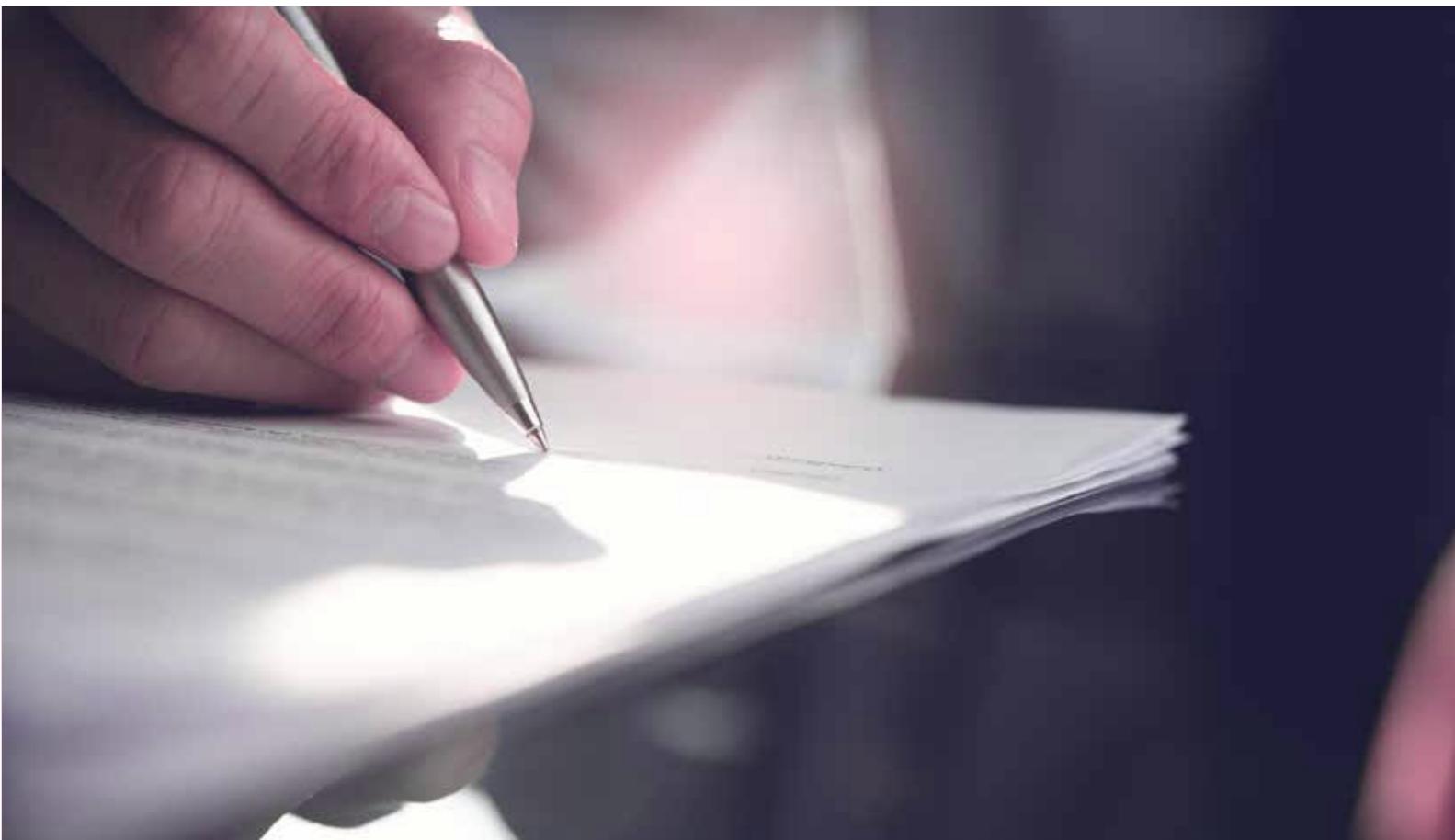
Name	Position
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1. Mr. Veerasith Sinchareonkul	Managing Director
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2. Mr. Kitichai Sincharoenkul	Director
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Name	Position
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Authorized person	Mr. Veerasith Sinchareonkul	Managing Director
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Section 89/20 *** of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 stipulates that the directors and the executives shall be jointly liable to a person who traded securities of the Company for any damages arising from disclosure of information to shareholders or the public which contains a false statement or concealing material facts following section 56 which should have been stated in the following cases, unless the directors or the executives can prove that, by his position, he could not have been aware of the truthfulness of information or lack of information.

Note: *** Applies to companies that are subject to Chapter 3/1 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551 only.



ENCLOSURE

Enclosure 1

Details of the Directors, Executives and Controlling Persons of STA had the following interests in the ordinary STA shares as of 31 December 2021:



Mr. Viyavood Sincharoenkul

**Chairman / Chairman of Executive Committee
(the authorized director pursuant to the Company's
Articles of Association)**
Age 66 years
Date of Appointment 27 December 1993



Educational Qualifications

- Ph.D. in Chemistry,
Queen Elizabeth's College, University of London
- Bachelor's Degree in Chemistry (First Class),
Queen Elizabeth's College, University of London



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 9.14



Family Relationship Among Executives⁽²⁾

- Elder Brother of Mr. Kitichai Sincharoenkul
- Younger Brother of Mr. Paul Sumade Lee
- Father of Mr. Veerasith Sincharoenkul and Mr. Vitchaphol Sincharoenkul



Work Experiences

2010 – Present

- Chairman and Chairman of Executive Committee, STA

1993 – 2021

- Managing Director, STA

2019 – Present

- Chairman of Executive Committee, Sri Trang Gloves (Thailand) PLC.

2021 – Present

- Director, Sri Trang Gloves (Singapore) Pte. Ltd.
- Director, Sri Trang Gloves Global Pte. Ltd.

2019 – Present

- Director, Sri Trang IBC

2017 – Present

- Director, Shi Dong Shanghai Medical Equipment
- Director, Planet Earth Capital Pte., Ltd.

2010 – Present

- Director, Shi Dong Shanghai

2009 – Present

- Director, Shi Dong Investments

2002 – Present

- Director, Sri Trang International

1996 – Present

- Director, Semperflex Asia

1990 – Present

- Director, Sri Trang Holdings

- Director, Thai Tech Rubber

2002 – 2020

- Director, Pattana Agro Futures

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

2015 – 2018

- Director, Sri Trang Ayeyar

2010 – 2012

- Director, Tai Yang Investment Pte. Ltd.

1999 – 2017

- Director, T.R.I Global Co., Ltd.

1987 – 1993

- Managing Director, Sri Trang Agro-Industry Co., Ltd.

1985 – 1987

- General Manager, Yang Thai Pakta Co., Ltd.





Miss Anusra Chittmittrapap

Vice Chairman / Independent Director / Member of the Audit Committee / Chairman of Corporate Governance Committee / Member of the Remuneration Committee

Age 67 years

Date of Appointment 21 September 2017



Educational Qualifications

Bachelor of Communication Arts (Honors),
Chulalongkorn University
Certified Degree
by King Prajadhipok's Institute (2005)



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None

Thai Institute of Directors Association

- Chartered Director Class 2014
- Role of the Compensation Committee (RCC) 2014
- Director Certification Program (DCP) 2011



Work Experiences

2022 – Present

- Chairman of Corporate Governance Committee, STA

2020 – Present

- Member of Corporate Governance Sub-Committee, CAAT

2019 – Present

- Vice Chairman, STA
- Audit Committee Member, STA
- Remuneration Committee Member, STA

2018 – Present

- Advisor, Banpu Infinergy Co., Ltd

2018 – 2021

- Chairman, CMO PLC.

2016 – 2021

- Independent Director and Member of Audit Committee, CMO PLC.

2017 – Present

- Independent Director, STA
- Advisor, Berli Jucker Plc.

2015 – Present

- Managing Director, Me and Music Co., Ltd.

2016 – 2018

- Independent Director and Audit Committee, CMO PLC.

2015 – 2016

- Director, The Queen Sirikit Botanic Garden

2015

- Chairman, Thailandpost Distribution Co., Ltd.

2014 – 2015

- Vice Chairman, Thailandpost Co., Ltd.

2011 – 2014

- Managing Director, Thailandpost Co., Ltd.





Mr. Chaiyos Sincharoenkul

Director / Executive Director

(the authorized director pursuant to the Company's
Articles of Association)

Age 70 years

Date of Appointment 27 December 1993



Educational Qualifications

Executive Micro MBA

Thammasat University

Thai Institute of Directors Association

- DAP 66/2007



Numbers of shares
held and Percentage
of Shareholding
Stake in STA (%)⁽¹⁾

- 0.36



Family Relationship Among Executives⁽²⁾

- None



Work Experiences

2020 – Present

- Director, 20-Year Strategy for Driving Natural Rubber Committee, Ministry of Agriculture and Cooperatives

2018 – Present

- Regional Research Network Committee: National Research Council of Thailand

2017 – Present

- Chairman and Director, Shi Dong Shanghai Medical Equipment
- Arbitration Committee, Thailand Futures Exchange (TFEX)
- Sub-Committee, Committee for Standard Definition of Rubber Odor in Rubber Factory, Pollution Control Department

2016 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport
- Director, Sri Trang Holdings
- Chairman and Director, Shi Dong Shanghai

2015 – Present

- Working Group, Working Group for Process Reduction in Government Sector, Rubber Product, Customs Department

2014 – Present

- Executive Director, International Rubber Consortium Limited (IRCOS)
- Director, International Tripartite Rubber Council (ITRC)

2012 – Present

- President, The Thai Rubber Association
- Director, Natural Rubber Policy Committee, Ministry of Agricultural
- Director, Executive Committee of Loan Supporting Project for Being A Working Capital for Natural Rubber Producers (Dry Rubber), RAOT
- Director, R&D Supervisory Committee, Aiming to Support Country Development (Committee No.1), Natural Rubber Group, National Research Council of Thailand
- Trade Environment Committee, Thai National Shippers' Council

- Vice Chairman of Economic Crops (Natural Rubber Group), Board of Trade of Thailand
- Business Development Committee, Board of Trade of Thailand
- Trade Association Committee, The Agricultural Producer & Export Group, Board of Trade of Thailand

1993 – Present

- Director, STA

2019 – 2021

- Executive Director, International Rubber Association (IRA)

2016 – 2021

- Director, Sadao P.S. Rubber
- Director, Premier System Engineering

2017 – 2020

- Chairman, Asian Rubber Business Council (ARBC)

2016 – 2018

- Director, Cluster Committee of Natural rubber and Rubber Wood, Federation of Thai Industries

2014 – 2016

- Member of Sub-Committee Considering and Studying Agricultural Productivity, Committee on Agriculture and Cooperatives, National Legislative Assembly

2014 – 2015

- Member of Sub-Committee for Considering Rubber Organization, The Extraordinary Committee on the Bill on Rubber of Thailand, National Legislative Assembly

2008 – 2014

- Director, The Federations of Thai Industries

2008 – 2012

- Chairman, The Federations of Thai Industries, Songkhla Province

2008 – 2010

- Vice Chairman, IMT-GT Joint Business Council, Thailand
- Chairman, Working Group for Agricultural, Industrial Agricultural and Environment Sector

1990 – 2004

- Director, Thai Tech Rubber

1987 – 1993

- Director, Sri Trang Agro-Industry Co., Ltd.



Mr. Kitichai Sincharoenkul

Director / Executive Director / Nomination Committee

Member (the authorized director pursuant to the Company's Articles of Association)

Age 62 years

Date of Appointment 10 April 1995



Educational Qualifications

Master of Business Administration,
Indiana State University, United States of America

Bachelor in Economics,
Thammasat University

Thai Institute of Directors Association

- DAP 67/2007

SGX Listed Companies Development Programme:

- Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 1.14



Family Relationship Among Executives⁽²⁾

- Younger Brother of Mr.Viyavood Sincharoenkul and Mr. Paul Sumade Lee
- Uncle of Mr.Veerasith Sinchareonkul and Mr. Vitchaphol Sincharoenkul



Work Experiences

1995 – Present

- Director, STA

2010 – Present

- Nomination Committee Member, STA
- Group Manager of Legal & Administration, STA

2011 – Present

- Executive Director, STA (Bangkok branch)

2021 – Present

- Remuneration Committee Member, Sri Trang Gloves (Thailand) PLC.

2019 – Present

- Director, Executive Director Sri Trang Gloves (Thailand) PLC.
- Chairman of Nomination Committee, Sri Trang Gloves (Thailand) PLC.
- Director, Sri Trang IBC

2014 – Present

- Director, Sri Trang Ayeyar

2010 – Present

- Director, Shi Dong Investments

2002 – Present

- Director, Sri Trang International

1996 – Present

- Director, Semperflex Asia

1990 – Present

- Director, Sri Trang Holdings

2004 – 2020

- Director, Pattana Agro Futures

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

1988 – 1995

- Branch Manager, STA (Bangkok branch)

1984 – 1987

- Credit Department, Citibank





Mr. Veerasith Sinchareonkul

Managing Director / Executive Director / Chairman of Risk Management Committee / Chairman of Sustainability Development Committee / Member of Corporate Governance Committee (the authorized director pursuant to the Company's Articles of Association)

Age 37 years | Date of Appointment 28 April 2010



Educational Qualifications

Master of Business Administration (Finance and Marketing),

Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand

Bachelor of Computer Science and Cybernetics, The University of Reading, United Kingdom

Thai Institute of Directors Association

- Director Accreditation Program (DAP) Class 85/2010
- Financial Statements for Directors (FSD) Class 26/2014

Thai Listed Companies Association

- Executive Development Program (EDP) Class 10



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 1.46



Family Relationship Among Executives⁽²⁾

- Son of Mr. Viyavood Sincharoenkul
- Nephew of Mr. Kitichai Sincharoenkul and Mr. Paul Sumade Lee
- Elder brother of Mr. Vitchaphol Sincharoenkul



Work Experiences

2022 – Present

- Chairman of Sustainability Development Committee, STA
- Member of Corporate Governance Committee, STA

2021 – Present

- Managing Director, STA
- Director, Sri Trang Gloves (Singapore) Pte. Ltd.
- Director, Sri Trang Gloves Global Pte. Ltd.

2013 – Present

- Chairman of Risk Management Committee, STA

2010 – Present

- Director, STA

2019 – Present

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of Risk Management Committee, Sri Trang Gloves (Thailand) PLC.
- Director, Sri Trang IBC

2018 – Present

- Chairman of Thai Rubber Glove Manufacturers Association, Thai Rubber Glove Manufacturers Association

2017 – Present

- Chairman and Director, Sri Trang Ayeyar

2016 – Present

- Director, Thai Tech Rubber
- Chairman and Director, Sri Trang USA
- Director, PT Sri Trang Lingga

2015 – Present

- Director, Semperflex Asia
- Director, Rubberland Products
- Director, Starlight Express Transport
- Director, Sri Trang Rubber & Plantation
- Director, Premier System Engineering

2017 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

2008 – 2011

- Corporate Credit Analyst, Kasikornbank PLC.



Mr. Vitchaphol Sincharoenkul

Director/ Executive Director/ Member of Sustainability Development Committee (the authorized director pursuant to the Company's Articles of Association)

Age 35 years

Date of Appointment 2 March 2020



Educational Qualifications

Bachelor of Business Administration
(International Business Management),
Assumption University

Thai Institute of Directors Association

- Director Accreditation Program (DAP) Class 172/2020

Thai Listed Companies Association

- GPF-Bloomberg Sustainable Investing Forum



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 1.53



Family Relationship Among Executives⁽²⁾

- Son of Mr. Viyavood Sincharoenkul
- Nephew of Mr. Kitichai Sincharoenkul and Mr. Paul Sumade Lee
- Younger Brother of Mr. Veerasith Sinchareonkul



Work Experiences

2022 – Present

- Member of Sustainability Development Committee, STA

2020 – Present

- Director, STA

2018 – Present

- Director, Sri Trang USA Inc.

2017 – Present

- Director, Thai Rubber Joint Venture Limited

2015 – Present

- Director, Nam Hua Rubber Co., Ltd.

2019 – 2020

- Marketing Manager, STA

2017 – 2018

- Assistant Manager - Business Development and Investor Relations, STA

2016

- Marketing Development Division Head, STA





Mr. Paul Sumade Lee

Director/ Executive Director

(the authorized director pursuant to the Company's
Articles of Association)

Age 67 years

Date of Appointment 28 June 2010



Educational Qualifications

Master of Business Administration,
International Institute for Management
Development, Lausanne, Switzerland

Bachelor of Commerce

University of New South Wales, Sydney, Australia

SGX Listed Companies Development Programme:

- Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 2.58



Family Relationship Among Executives⁽²⁾

- Elder brother of Mr. Viyavood Sincharoenkul And Mr. Kitichai Sincharoenkul
- Uncle of Mr. Veerasith Sinchareonkul and Mr. Vitchaphol Sincharoenkul



Work Experiences

2010 – Present

- Director, STA

2017 – Present

- Director, Shi Dong Shanghai Medical Equipment

2013 – Present

- Chairman and Director, Sri Trang International
- Director, Sri Trang Ayeyar

2010 – Present

- Chairman and Director, PT Star Rubber
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai

2006 – Present

- Chairman and Director, PT Sri Trang Lingga

2004 – Present

- Director, Thai Tech Rubber

2010 – 2021

- Chief Marketing Officer, STA

1988 – 2003

- Global Market Director, ELDERS Finance / DRESDNER bank

1983 – 1987

- Programmer, Macquarie Bank

1982

- Programmer, Custom Credit Corporation

1979 – 1981

- Programmer, Computer Installation Development



Mr. Patrawut Panitkul

Director/ Executive Director/ Member of Risk Management Committee/ CFO (the authorized director pursuant to the Company's Articles of Association)

Age 53 years

Date of Appointment 7 May 2014



Educational Qualifications

Bachelor of Business Administration in Accounting,
Prince of Songkhla University

Thai Institute of Directors Association

- DCP 195/2014
- SFE24/2015 Successful Formulation & Execution of Strategy

Thai Listed Companies Association

- Financial Instruments for Non-Financial Institutions, NYC Management Co.,Ltd.
- TLCA CFO Professional Development Program (TLCA CFO CPD) 2019, Automation & RPA (Robot Process Automation) for Accounting topic



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None



Training Record in 2020

The Stock Exchange of Thailand

- Strategy for Monetary Management to Create the Growth in New Normal Era, Training Date 18-20 June 2020

Ernst & Young

- The Effect of COVID-19 on The Listed Company and The Preparation for Financial Report Preparation in FY2020, Training Date 23 September 2020

Accounting Coash Thailand Co., Ltd.

- Drill down on audit evidence And interesting issues, Training Date 6-8 January 2021

Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

- TFRSs For PAEs 2564 Update and TFRSs For NPAEs Adjustment, Training Date 27 November 2021
- Information System Design for Decision Making), Training Date 17 December 2021



Work Experiences

2014 – Present

- Director, STA

2013 – Present

- Member of Risk Management Committee, STA

2010 – Present

- Chief Financial Officer (CFO), STA

2019 – Present

- Director, Sri Trang IBC

2017

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

2016 – Present

- Director, PT Sri Trang Lingga

2015 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport

2015 – 2021

- Director, Sadao P.S. Rubber

2001 – 2009

- Accounting Manager, STA

2535 – 2543

- Accounting Manager, Sri Trang Gloves (Thailand) Co., Ltd.





Mr. Chalermpop Khanjan

Director / Executive Director/Risk Management Committee /

Member of Sustainability Development Committee

(the authorized director pursuant to the Company's Articles of Association)

Age 51 years | Date of Appointment 29 October 2015



Educational Qualifications

Master Degree in Public Administration,

Faculty of Art, Western University

Bachelor of Public Administration in Political

Science, Faculty of Humanities and Social

Sciences, Southern College of Technology

Executive Micro MBA

Thammasat University

Thai Institute of Directors Association

- DAP 132/2016

National Innovation Agency (Public

Organization)

- Strategic Innovation Management Training



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None



Work Experiences

2022 – Present

- Member of Sustainability Development Committee, STA

2015 – Present

- Director, STA

2013 – Present

- Member of Risk Management Committee, STA

2010 – Present

- Production Manager, STA

2015 – Present

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Anvar Parawood
- Director, Starlight Express Transport

2015 – 2020

- Director, Sadao P.S. Rubber

2006 – Present

- Production Manager, Rubberland Products

1998 – 2005

- Factory Manager, Rubberland Products

1994 – 1997

- Assistant to LTX Factory Manager, STA



Mr. Kriang Yanyongdilok

Independent Director / Chairman of Audit Committee /

Chairman of the Nomination Committee /

Chairman of the Remuneration Committee

Age 83 years

Date of Appointment 25 January 2000



Educational Qualifications

Bachelor of Science in Business Administration
(Major in Accounting),
Thammasat University
Thai Institute of Directors Association
• DAP 11/2004



Numbers of shares held and Percentage of Shareholding

Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None



Work Experiences

2019 – Present

- Chairman of the Audit Committee, STA
- Chairman of the Remuneration Committee, STA

2010 – Present

- Chairman of the Nomination Committee, STA

Present

- Certified Public Accountant (Thailand) No. 4250

1993 – Present

- Director, J M P Group (1993) Co., Ltd.

2010 – 2019

- Remuneration Committee, STA
- Director, March Auto 2010 Co., Ltd.

2004 – 2005

- Audit Committee, Oishi Grouip PLC.

2000 – 2019

- Audit Committee, STA

1985 – 1998

- Provincial Revenue/ Area Revenue office/
Regional Revenue office





Mr. Samacha Potavorn

Independent Director / Member of Audit Committee
Member / Member of Nomination Committee Member /
Member of Remuneration Committee Member
Age 78 years
Date of Appointment 1 February 2008



Educational Qualifications

Master Degree in Governmental Administration,
Thammasat University
Thai barrister-at-law
Bachelor of Laws,
Thammasat University



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None

SGX Listed Companies Development

Programme:

- Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know



Work Experiences

2021 – Present

- Director, Rajamangala University of Technology Srivijaya

2010 – Present

- Member of Nomination Committee and Remuneration Committee, STA

2008 – Present

- Independent Director and Audit Committee Member, STA

2019 – Present

- Director of The Appeals and Complaints Committee, Rajamangala University of Technology Phra Nakhon

2006 – 2008

- Assistance Secretary, Ministry of Interior

2003 – 2004

- Governor, Phang-nga Province

2002 – 2003

- Legal Counsel, Ministry of Interior

2000 – 2002

- Assistance Secretary/ Vice-Director of Southern Board Provinces Administration Center, Ministry of Interior

1997 – 2000

- Vice-Governor, Pattalung and Trang Province

1996 – 1997

- Assistant Governor, Ministry of Interior

1984 – 1996

- District Chief, Ministry of Interior

1969 – 1983

- Deputy District Chief, Ministry of Interior



Gen Thanasorn Pongarna

Independent Director

Age 65 years

Date of Appointment 8 July 2019



Educational Qualifications

Degree

National Defence College of Thailand Year 2013

Chief of Staff,

Command and General Staff College

Master's Degree, Political and Administrative

Science,

NIDA

Bachelor's Degree, Mechanical Engineering,

Chulachomklao Royal Military Academy

Thai Institute of Directors Association

- DAP 140/2017



Numbers of shares held and Percentage of Shareholding

Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None



Work Experiences

2019 – Present

- Independent Director, STA

2021 – Present

- Director, Star Universal Network Plc.

2020 – Present

- Chairman of Nomination and Remuneration Committee, Corporate Governance Committee and Risk Management Committee, Star Universal Network PLC.

2016 – 2017

- Special Advisor, The Royal Thai Armed Forces Headquarters

2015 – 2016

- Deputy, Armed Forces Development Command, the Royal Thai Armed Forces Headquarters

2014 – 2015

- Special Professional, The Royal Thai Armed Forces Headquarters





Mr. Thanatip Upastising

Independent Director/

Member of Corporate Governance Committee

Age 61 years

Date of Appointment 2 April 2021



Educational Qualifications

- Master Of Art (History, Philosophy and Politics), Macquarie University, Australia
- Bachelor of Arts (International Relations), Chulalongkorn University, Thailand



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- None

Thai Institute of Directors Association

- DAP 301/2021

Fiscal Policy Research Institute Foundation

Collaboration with The Kellogg School of

Management, The Schulich School of

Business and The Maxwell School of

Citizenship and Public Affairs

- Certificate, Corporate Leadership Development under Globalization Fiscal Policy Research Institute



Work Experiences

2022 – Present

- Member of Corporate Governance Committee, STA

2021 – Present

- Independent Director, STA

2018 – 2020

- Ambassador of the Russian Federation in Moscow, Russia, Ministry of Foreign Affairs

2015 – 2018

- Ambassador, Manilla, Philippines, Ministry of Foreign Affairs

2012 – 2015

- Ambassador, Tokyo, Japan, Ministry of Foreign Affairs

2010 – 2012

- Ambassador, Jakarta, Indonesia, Ministry of Foreign Affairs

2008

- Director, (By the position of Director of International Economic Affairs, Ministry of Foreign Affairs), EXIM Bank

2000 – 2001

- Director, Neighbouring Countries Economic Development Cooperation Agency (NEDA)



Mr. Chaidet Pruksanusak
Group Manager of Quality Assurance
Age 53 years



Mr. Udom Pruksanusak
CEO - Plantation
Age 60 years



Educational Qualifications

- Diploma in Finance and Banking, Bangkok Commercial College
- Executive Micro MBA, Thammasat University



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executives⁽²⁾

- Younger Brother of Mr. Udom Pruksanusak



Work Experiences

2010 – Present

- Group Manager of Quality Assurance, STA

2000 – Present

- Director, Prueksa Rubber

2007 – 2008

- Coordinated Officer, STA

1999 – 2006

- Factory Manager, STA



Educational Qualifications

- Master of Agriculture, Kasetsart University
- Bachelor of Agriculture, Prince of Songkhla University
- Executive Micro MBA, Thammasat University



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.001



Family Relationship Among Executives⁽²⁾

- Elder Brother of Mr. Chaidet Pruksanusak



Work Experiences

2015 – Present

- CEO - Plantation, STA

- Director, Sri Trang Rubber & Plantation

- Director, Startex Rubber

2008 – Present

- Director, Prueksa Isarn Co., Ltd.

2003 – Present

- Director, Prueksa Rubber Co., Ltd.

2000 – 2007

- Group Manager of Human Resources, STA

2000 – 2014

- Human Resources Manager, Sri Trang Gloves (Thailand)

1998 – 1999

- Factory Manager, Semperflex Asia

1997 – 1998

- Production Manager, Sri Trang Gloves (Thailand)





Miss Nuchanart Chaiyarat
Group Manager of Human Resources
Age 54 years



Mr. Nattee Thiraputbhokin
Group Manager of Marketing
Age 40 years

Educational Qualifications

- Bachelor of Marketing Science,
Prince of Songkhla University
- Executive Micro MBA, Thammasat University

Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.001

Family Relationship Among Executives⁽²⁾

- None

Work Experiences

2010 – Present

- Group Manager of Human Resources, STA

2008 – 2009

- Human Resources Division Manager, STA

2015 – 2018

- Director, STH

2000 – 2007

- Purchasing Manager, Sri Trang Gloves (Thailand)

Educational Qualifications

- Bachelor of Management Science,
Faculty of Management Science,
Prince of Songkhla University

Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.005

Family Relationship Among Executives⁽²⁾

- None

Work Experiences

2021 – Present

- Group Manager of Marketing, STA

2012 – 2021

- Marketing Manager, STA

2008 – 2011

- Marketing Manager, Sri Trang International Pte. Ltd.

2007 – 2008

- Marketing Manager, PT Sri Trang Lingga Indonesia

2005 – 2007

- Marketing Manager, Sri Trang International Pte. Ltd.

2003 – 2005

- Marketing Officer, STA

Remarks:

(1) The directors and executives of STA, who are in office as at 31 January 2021, including the shareholding of spouses and minor child had the shareholding portion in the ordinary STA shares as of 31 December 2020.

(2) Family relationship means relationship by blood, relationship by marriage and relationship by law.

Details of Company Secretary of STA

**Mrs. Pacharin
Anuwongwattanachai**
Company Secretary
Age 54 years

Educational Qualifications

- Bachelor of Accounting,
University of the Thai Chamber of Commerce
- Corporate Secretary Development Program Class 14,
Faculty of Commerce and Accountancy,
Chulalongkorn University
- Criminal Liability of Representatives of
Juristic Person, the Stock Exchange of Thailand
- Preparation of Listed Companies on a New CG Code,
the Stock Exchange of Thailand
- Good IT Governance: Risk Managements and Data
Responsibility, The Securities and Exchange Commission,
Thailand



Numbers of shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.0002



Family Relationship Among Executives⁽²⁾

- None



Work Experiences

2008 – Present

- Company Secretary, STA

2006 – Present

- Bangkok Branch Manager, STA

2002 – 2006

- Senior Admin Manager, STA

1997 – 2001

- Bangkok Branch, Accounting Manager, STA

1992 – 1997

- Accountant, Sri Trang Agro-Industry Co., Ltd.

1989 – 1991

- Auditor, Audit Firm, Sanan Ketudat and Friend

Details of Accountant of STA

Miss Ruethai Wanathanasin
Accountant
Age 45 years

Educational Qualifications

- Bachelor of Business Administration in Accounting,
University of Technology Krungthep



Training Courses

- Dig into the issue of financial reporting standards
based on accounting principles compared to business
taxation principles, Held by Prince of Songkla University,
Training Date 30 - 31 July 2021
- Update TFRSs for PAEs 2021 and the Revision of
TFRSs for NPAFs, Federation of Accounting Profession
Under The Royal Patronage of His Majesty The King
Training Date 27 November 2021



Work Experiences

2016 – Present

- Accounting Manager, STA

2010 – 2016

- Accounting Manager, Bansuzuki Group

Notice: The CFO and Accountant of the Company have qualification as required by the Stock Exchange of Thailand.

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Sri Trang Agro-Industry Public Company Limited



Details of the Executives and Controlling Persons of STA as of 31 December 2021



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Form 56-1 One Report 2021

No.	Company	Name of the Executives and Controlling Persons	Mr. Niyawood Sircharoenkul	Mr. Chaijoso Sircharoenkul	Mr. Kitchaphol Sircharoenkul	Mr. Veerapith Sincharoenkul	Mr. Paul Sumadee Lee	Mr. Patrawut Pantakul	Mr. Chalempop Khanjan	Mr. Krung Yanyongdiuk	Mr. Samacha Petavorn	Miss Anusara Chittmittrapap	Gen Thansorn Pongama	Mr. Thanatip Upasising	Mr. Ubom Prukasarak	Mr. Chidet Prukasarak	Mr. Nuchanart Chayarat	Mr. Nattee Thiraputhikorn
1	1 STA	X, //	/	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/, //	/	/	/	/	/	/	/
2	Subsidiaries																	
	- Sri Trang Gloves (Thailand)	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
	• Sri Trang USA		X, /	/														
	• Sadao P.S. Rubber		/															
	• Premier System Engineering		/															
	• Sri Trang Gloves Global		/															
	• Sri Trang Glove (Singapore)		/															
	• Sri Trang Glove Vietnam																	
	• PT Sri Trang Indo																	
	- Rubberland Products		/	/														
	- Nam Hua Rubber		/				/											
	- Anwar Parawood		/				/											
	- Startex Rubber		/				/											
	- Starlight Express Transport		/	/			/											
	- Sri Trang Rubber and Plantation		/															
	- Sri Trang BC		/	/	/		/											
	- PT Sri Trang Lingga		/				/											
	- PT Star Rubber																	
	- Sri Trang International		//				/											
	- Shi Dong Investments		X, /				/											
	- Shi Dong Shanghai		/				X, /											
	- Sri Trang Indochina																	
	- Sri Trang Ayeyar																	
3	Associated Companies and JVs																	
	- Thai Tech Rubber		/				/											
	- Thai Tech Rubber		/				/											
4	Related Companies																	
	- Prueksa Rubber																	

Remarks : X = Chairman, / = Director, and // = Executive Director/ Executive Officer

Enclosure 2

Details of the Directors of the Subsidiaries

Subsidiary*	Director	Sri Trang (Gloves) Thailand	Rubberland Products	Sri Trang International
1. Mr. Viyavood Sincharoenkul		/, //		/, //
2. Mr. Kitichai Sincharoenkul		/, //		/
3. Mr. Paul Sumade Lee				X, //
4. Mr. Chaiyos Sincharoenkul			/	
5. Mr. Veerasith Sinchareonkul		/, //	/	
6. Mr. Patrawut Panitkul			/	
7. Mr. Chalermpop Khanjan			/	

Remarks :

X = Chairman / = Director // = Executive Director/ Executive

* Subsidiary means any material subsidiary having revenue of more than 10% of the total revenue according to the latest consolidated Statements of Comprehensive Income of STA



Enclosure 3

Details of Head of Internal Audit

Name / Position	Age (Year)	Educational / Qualifications	Numbers of shares held and Percentage of Shareholding Stake in STA (%)	Work Experiences	
				Family Relationship Among Executives	Period
Mr. Wittawas Krungtaennmuang Head of Internal Audit	56	- Bachelor Degree in accounting Ramkhamhaeng University <u>Training Programs</u> - Tools and Techniques for The Audit Manager, The Institute of Internal Auditors of Thailand - Information System Auditing, The Institute of Internal Auditors of Thailand - Facilitating Results Using CSA, The Institute of Internal Auditors of Thailand - Risk Management Implementation approach, The Institute of Internal Auditors of Thailand - Employee Fraud Detection & Litigation, Omega Worldclass Research Institute - How to protect against fraud in organization, Federation of Accounting Profession - Ethical Leadership Program (ELP), The Thai Institute of Directors Association (IOD)	None	2012 - Present	- Chief Audit Executive - Internal Audit Manager - Financial and Accounting Manager - Accounting Manager



Duties and Liabilities of Head of Internal Audit

1. Preparing the Annual Internal Audit plan based on Risk-based Methodology to present Executive and Audit Committee for approval.
2. Investigating to meet the achievement including special requested projects and/or ordered form Executive and Audit Committee.
3. Reporting the Audit's result including the progress of operation comparing to specified plan.
4. Supporting the operation including necessary information on its operation of Audit Committee and Executive which is related to the audit program.
5. Developing the staff of Audit unit to be adequate on knowledge, professional skill and business as well as supporting any related Professional Certification.
6. Performing any assignment activities.

Enclosure 4

Other Important Policies Disclosed on the Company's Website

Policy	Website
Corporate Governance Policy	www.sritranggroup.com/th/cg/good-cg/report
Code of Conduct	www.sritranggroup.com/th/cg/good-cg/code-of-conduct
Anti-Corruption Policy	www.sritranggroup.com/en/cg/important-policies
Risk Management	www.sritranggroup.com/en/cg/important-policies
Whistleblowing Policy	www.sritranggroup.com/th/cg/good-cg/whistle-blowing
Conflict of Interest	www.sritranggroup.com/en/cg/important-policies
Non-infringement of Intellectual Property Policies and Practices	www.sritranggroup.com/en/cg/important-policies
Human Rights and Non-Discrimination Policy	www.sritranggroup.com/en/cg/important-policies
Research and Development Policy	www.sritranggroup.com/en/cg/important-policies
Other Policies	www.sritranggroup.com/en/cg/important-policies



Enclosure 5

DEFINED TERMS AND ABBREVIATIONS

In this document, unless the context otherwise requires, references to "our Company", "the Company" or "STA" refer to Sri Trang Agro-Industry Public Company Limited; references to "we", "us", "our", "ourselves", and "Group" refer to the Company and its consolidated subsidiaries taken as a whole.

WORD	MEAN
Our Group Companies and Other Entities	
Anvar Parawood	: Anvar Parawood Company Limited
Company or STA	: Sri Trang Agro-Industry Public Company Limited
Nam Hua Rubber	: Nam Hua Rubber Company Limited
NBR	: Nitrile Rubber
Pattana Agro Futures	: Pattana Agro Futures Company Limited
Premier System Engineering	: Premier System Engineering Company Limited
PT Sri Trang Lingga	: PT Sri Trang Lingga Indonesia
PT Star Rubber	: PT Star Rubber Indonesia
Rubberland Products	: Rubberland Products Company Limited
Sadao P.S. Rubber	: Sadao P.S. Rubber Company Limited
Semperflex Asia or SAC	: Semperflex Asia Corporation Limited
Semperit	: Semperit Technische Produkte Gesellschaft m.b.H., a subsidiary of Semperit AG Holding
Shi Dong Investments	: Shi Dong Investments Pte. Ltd.
Shi Dong Shanghai	: Shi Dong Shanghai Rubber Co., Ltd.
Shi Dong Shanghai Medical Equipment	: Shi Dong Shanghai Medical Equipment Co., Ltd.
Sri Trang Ayeyar	: Sri Trang Ayeyar Rubber Industry Company Limited
Sri Trang Holding or STH	: Sri Trang Holding Co., Ltd.

WORD	MEAN
Sri Trang IBC	: Sri Trang IBC Co., Ltd.
Sri Trang Indochina	: Sri Trang Indochina (Vietnam) Co., Ltd.
Sri Trang International	: Sri Trang International Pte. Ltd.
Sri Trang Gloves (Thailand) PLC or STGT	: Sri Trang Gloves (Thailand) Public Co., Ltd. or Sri Trang Gloves (Thailand) Co., Ltd.
Sri Trang Rubber & Plantation	: Sri Trang Rubber and Plantation Company Limited
Sri Trang USA	: Sri Trang USA, Inc.
Starlight Express Transport	: Starlight Express Transport Company Limited
Startex Rubber	: Startex Rubber Corporation Limited
STGG	: Sri Trang Gloves Global Pte. Ltd.
STGI	: PT Sri Trang Gloves Indo
STGS	: Sri Trang Gloves (Singapore) Pte. Ltd.
STGV	: Sri Trang Gloves Vietnam Co., Ltd.
Thai Tech Rubber	: Thaitech Rubber Corporation Limited
General	
CDP	: The Central Depository (Pte) Limited
Code of Corporate Governance	: Singapore Code of Corporate Governance 2012
Concentrated Latex	: Liquid latex with a dry rubber content of approximately 60.0%
Listing Manual	: The listing manual of the SGX-ST
Natural Rubber Products	: RSS, TSR and Concentrated Latex
Office of the SEC	: The office of the SEC
OTC	: Over the counter
Other Finished Products	: Finished products, including high-pressure hydraulic hoses, escalator handrails and various rubber and plastic parts which are mainly used in electrical appliances
PLCA	: The Public Limited Companies Act B.E. 2535 (1992) of Thailand, as amended from time to time



WORD	MEAN
RSS	: Ribbed smoked sheet
RAOT	: Rubber Authority of Thailand
SEC	: The Securities and Exchange Commission of Thailand
SEC Act	: The Securities and Exchange Act. B.E. 2535 (1992) of Thailand, as amended from time to time
SET	: The Stock Exchange of Thailand
SGX-ST	: Singapore Exchange Securities Trading Limited
SICOM	: Singapore Commodity Exchange Limited
STR	: Standard Thai rubber
Thai GAAP	: Generally accepted accounting principles in Thailand
TSD	: The Thailand Securities Depository Co., Ltd.
TSR	: Technically specified rubber, which includes STR and SIR

Currencies and Measurements

Baht	: The lawful currency of Thailand
IDR or Indonesian Rupiah	: The lawful currency of Indonesia
MYR or Malaysian Ringgit	: The lawful currency of Malaysia
SGD or Singapore dollar	: The lawful currency of the Republic of Singapore
US\$ or US Dollar	: The lawful currency of the U.S.

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