



SRI TRANG
NOVATION
SUSTAINABLE ECOSYSTEM

Annual Registration Statement / Annual Report 2022
[Form 56-1 One Report]

SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

Contents



| | |
|------------------------------|----|
| About Sri Trang | 4 |
| Green Rubber Company | 5 |
| Message from the Chairman | 8 |
| Financial Highlight | 10 |
| Awards and Successes in 2022 | 12 |

Part 1 Business Structure and Performance

| | |
|--|-----|
| 1. Business Structure and Operations | 16 |
| 2. Risk Management | 65 |
| 3. Driving Business for Sustainability | 75 |
| 4. Management Discussion and Analysis: MD&A | 98 |
| 5. General Information and Other Key Information | 111 |



Part 2 Corporate Governance

| | |
|---|-----|
| 6. Corporate Governance Policy | 114 |
| 7. Corporate Governance Structure, Key Information about Sub-Committees, Executive Committees, Employees and Others | 127 |
| 8. Key Results of Corporate Governance | 154 |
| 9. Internal Control and Related Party Transactions | 174 |



Sri Trang Agro-Industry Public Company Limited, We are FSC™ certified (FSC™ C149260). By choosing FSC™ certified Natural Latex, you are supporting responsible management of the world's forests.

SCAN ME



Part 3 Financial Statements 225

Part 4 Certification of Information and Data Accuracy for Submitting One Report 341

| | |
|--|-----|
| Enclosure 1 Details of the Directors, Executives and Controlling Persons | 346 |
| Enclosure 2 Details of the Directors of the Subsidiaries | 363 |
| Enclosure 3 Details of Head of Internal Audit | 364 |
| Enclosure 4 Corporate Governance Policy and Practices, Code of Conduct, and Other Key Policies | 365 |
| Enclosure 5 Report of the Sub-Committees | 366 |
| Enclosure 6 Glossary | 374 |

About Sri Trang

The Leader of Sustainable Integrated Green Rubber Company

Sri Trang Agro-Industry Public Company Limited (“STA”) was established in 1987.

With commitment and dedication, STA has expanded the business and grown to become the world’s leading fully integrated green rubber company as it is today.





Up stream

Our approximately



7,500 hectares of rubber plantations and other economic crops in **19** provinces of Thailand

Mid stream

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.



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



3.18 million tons in annual production capacity at the end of 2022, the largest in the industry



79% of total revenue in 2022



1.5 tons in sales volume in 2022



11% of global NR consumption in market share in 2022



33% of Thailand's production output in 2022

Down stream

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.



6 Factory Locations in Thailand in 4 provinces, namely Songkhla, Suratthani, Trang, and Chumphon



52,000 Billion pieces in annual production capacity at the end of 2022



21% of revenues from sales of goods and services in 2022



28,813 Billion pieces of gloves sold at the end of 2022



7.2% Market share of rubber glove consumption in 2022

Sales and Distribution

Our sales offices locate in 8 strategic locations, namely Thailand, Indonesia, Singapore, China, Vietnam, USA, Philippines, and Cote d'Ivoire.

Employees

The Company 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 2022, Sri Trang Group has a total of 15,287 employees.



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



After 2 years of widespread disruption, the Covid-19 pandemic was finally brought under control in 2022 as people around the world started to adjust to a life with Covid-19 as a normal part of it and business activities could again resume.

However, the global economy in 2022 had to contend with the Russia-Ukraine war, which caused an upheaval in energy prices and spurred global inflation. Economic growth was also constrained by the zero-Covid policy of China, a major player in the global economy. High volatility, particularly in commodity prices and currency exchange rates, was the theme of the global economy this past year.

Despite a challenging economic climate, **Sri Trang Group still continued its steady growth**, both in natural rubber production capacity and sales volume, which increased by 13 percent and 15 percent, respectively.

We understand that technology is key to steering the Group forward as well as taking the natural rubber industry to another level. **We have accordingly employed automation to increase production efficiency and developed applications, "Sri Trang Friends" and "Sri Trang Friends Station,"** that provide rubber farmers with increased access and introduce traceability to the Group's products. The feedback has been overwhelmingly positive and raw material procurement through the applications currently accounts for 100 percent of the total volume.

Dr. Viyavood Sincharoenkul
Chairman

In 2022, we launched the application “Sri Trang Friends Station” to facilitate the sale and purchase of natural rubber and introduced the “Super Driver” service to accommodate rubber farmers who face logistical constraints in selling raw materials to the Group. We will keep working to improve the applications this year with a view to building a natural rubber ecosystem, driving growth, and setting a new industry standard amid the fast changes of the current digital era.

Sri Trang Group remains committed to being the world's leading natural rubber company with a sales volume of 1.5 million tons in 2022 and plans to increase production capacity to 3.98 million tons per annum to achieve a sales target of 2 million tons this year. In the glove business, Sri Trang Gloves (Thailand) Plc. (STGT) has been among the leading global producers for over 30 years. Currently, the global glove industry is still going through a transitional period after the height of the Covid-19 era. In response, we are focused on cost efficiency and believe that we will be able to get through this challenging time on the strength of our competitive advantages.

Aside from operational growth, we are equally focused on sustainability, with details of what we have accomplished on the environmental, social, and governance (ESG) issues as follows:

- **Environmental:** We have implemented initiatives to reduce greenhouse gas emissions including the installation of rooftop and floating solar panels. Additionally, over 28,000 rai of our rubber plantations have received FSC certification.
- **Social:** We put an emphasis on the benefits and living conditions of employees, provide equal opportunity to disabled people and take an equal and fair approach to human resources.
- **Governance:** We operate with transparency and have received various accolades as inclusion in the THSI index for 8 consecutive years, membership in the Thai Private Sector Collective Action Against Corruption (CAC), and an excellent corporate governance score from the Thai Institute of Directors (IOD).

“

Sri Trang Group remains committed to being the world's leading natural rubber company with a sales volume of 1.5 million tons in 2022 and plans to increase production capacity to 3.98 million tons per annum to achieve a sales target of 2 million tons this year.

Even though the Company had to grapple with many difficulties during the past year, we have been able to overcome the challenges on the strength of our expertise and experience of over 35 years. We will build on the strengths of our operations to ensure that we will continue to grow and take our operations to new heights.

As Chairman of the Board of Directors, I would like to thank all employees for their hard work and dedication as well as all stakeholders who have supported Sri Trang Group throughout the years. I wish for the continued support this year so that Sri Trang Group, alongside Thailand's natural rubber industry, will continue on a path of long-term, sustainable growth.

Financial Highlights

Revenue from sale of goods and services

110,657 million baht



Total assets

117,084 million baht

Total equities

69,186 million baht

Statement of Comprehensive Income

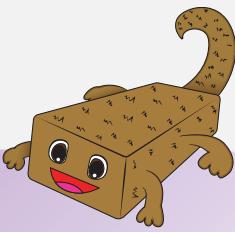
| (Unit : million baht) | Y2018 | Y2019 | Y2020 | Y2021 | Y2022 |
|---|--------|--------|--------|---------|----------------|
| Revenue from sale of goods and services | 73,136 | 60,286 | 75,479 | 118,275 | 110,657 |
| Earnings before interest, tax, depreciation, and amortization | 5,758 | 3,274 | 20,505 | 32,440 | 10,391 |
| Profit (loss) before tax | 2,406 | (68) | 17,064 | 28,718 | 6,167 |
| Profit (loss) attribute to owners of the Company | 2,064 | (149) | 9,531 | 15,847 | 4,795 |

Statement of Financial Position

| (Unit : million baht) | Y2018 | Y2019 | Y2020 | Y2021 | Y2022 |
|-----------------------|--------|--------|--------|---------|----------------|
| Total assets | 58,414 | 58,331 | 93,117 | 114,527 | 117,084 |
| Total liabilities | 32,003 | 32,842 | 39,720 | 49,479 | 47,897 |
| Total equities | 26,411 | 25,488 | 53,397 | 65,049 | 69,186 |



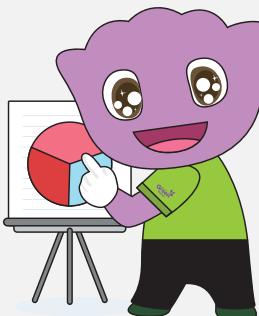
Financial Ratios



| (Unit : million baht) | Y2018 | Y2019 | Y2020 | Y2021 | Y2022 |
|------------------------------|-------|-------|-------|-------|-------------|
| Gross profit margin (%) | 9.8 | 8.1 | 28.9 | 32.2 | 14.3 |
| Net profit margin (%) | 2.8 | (0.3) | 12.6 | 13.4 | 4.3 |
| Current ratio (times) | 1.1 | 1.0 | 1.8 | 2.2 | 4.1 |
| Debt to equity ratio (times) | 1.2 | 1.3 | 0.7 | 0.8 | 0.7 |

Note: The financial ratio is calculated referred to the guideline of Form 56-1 preparation.

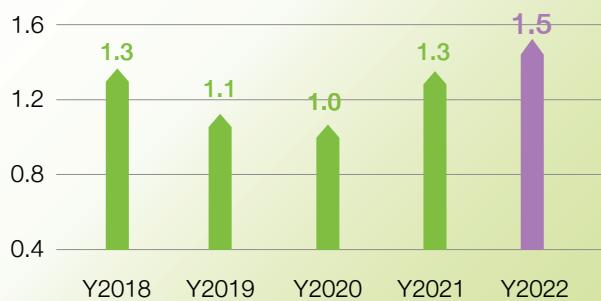
Sales Volume of Natural Rubber Products
1.5 million tons



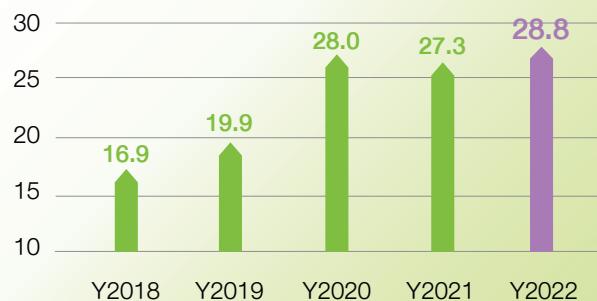
Sales Volume of Gloves
28,813 million pieces



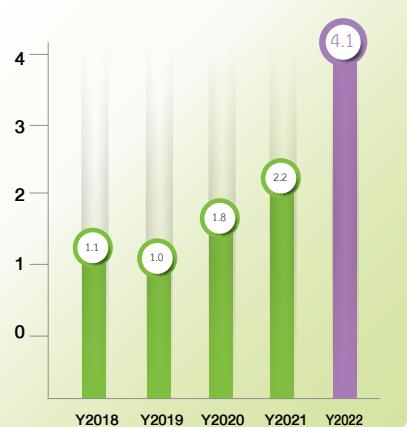
Sales Volume of Natural Rubber Products (Million Tons)



Sales Volume of Gloves (Billion Pieces)



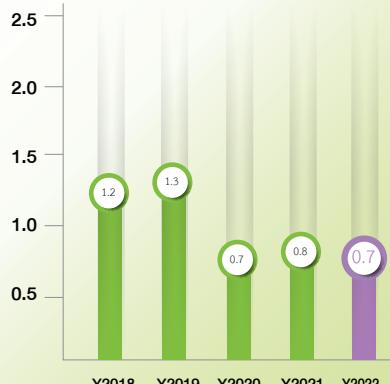
Current Ratio (Times)



Fixed Asset Turnover (Times)



Debt to Equity (Times)



Awards

and Successes in 2022



Environmental



Green Industry Certification (Level 3) from the Ministry of Industry (Thailand)



Prototype factory for shallow groundwater filling system under shallow groundwater filling industry project of groundwater development fund, Department of Groundwater Resources and Federation of Thai Industries



Eco Factory + SV Award of the year 2022, Gold Plus level, from the Ministry of Industry (Thailand)



Letter of Recognition for participating in Low Emission Support Scheme (LESS) from Thailand Greenhouse Gas Management Organization



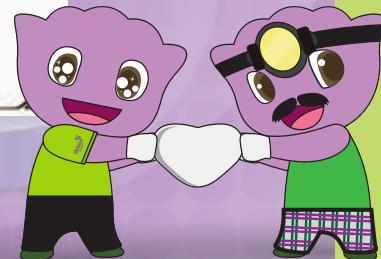
Social



The 2022 Excellent Practices Establishment on labour relations and welfare, at the national level, from the Ministry of Labour (Thailand) for 4 consecutive years



The 2022 Excellent Practices Establishment Award for Safety, Occupational Health, and Work Environment at the national level (gold level) from the Ministry of Labour (Thailand) for the first year



Outstanding Organization on Persons with Disabilities Support
from the Ministry of Labour (Thailand) for 4 consecutive years



Best Model of Sustainable Organization in the Thai Capital Market Award for Distinguished Support for Persons with Disabilities for the year 2022
from The Securities and Exchange Commission (SEC) in collaboration with Ministry of Labour, Department of Skill Development, Department of Employment, Department of Empowerment of Persons with Disabilities, Thai Listed Companies Association, and Disabilities Thailand



Certified for Good Factory Practice (clean, safe, and preventive from COVID-19)
from Department of Health, Ministry of Public Health

Governance



STA has been selected as one of the sustainable stocks in Thailand Sustainability Investment (**SETTHSI**), which is a group of stocks with outstanding responsibility in the Environmental, Social, and Governance for 8 consecutive years



Received an “Excellent” Corporate Governance Assessment in the Corporate Governance Survey of Thai Listed Companies Year 2022 for 4 consecutive years since 2019 from the Thai Institute of Directors Association (IOD).



ASEAN CG Scorecard Awards 2021 under ASEAN Asset Class category from ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB) to recognize and honor listed companies in ASEAN that operate in accordance with good corporate governance principles



Thailand Top Company Awards 2022 under “The Next Normal Transformation for Business Sustainability” concept, for the organization with outstanding performance along with responsibility towards society and environment under agroindustry category from University of the Thai Chamber of Commerce in collaboration with Business+ magazine



Excellent Company Awards 2022 under agricultural and food industry category from Money & Banking Awards event held by Money & Banking magazine



CSR-DIW Continuous Award 2022
from the Ministry of Industry (Thailand)
for 9 consecutive years



Received an excellent assessment for the quality of Annual General Meeting 2022 (90-99 score range) for 9 consecutive years since 2014 from the Thai Investors Association.

Certified for renewal of membership of the Thai Private Sector Collective Action Against Corruption in 2022.





01

Business Structure and Performance



1

Business Structure and Operations

1.1 Policy and Business Overview

Sri Trang Agro-Industry Public Company Limited (“STA”) was established in 1987. With determination and intention, STA has grown and become a fully integrated natural rubber company. For the upstream business, the Company invested in large-scale rubber plantations and currently has an area of 7,500 hectares for rubber and other economic crop plantations in 19 provinces of Thailand.

For **the midstream business**, STA has a market share of approximately 11 percent of the global demand for natural rubber in 2022 and has a market share of Thai natural rubber production of 33 percent, which increased from 32 percent in 2021. The Company offers a complete range of natural rubber products to meet the diverse needs of customers worldwide, from Technically Specified Rubber (TSR) and Ribbed Smoked Sheets (RSS) to Concentrated Latex with a production capacity of 3.18 million tons per annum, from its 35 processing facilities located in the 2 largest natural rubber producing countries in the world, Thailand and Indonesia, as well as in Myanmar, which is a country with growth potential in the natural rubber plantation area.

For **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 globally. STGT has offices in Thailand, China, the United States, Vietnam, and the Philippines. With cutting-edge production facilities located in Songkhla, Suratthani, Trang, and Chumphon, a total installed capacity of 52.5 billion pieces of gloves per annum at the end of December 2022, STGT is the largest glove producer in Thailand, and is ranked among the world’s leading glove producers with a market share of 7.2 percent of global glove consumption in 2022. 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.

In addition, we have various subsidiaries that provide operational support for our core businesses, including research and development, information technology and innovation, logistics, and rubberwood processing.

Currently, STA is the first and only Thai rubber company that is listed on both the Stock Exchange of Thailand or SET (Primary Listing) and the Singapore Exchange or SGX (Secondary Listing).



1.1.1 Vision and Mission

Vision

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.

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



Passionately,

we drive possibilities

>>*the green rubber company*>>

Mission of Year 2022

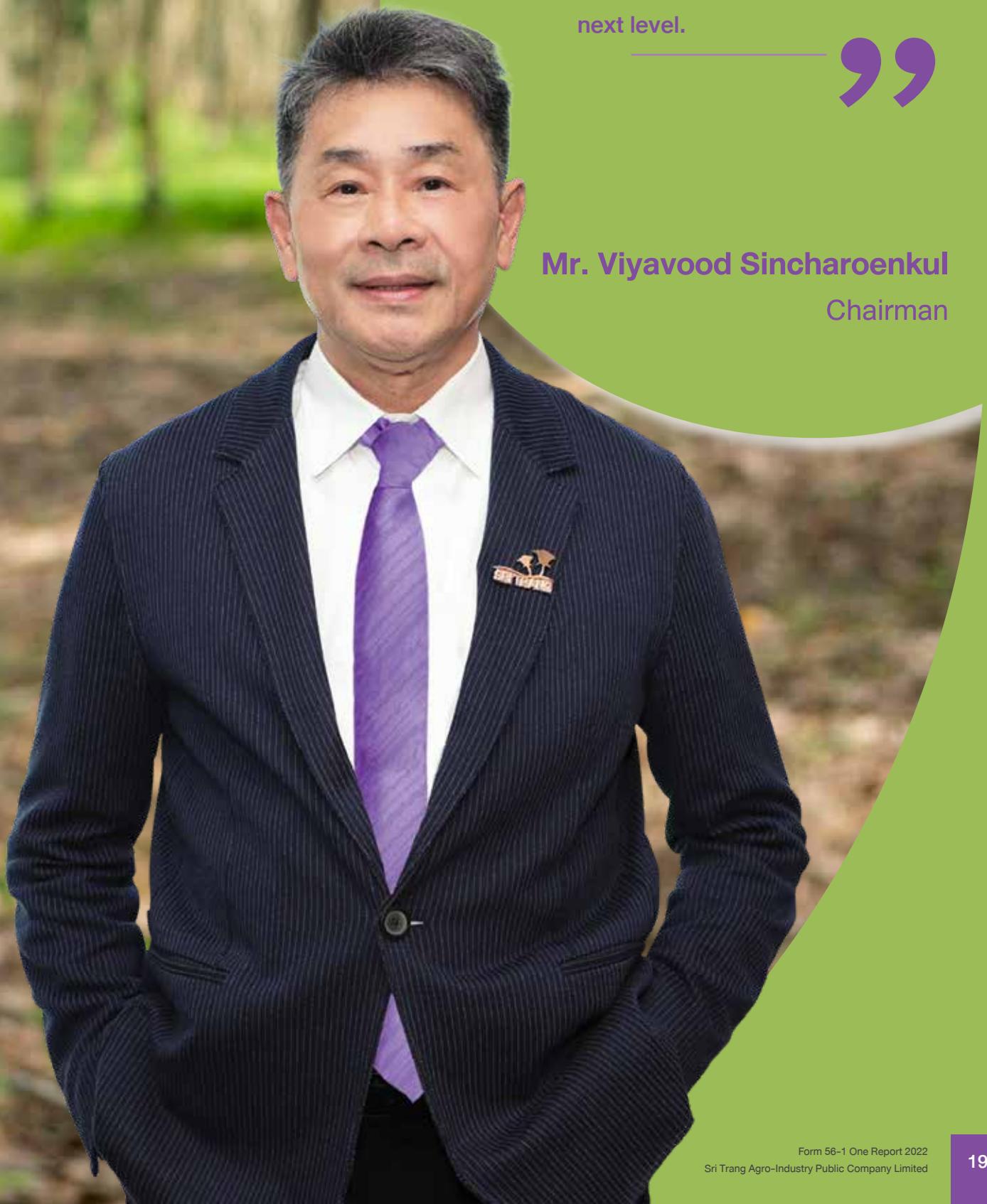
Stay Safe and Healthy

2021 was best ever in the history of Sri Trang Group and it will not be the last.

Covid-19 will still be with us for a while and we are learning how to manage and live with it either through vaccination or adopting to different types of behavior. More than 90% of our people have been vaccinated with 2 doses and we are still starting with 3rd booster dose and the whole exercise should be completed by January 2022. We will do whatever it takes to make our people safe and healthy.

Having able stay healthy and strong, we will use this opportunity to speed up and to scale up our operation and expansion into the next level.

Already I am feeling 2022 will be another great year for us.



“

Having able stay healthy and strong, we will use this opportunity to speed up and to scale up our operation and expansion into the next level.

”

Mr. Viyavood Sincharoenkul

Chairman

1.1.2 Significant Changes and Developments

1987-1991

April 1987

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

October 1987

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

March 1988

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

January 1989

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

March 1990

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

August 1991

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



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.

1994-2004

January 1994

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

September 1995

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



January 1996

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

March 1996

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

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 2004

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

2004-2013

October 2004

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

December 2007

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

August 2009

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

August 2010

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

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.



October 2013

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

2013-2017

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.



April 2016

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

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.

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.

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%.

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.

2018-2020

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.

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.

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.

June and September 2019

The restructuring of Shidong 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 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

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).



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.

2021-2022

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.

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.

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.

June 2022

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

August 2022

Sri Trang Gloves (Thailand) PLC established a new subsidiary in the Philippines, Sri Trang Glove Philippines Inc., to operate the business of distributing rubber gloves with a registered capital of PHP 104,662,400.

October 2022

STA established a new subsidiary in Cote d'Ivoire, Sri Trang Africa SA., to operate the business of natural rubber trading with a registered capital of Franc CFA 10,000,000.

1.1.3 Use of proceeds from the debenture issuance

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

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|--|---------------------------------------|---------------------|---|
| 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 are subject to change according to suitability 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 | - |

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

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|--------------------|---------------------------------------|---------------------|---------|
| 1. Working capital | 2,000 | Within July 2025 | - |

The details of use of proceeds from STA's debenture issuance No.3/2021 as of 3 December 2021 in the amount of Baht 4,500 million are as follows:

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|--|---------------------------------------|--------------------------------------|--|
| 1. Working capital | 3,900 | Within 3 months from 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 Chiang Rai |

The details of use of proceeds from STA's debenture issuance No.1/2022 as of 31 March 2022 in the amount of Baht 7,000 million are as follows:

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|---|---------------------------------------|--------------------------------------|---|
| 1. To expand Technically Specified Rubber (TSR) factories | 2,400 | Within March 2023 | To expand 4 TSR factories in Sa Kaeo, Kalasin, Trang, and Loei (the factory's locations are subject to change according to suitability and market environment). |
| 2. Working Capital | 4,600 | Within 6 months from the issued date | - |

The details of use of proceeds from STA's debenture issuance No.2/2022 as of 21 April 2022 in the amount of Baht 1,180 million are as follows:

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|--------------------|---------------------------------------|--------------------------------------|---------|
| 1. Working Capital | 1,180 | Within 6 months from the issued date | - |

The details of use of proceeds from STA's debenture issuance No.3/2022 as of 3 December 2022 in the amount of Baht 5,500 million are as follows:

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|---|---------------------------------------|--------------------------------------|---|
| 1. To expand Technically Specified Rubber (TSR) factory | 1,000 | Within March 2023 | To expand capacity of TSR factories in Trang (the factory's locations are subject to change according to suitability and market environment). |
| 2. Working Capital | 4,500 | Within 6 months from the issued date | - |

The details of use of proceeds from STA's debenture issuance No.4/2022 as of 4 November 2022 in the amount of Baht 1,658 million are as follows:

| Use of Proceeds | Approximated Amount (Million Baht) | Approximated Period | Details |
|--------------------|---------------------------------------|--------------------------------------|---------|
| 1. Working Capital | 1,658 | Within 6 months from the issued date | - |

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 ศรีตรังแอgroอินดัสทรี 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 | : | +66 7434 4663 (Automatic 14 Lines) |
| Fax | : | +66 7434 4677, +66 7423 7423, +66 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 | | | | | |
|---|------------------------|------------------------|---------|--------------|---------|--------------|------|
| | | 2020 | | 2021 | | 2022 | |
| | | Million Baht | Percent | Million Baht | Percent | Million Baht | % |
| Revenue from TSR products | | 37,657.8 | 49.7 | 61,442.8 | 51.7 | 79,637.2 | 71.8 |
| 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 | | 30,750.4 | 40.5 | 47,497.2 | 40.0 | 22,912.9 | 20.6 |
| STA | - | | | | | | |
| Sri Trang Gloves (Thailand) | 56.18 | | | | | | |
| - Shidong Shanghai Medical Equipment | 56.03 | | | | | | |
| - Sri Trang USA, Inc. | 56.03 | | | | | | |
| - Sri Trang Gloves (Singapore) | 56.03 | | | | | | |
| - Sri Trang Gloves Vietnam | 56.03 | | | | | | |
| - PT Sri Trang Gloves Indo | 56.03 | | | | | | |
| - Sri Trang Responsible Gloves Supply | 56.03 | | | | | | |
| - Sri Trang Gloves Philippines | 56.03 | | | | | | |
| Sri Trang IndoChina (Vietnam) | 99.99 | | | | | | |
| Revenue from RSS products | | 4,336.0 | 5.7 | 6,027.4 | 5.1 | 6,394.6 | 5.8 |
| STA | - | | | | | | |
| Sri Trang International | 99.99 | | | | | | |
| Nam Hua Rubber | 99.99 | | | | | | |
| Shi Dong Shanghai | 100.00 | | | | | | |

| Type of Business / Operated by | % Share holding by STA | Year ended 31 December | | | | | |
|---|------------------------|------------------------|---------|--------------|---------|--------------|-------|
| | | 2020 | | 2021 | | 2022 | |
| | | Million Baht | Percent | Million Baht | Percent | Million Baht | % |
| Revenue from Concentrated Latex products | | 2,684.2 | 3.5 | 3,230.8 | 2.7 | 1,593.8 | 1.4 |
| 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 services ¹ | | 50.3 | 0.1 | 77.0 | 0.1 | 118.3 | 0.1 |
| STA | - | | | | | | |
| Anvar Parawood | 99.94 | | | | | | |
| Sri Trang International | 99.99 | | | | | | |
| Premier System Engineering | 56.03 | | | | | | |
| Sadao P.S. Rubber | 56.03 | | | | | | |
| Sri Trang Gloves Global | 56.03 | | | | | | |
| 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 | | 349.4 | 0.5 | 422.0 | 0.4 | 299.1 | 0.3 |
| Total revenue | | 75,828.1 | 100 | 118,697.4 | 100.0 | 110,955.8 | 100.0 |
| Share of profit from investments in associates and joint ventures | | 168.6 | | 241.4 | | 335.7 | |

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

(1) Products and Services

The Company operates a fully integrated natural rubber supply chain business in various 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 3 core businesses which are 1) natural rubber business 2) glove 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 2022, Sri Trang Group had a total of 35 production facilities, of which 31 were in Thailand, 3 were in Indonesia, and 1 was in Myanmar. Altogether, the facilities provided a total production capacity of 3.18 million tons per annum. In 2022, our capacity utilization rate was at approximately 70 percent of total production capacity and a market share of approximately 11 percent of global natural rubber demand, as well as having a share of Thailand's natural rubber production at 33 percent.

Natural rubber products are one of the key products that generate revenue for the Company, which accounted for 79 percent of revenue from sales and services in 2022. The Company produces and sells natural rubber products covering all common types of rubber, namely Technically Specified Rubber (TSR), Ribbed Smoked Sheet (RSS), and Concentrated Latex (LTX) for distribution to tire and latex glove manufacturers both in Thailand and in various countries around the world.

STA has applied more technology and automation in the production process to increase production efficiency, reduce energy consumption, and be environmentally friendly. The Company's long term goal is to continually maintain a relationship with the existing customer base and expand the market share to emphasize our leadership in the industry.



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 for over 90 percent of the production costs, STA has established procurement centers in the vicinity of raw material sources. Moreover, we have launched applications called “**SRI TRANG FRIENDS**” and “**SRI TRANG FRIENDS STATION**” for purchasing 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 is considered a disruptor in rubber trading business for the sustainable rubber industry in Thailand.

07:15 1/1

07:15 1/1

07:15 1/1

TSR (Technically Specified Rubber)

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.

RSS (Ribbed Smoked Sheet)

Product Type

- 5 grades of RSS: RSS1, RSS2, RSS3, RSS4, and RSS5
- RSS 1XL

Use

Raw material for the manufacture of automotive tires, automotive parts, belts, pipes, shoes, and 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, adhesives, and 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 of medical examination gloves, industrial gloves, and general-purpose gloves from both latex and nitrile rubber. The gloves are available in various types, namely powdered, powder-free, and nitrile gloves. 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 domestically and internationally.



In 2022, we achieved our annualized installed capacity of 52.5 billion pieces of gloves per annum. In terms of production capacity, we are widely regarded as Thailand's largest and the World's leading glove producers. Our glove product is one of the key products contributing to the Company's revenue, which accounts for 21 percent of the Group's total revenues in 2022.

STGT is Thailand's largest producer of

latex gloves and **1 of the top 5 global** rubber glove manufacturers. In 2022, we had a market share of 7.2 percent of the global consumption of rubber gloves. STGT has continuously expanded its annualized installed capacity, from 40.3 billion pieces per year in 2021 to 52.5 billion pieces per year in 2022, and has targeted to reach 56 billion pieces per year in 2024, to meet the growing demand for rubber gloves in the global market.



3. Other Businesses

Rubber and other economic crops plantation business

STA operates rubber and other economic crops plantation systematically and completely through our subsidiary, Sri Trang Rubber & Plantation ("SRP"). As of 31 December 2022, Sri Trang Group had an area of approximately 7,500 hectares for rubber and other economic crops businesses in 19 provinces of Thailand. The rubber trees planted have been providing yield since 2015. Most of the plantation areas located in the northern and northeastern regions of Thailand. This has been an advantage for our mid-stream business both for raw material procurement and NR production. In 2022, we estimated that 64 percent of the rubber trees planted are able to be tapped.

Production and selling of finished products business

The production and selling of finished products business is conducted through Semperflex Asia ("SAC"), a joint venture invested by STA and Semperit. SAC is established to manufacture and sell high-pressure hydraulic hose products of various types, including high-quality hydraulic hoses used in the industry, mining, and specialized applications, as well as various small hoses for use with modern high-pressure hydraulic systems.



Sales and Distribution

The Company has established a trading and distribution network of natural rubber products and rubber gloves in foreign countries covering 8 major markets, namely Singapore, China, the United States of America, Indonesia, Vietnam, the Philippines, and Cote d'Ivoire through its subsidiaries and affiliates are Sri Trang International, Shi Dong Shanghai, Shidong Shanghai Medical Equipment, Sri Trang Indochina (Vietnam), Sri Trang USA, Sri Trang Gloves (Singapore), Sri Trang Gloves Vietnam, and PT Sri Trang Gloves Indo, Sri Trang Gloves Vietnam, Sri Trang Responsible Gloves Supply, and Sri Trang Gloves Philippines.



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 moving goods onto a ship and the preparation of various import and export related documents.



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 also researches and develops unique qualification products to meet customers' needs.



Research and Development (R&D)

The Company has R&D projects covering all product groups such as Technically Specified Rubber (TSR), Ribbed Smoked Sheets (RSS), Concentrated Latex, and rubber glove products. The Company focuses on improving the efficiency of production processes and enhancing the quality of products to respond to customers' needs and sustainably manage the environment, which lead to an increase in opportunities and competitiveness for the Company. The Company has a research and development policy with 3 main objectives and goals as follows:

Innovation Development Projects in 2022

52
Projects

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

Total Projects*

60
Projects

5
Projects

To promote the sustainable and
environmentally-friendly operation

Total R&D expenses
in 2022

54.2
Million Baht

3
Projects

To create business opportunities and
support new businesses



*Included 28 ongoing projects from the previous year



Automating system innovation for natural rubber and glove factories

In 2022, the Company expanded and developed its successful research and development efforts in 2021 in the field of innovation and technology, covering both automation and smart technology to improve production efficiency, reduce production costs, and enhance our competitiveness. The Company continues to work on the development of robots and artificial arms to replace human labor in various heavy tasks,

including automatic rubber pressing machines and automatic TSR grading systems. In glove factories, the Company has developed automatic glove packaging machines and automatic latex compound mixing machines in collaboration with Premier System Engineering Co., Ltd. which is a subsidiary that specializes in engineering jobs such as machine design and installation, automatic systems, etc.



Innovative resource and energy utilization



S-Energy Project

The Company has been successful in converting wastewater sludge from factories into fuel by mixing it with wood scraps to be used as fuel in boilers in the rubber production process, reducing the number of wood scraps used, and increasing the benefits of wastewater sludge according to the principles of Circular Economy.

Furthermore, in developing intellectual property, the Company has promoted patent registration with the Department of Intellectual Property. In 2022, the Company received a patent for the "Grading System for TSR" and at the beginning of 2023, the Company received another patent for the "Robotic System for Pulling Rubber." The Company also registered important trademarks such as "Sri Trang" and "Green Rubber" both domestically and internationally. Other trademarks were also registered for medical gloves and other rubber products such as TSR, ribbed smoked sheets, and concentrated latex.



Innovation to add value to the products

The Company has upgraded its research and development of natural rubber products by analyzing and developing both raw materials and final products in collaboration with the natural rubber research and innovation institute under Prince of Songkhla University and leading car tire rubber producers. Moreover, the quality control system has been improved to provide more accurate and faster test results, as well as improve product quality.

2.1) Marketing

- **Marketing and Distribution Channels of Natural Rubber Products**

The Company has a wide base of customers and a strong customer network both in Thailand and in important regional markets globally, including Asia, such as China, Singapore, Japan, India, South Korea, Malaysia, and Vietnam, as well as the United States and Europe.



In addition to direct sales from factories in Thailand, Indonesia, and Myanmar, the Company has established and managed sales and distribution systems to target customers, including tire producers in various countries, through its trading and distribution network in 3 countries, namely Singapore, China, and Vietnam. The sales and distributions are operated through the subsidiaries, such as Sri Trang International, Shi Dong Shanghai, and Sri Trang Indochina, respectively.

- **Marketing and Distribution Channels of Rubber Gloves**



The Company produces and distributes natural rubber gloves and nitrile gloves, both domestically and internationally, with most of the revenue coming from exports. The Company's key markets include Thailand, the United States, European countries, Japan, Germany, and China.

The Company sells rubber glove products directly to customers and through agents in various markets globally, as well as through modern trades, convenience stores, and various online channels. In order to expand the customer base and strengthen the Company's rubber gloves products, the trading and distribution facilities were established in 5 countries, namely China, the United States, Singapore, Vietnam, Indonesia, and the Philippines, which are operated by the Company's subsidiaries, namely Shidong Shanghai Medical Equipment, Sri Trang USA, Sri Trang Responsible Gloves Supply Inc., Sri Trang Gloves (Singapore), Sri Trang Gloves Vietnam PT, Sri Trang Gloves Indo, and Sri Trang Gloves Philippines Inc., respectively.

Target Customers and Revenue by Geography

The Company has distributed the products to customers worldwide, mostly world-class tire producers. In the last 3 years, our sales revenue's portion by geography are as follows:

| Region | Sales Revenue | | | | | | | | |
|------------------------------|-----------------|--------------|------------------|--------------|------------------|--------------|--------------|---------|---------|
| | Million Baht | FY 2020 | Million Baht | FY 2021 | Million Baht | FY 2022 | Million Baht | Percent | Percent |
| Asia | 45,835.9 | 60.7 | 62,973.4 | 53.2 | 71,177.3 | 73.2 | | | |
| America | 11,688.8 | 15.5 | 25,501.0 | 21.6 | 15,987.5 | 14.4 | | | |
| Europe | 8,064.8 | 10.7 | 12,043.3 | 10.2 | 8,844.2 | 8.0 | | | |
| Others | 1,324.8 | 1.8 | 3,227.5 | 2.7 | 1,262.7 | 1.1 | | | |
| Total Export Markets | 66,914.3 | 88.7 | 103,745.2 | 87.7 | 97,271.7 | 87.9 | | | |
| Total Domestic Market | 8,564.4 | 11.3 | 14,530.2 | 12.3 | 13,385.0 | 12.1 | | | |
| Total Sales Revenue | 75,478.7 | 100.0 | 118,275.4 | 100.0 | 110,656.7 | 100.0 | | | |

During 2020-2022, no customer contributed more than 30 percent as total sales revenue.

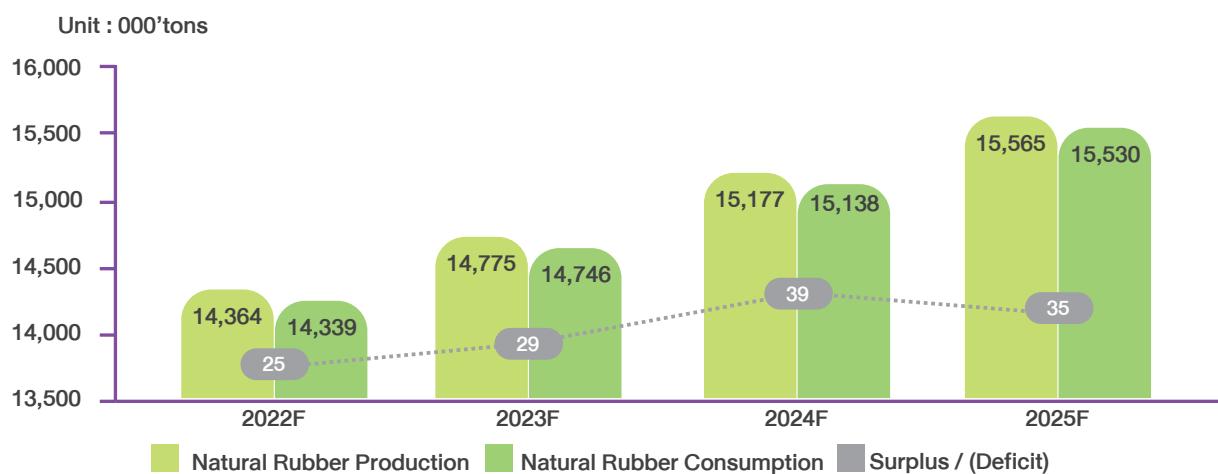
(2.2) Industry

(2.2.1) Natural Rubber Industry

Although in 2021 the global economy had started to recover from the breakthrough and the distribution of the vaccine for Covid-19, after a crisis in 2020 due to the worldwide lockdowns caused by the COVID-19 virus outbreak, which resulted in a global economic slowdown. In 2022, the global economy has faced new and challenging factors, including the war between Russia and Ukraine, which caused the prices of consumer goods, as well as inflation rates to increase, leading to another economic slowdown.

From the latest IRSG report*, it is predicted that the global natural rubber consumption in 2022 was 14.3 million tons, continuing to grow at a slower rate of 1.9 percent compared to 2021. It is expected that global natural rubber consumption will continue to grow at a higher rate of around 2.6-2.8 percent over the next 3 years. The average price of TSR20 rubber at the SICOM market throughout 2022 was 154.6 cents/kg, a decrease of 7.9 percent from 2021.

Global demand and supply of natural rubber during 2022-2025



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 2022

According to The World Rubber Industry Outlook, Review and Prospects to 2031 issued in August 2022 by the International Rubber Study Group (IRSG), global natural rubber consumption in 2022 is expected to be approximately 14.3 million tons, increasing slightly by 1.9 percent compared to 2021, due to the slowdown of the tire industry in China. The top three consumers are China, India, and the European countries.

For natural rubber production in 2022, it is estimated at 14.4 million tons, increasing by 4.3 percent compared to 2021, due to the expansion of production in the Mekong countries and Côte d'Ivoire which has become the world's fourth largest natural rubber producer. The top three natural rubber producers are Thailand, Indonesia, and Vietnam.

However, if we consider the production volume of the world's second-largest producer country, Indonesia, we find that in 2017, Indonesia had a natural rubber production volume of 3.50 million tons. Subsequently, when it faced the outbreak of leaf fall disease in rubber trees in late 2018, during a low natural rubber price period, most rubber trees lacked maintenance, leading to the continuous chronicity of the leaf fall disease, resulting in long-term damage to Indonesia's natural rubber production. Therefore, Indonesia's natural rubber production volume has gradually decreased, to 2.9 and 2.6 million tons in 2021 and 2022 respectively. Hence, the production volume from Indonesia is another factor that needs to be closely monitored.



Natural Rubber Demand and Supply in 2023

According to the IRSG, global NR demand is projected to increase by 2.8 percent to 14.7 million tons, with China remaining the world's largest consumer, followed by India, the European Union, the United States, and Thailand.

In terms of natural rubber production, IRSG predicted that the production in 2023 will be 14.8 million tons, a growth rate of 2.9 percent. Most of the increased production is expected to come from the Mekong countries and Côte d'Ivoire, which continue to show a continuous growth trend.

(2.2.2) Rubber Glove Industry

Rubber gloves are a widely used product in various industries, such as the medical industry, food industry, electronics industry, and beauty industry, since rubber gloves are considered one of the tools that help prevent the spread of disease, chemicals, and various contaminants effectively. Currently, rubber gloves produced and used widely can be categorized into 3 types based on the key raw materials used in their production, including powdered and powder-free latex gloves, nitrile gloves, and vinyl gloves.

Rubber Glove Demand and Supply in 2022

In the past, the demand for rubber gloves has continuously grown in every industry, on average by 8 percent to 12 percent per year. This includes the medical industry, which is the main industry driving the demand for rubber gloves in the past, as well as other growing industries, both in terms of the variety of use and the volume, such as the food production and processing industry, electronics, restaurants, beauty services, and various touch-based service industries. During the COVID-19 pandemic, the demand for rubber gloves has skyrocketed rapidly, which is a much higher growth rate compared to the average growth rate before the pandemic. Nevertheless, the Company believes that the purpose of the rubber glove industry still has an average growth rate of between 8 percent to 12 percent per year compared

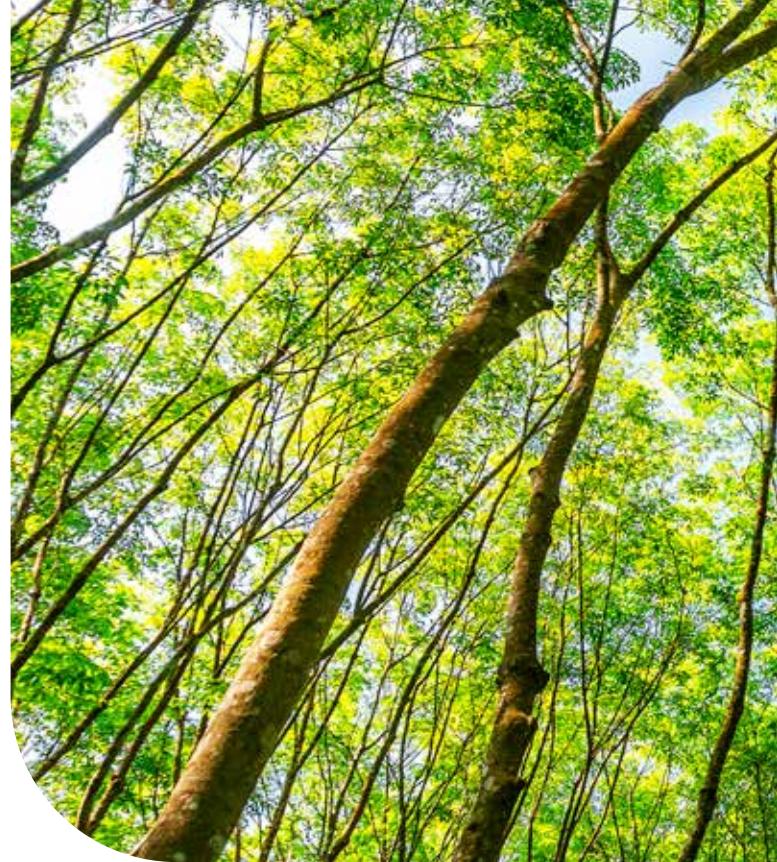
to the base year before the COVID-19 pandemic. This is due to two main factors: (1) the growth of healthcare industry and other industries and (2) the growth in usage of hygiene-related products across the world, especially among developing countries.

During 2020-2021, the COVID-19 pandemic caused the price of rubber gloves to rise significantly, drove the existing glove manufacturers to expand their production capacity, and attracted new players to the market. As a result, the supply of rubber gloves grew rapidly while demand continued to grow, but at a lower rate, resulting in an oversupply situation and causing the price of rubber gloves to drop significantly. It is expected that the market may take some time to reach equilibrium.

(2.3) Competition

"For more than a decade, the natural rubber industry has faced numerous challenges and pressures, including the low price of natural rubber, the volatility of natural rubber prices in the future market, the slowdown of the global and Chinese economy, as well as the COVID-19 pandemic in 2020, which caused many tire factories globally to suspend their operations for 6 to 12 weeks. The demand for natural rubber were affected, resulting in a decline to its lowest since 2018. Given the negative factors that occurred from 2011 – 2022, various competitors had to encounter financial and production problems, leading them to exit the industry. Thus, the Company has the potential to expand our market share. The key factors that give the Company competitive advantages in this industry are the world's largest production capacity, the quality of the products, the ability to conduct research and development (R&D) of new products in collaboration with customers, diverse geographical locations, experienced management team, and access to the lowest financial cost in the industry."

The Company is the world's largest producer of natural rubber products with a market share of 11 percent of the world's natural rubber consumption in 2022. The Company's business is based in the top 3 natural rubber producing and exporting countries in the world, which are Thailand, Indonesia, and Vietnam. The main competitors of the Company in the natural rubber business are Thai Hua Rubber Public Company Limited, Halcyon Agri Corporation (Sinochem Group), and China Hainan Rubber Industry Group Co., Ltd. In the rubber glove business, operations are conducted by Sri Trang Gloves (Thailand) Public Company Limited ("STGT"), a subsidiary of the Company, which is the world's leading rubber glove producer with an



annualized installed capacity of approximately 52.5 billion pieces per year as of 31 December 2022. STGT's main competitors are in Malaysia and China, such as Top Glove, Hartalega, Supermax, Kossan, Intco Medical Technology, and Blue Sail Medical.

The large-scale production capacity enables the Company to benefit from the economy of scale, giving us the bargaining power towards both customers and suppliers, increasing our competitiveness in product quality improvement, and increasing the potential to access various sources of funding.

As a midstream producer in the NR industry, it is crucial that we are able to effectively coordinate our upstream and downstream operations. Therefore, the Company strategically set up production bases in Thailand and Indonesia, the world's two largest NR-producing countries, accounting for more than 60 percent of the world's natural rubber production, as well as in Myanmar where there is strong growth potential. Additionally, the Company has a strong network for sourcing raw materials in key areas. Moreover, in 2022, the Company established a subsidiary in Cote d'Ivoire due to the growth potential of natural rubber production in this area. In the procurement of raw materials, the Company has implemented "**SRI TRANG FRIENDS**" and



“SRI TRANG FRIENDS STATION”

“SRI TRANG FRIENDS STATION” applications to purchase natural rubber, the key raw material, in Thailand, to emphasize our leadership in the rubber industry. For distribution, the Company has established subsidiary companies and affiliated companies in key countries such as China, Singapore, Indonesia, and Vietnam to operate the distribution process in such countries, together with global standard quality products, the Company is able to sell natural rubber products to tire manufacturers and rubber glove consumers worldwide.

The Company has business bases in various countries, as well as a sales and marketing team with extensive experience, enabling the Company to provide excellent customer service and to respond to customers' needs from all over the world promptly and effectively. In addition, the Company strives to achieve zero customer complaints by establishing a systematic complaint-handling process and addressing any complaints promptly.



The Company's management team has extensive experience and expertise for over 30 years in the natural rubber industry, which is another competitive advantage the Company has over the competitors. In terms of determining the business direction, planning operations, and effective risk management systems to minimize the impact of various fluctuations related to the Company's business, the natural rubber entrepreneur must have a good understanding of other relevant factors such as the global economic situation, changes in supply and demand, exchange rate movement, the trend of oil prices, and government policies. Hence, the Company believes that the management's thorough understanding of the natural rubber industry and skills will help increase competitiveness and profitability and strengthen our position as the world's leading natural rubber company.



Business Strategy and Future Growth Plan for the Next 3 to 5 Years

STA's leadership in the natural rubber industry was contributed by our world's largest production capacity, raw material procurement centers, production plants, and sales offices located in strategic areas around the world, as well as the expansion of factories in the north-eastern region of Thailand, which is considered an area rich with new rubber plantations, high growth potential, and low competition in the procurement of raw materials. In addition, STA's leading status also resulted from the low rubber prices or high volatility period that made many intermediate natural rubber producers have stopped, slowed down, or ceased operations, along with STA's teamwork from the sales team, research and development team, quality assurance team, and sustainability team that collaboratively develop outstanding products and services, coupled with a focus on sustainability in all aspects, including the environment, society, and governance, which is one of the factors that customers give importance to. Hence, it is the opportunity for the Company to expand its market share and increase sales volume while generating profits amid the fluctuations in the price of natural rubber. Currently, the Company has a 11 percent market share of the global demand for natural rubber in 2022 and still set a goal for continuous growth in the future. The

Company aims to increase production capacity from 2.81 million tons per year in 2021 to 3.18 million tons per year in 2022 and reach a target of 4.24 million tons per year by 2024 to prepare for market share expansion and continuous growth of the business in the future.

For the glove business, the Company is determined to increase our potential and utilize our competitive advantage which is the access to raw materials such as concentrated latex with a superior quantity and quality. The Company focuses on developing natural latex gloves as a priority while maintaining the production ratio of nitrile gloves for both medical and industrial uses. The Company has a strategic plan to have flexibility in production lines, allowing for changes between the production of natural latex gloves without powder and nitrile gloves to meet the diverse customers' needs worldwide. In 2022, the Company had a market share of more than 7.2 percent of the global demand for rubber gloves. The Company has expanded its annualized installed capacity from 40.3 million pieces per year in 2021 to 52.5 million pieces per year in 2022 and aims to reach an installed capacity of 56.0 million pieces per year by 2024. Furthermore, the Company focuses on expanding its product lines to meet the needs of consumers, such as non-detectable protein latex gloves, surgical gloves, and specialty gloves for specific uses.

Moreover, the focus on effective management through the integration of technology such as automation system, sensor system, and the development of artificial intelligence in order to become a 'Smart Factory' will further enhance our position as a leader in the natural rubber industry, leaving competitors behind. This will help us achieve our ultimate goal of becoming "STA 20," which refers to achieving a 20 percent market share of the global demand for natural rubber products and gloves.

(2.3) The Company's Key Strengths



1. The World's largest natural rubber processing company

With an installed capacity of 3.18 million tons per annum (as of 31 December 2022), STA 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 11 percent of global natural rubber consumption, and 33 percent of Thailand natural rubber production in 2022. We also benefit from the economy of scale and gain bargaining power toward suppliers and customers thanks to our large production capacity.



2. Fully integrated business model along the supply chain

The fully integrated business model along the supply chain of the natural rubber industry, from rubber plantation, and rubber processing to the manufacture of finished products, i.e. examination gloves, provide us with synergy and insights that enable us to effectively manage our operations and promptly 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 product, to become rubber gloves which is one of our core businesses. These reflect STA's focus to become ***"a fully integrated natural rubber company and emphasize our position as a leading player in the natural rubber business globally".***



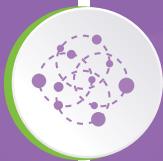
3. Extensive Network of Sales and Distribution

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, 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 2 countries are the world's top natural rubber producers, collectively accounting for around 50-60 percent of global production volume. Moreover, the Company has also established a subsidiary in Cote d'Ivoire, which has the potential for growth in natural rubber production.



5. Cutting-Edge technology and strong R&D capabilities

Having cutting-edge technology and strong R&D capabilities helps increase efficiency and effectiveness in production for the Company continuously. In addition, the Company's research and development team and customers are able to work directly together, which enables the Company to produce products tailored to each customer's specific needs.



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. Listing on both the Stock Exchange of Thailand (SET) and the Singapore Exchange Ltd (SGX)

Being listed on both the SET (primary listing) and the SGX (secondary listing) provides us access to various 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

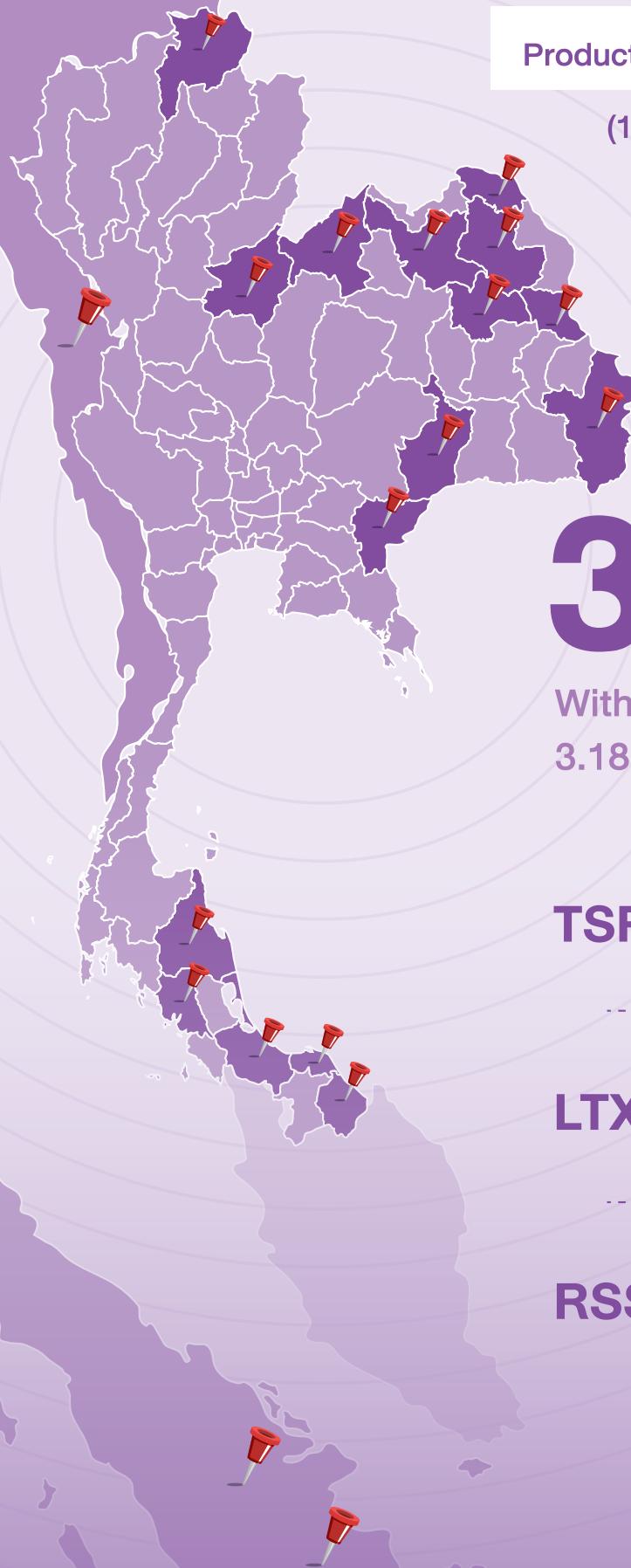
With over 3 decades of experience in the natural rubber industry, our management is well versed in the minutiae of the natural rubber industry and able to skillfully navigate any challenges facing our operations and steer the business to success.



Products and Services

(1) Natural Rubber Products

As of 31 December 2022, we have a total of 35 production facilities, 31 in Thailand, 3 in Indonesia, and 1 in Myanmar with an estimated total installed capacity of approximately 3.18 million tons of Natural Rubber Products per annum.



35 Processing Facilities

With Installed Capacity
3.18 Million Tons per Annum

TSR  **24** Processing Facilities

LTX  **8** Processing Facilities

RSS  **3** Processing Facilities

In 2022, the utilization rate of natural rubber production capacity was at 70 percent, which remained unchanged compared to the previous year since the Company has been continuously expanding its production capacity, from 2.81 million tons at the end of 2021 to 3.18 million tons at the end of 2022. Thus, the utilization rate remains unchanged even though the production volume has increased by more than 8 percent.

Raw Materials Procurement and Management

Types of Suppliers



- 95%** 3405 Individual Rubber Dealers / Juristic Entities
- 4%** 35 Cooperatives / Group of Rubber Farmers / Central Rubber Markets
- 1%** 663 Rubber Farmers

Sri Trang's Procurement Centers

- 48** Centers in Thailand
- 16** Centers in Indonesia and Myanmar

Application
SRI TRANG FRIEND



Raw Materials Purchased by Location



- 88%** Domestic
- 12%** Aboard

Raw Materials Purchased by Type



- 85%** Cup Lump
- 10%** Fresh Latex
- 5%** Unsmoked Rubber Sheet

The main raw materials used in the production of TSR, RSS, and concentrated latex are cup lumps, unsmoked rubber sheets, and fresh latex, respectively. In that order, each raw material accounted for 85 percent, 5 percent, and 10 percent of the total raw materials purchased during the fiscal year ended 31 December 2022. For effective raw material management, the Company has established procurement centers both in Thailand and Indonesia, which are strategically important locations close to raw material sources. The portion of domestic to foreign raw material procurement was 88:12.

The Company raw material procurement mostly comes from rubber dealers. However, the Company also purchases from farmers, groups of farmers and cooperatives, or central rubber markets where farmers directly sell the raw materials. The Company procures raw materials through various channels, including through our procurement centers located in strategic areas. In addition, the Company procures raw materials through the **"SRI TRANG FRIENDS"** application, which is very well-received in Thailand. In 2022, the Company's raw material procurement in Thailand was all procured through this application, which increased significantly from 27.6 percent in 2019, when it was launched. In 2022, the Company built on success by launching a new application **"SRI TRANG FRIENDS STATION"** to serve natural rubber dealers who are the middlemen between the Company and the farmers. In

addition, a new service "Super Driver" was also launched to facilitate the delivery process by assigning service agents to collect various types of natural rubber for delivery to Sri Trang Group's factories.

The overall raw material procurement in 2022, the Company purchased rubber from 663 rubber farmers which accounted for 1 percent of the total raw material procurement volume, from 3,405 rubber dealers which accounted for 95 percent of the total raw material procurement volume, and from 35 groups of farmers, cooperatives, and central rubber markets which accounted for 4 percent of the total raw material procurement volume. No raw material suppliers or natural rubber products were purchased by the Company, with more than 3 percent of the Company's raw material procurement volume in the past year. Apart from natural rubber products purchased from Thai Tech, a joint venture of the Company, that accounted for 4.4 percent of the total raw material procurement volume in the fiscal year ended 31 December 2022.

The procurement team is also responsible for quality assurance of incoming raw materials to be used in the Company's production process meet the Company's specifications and are subject to strict inspection and testing before accepting the raw materials to ensure that the incoming raw materials meet the quality specifications and have dry rubber that complies with the Company's standards.

(2) Glove Products

As of 31 December 2022, Sri Trang Gloves (Thailand) has 6 factory locations in 4 provinces, namely Songkhla, Surat Thani, Trang, and Chumphon, and has an annualized installed production capacity of approximately 52.5 billion pieces per annum. As a result, STGT is the largest producer of medical gloves in Thailand and is one of the world-leading natural latex and nitrile gloves producers.



In 2022, the utilization rate of the glove factory was at 65 percent, a decrease from 87 percent in the previous year. The decline was due to a significant increase in production capacity by both STGT and competitors, which resulted from the COVID-19 pandemic that caused the price of rubber gloves to rise significantly, attracting more players to the market. Meanwhile, existing competitors also expanded their production capacity, resulting in a decrease in the utilization rate.

Raw Material Management

The base raw materials used in the rubber glove production are concentrated latex and synthetic latex. The primary source for natural rubber latex is Sri Trang Group, while synthetic rubber latex is procured from external companies.



Operating assets

(1) Fixed Assets of the Company

As of 31 December 2022, 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 50,431.9 million baht or 43.1 percent of the total assets. The details are as follows:

| Descriptions | Book Value Less Accumulated Depreciation as of 31 December 2022 ¹ | Contingent Liabilities 31 December 2022 |
|---|---|--|
| Land and land improvement | 13,437.2 | - |
| Economic tree plantations | 2,546.6 | - |
| Buildings and structures | 7,625.2 | - |
| Machinery and equipment | 9,082.8 | - |
| Vehicles | 555.1 | - |
| Fixtures and office equipment | 131.4 | - |
| Assets under construction and installation | 17,053.6 | - |
| Total net book amount | 50,431.9 | - |

Note:

¹ As of 31 December 2022, all property, plant and equipment assets are owned by the company except land and land improvements leased by the Company equals to 263.3 million baht.



(2) Intangible Assets

The Company used intangible assets in its business operations. As of 31 December 2022, the net book value of the intangible assets is 457.3 million baht or 0.4 percent of the total assets consist of computer software.

(3) Policies on Investment in Subsidiary and Associate Companies

STA has an investment policy to become a leader in the rubber industry. Investing in joint ventures enables STA to develop to be a fully integrated business, increasing the value of its products or obtaining services that support various aspects of its business for the overall benefit of the Company. The joint venture investment decisions are carried out in accordance with the economic conditions at the time.

For policy on investment in subsidiary and associate companies, the Company has established an investment policy with the details as follows:

1) Policy on investment in subsidiary and associate companies

The Company has a policy to invest in businesses that align with its goals, visions, and growth strategies to enhance operational results or profitability. The Company intends to invest in businesses with synergy to the Company to improve the competitiveness, and help the Company achieve the goal of becoming a leader in its core business. Furthermore, the Company, its subsidiaries, and associates may consider investing in other businesses if they have growth potential or can enhance the existing business or are beneficial to the Group, which can generate good returns on investment. The Company, its subsidiaries, and associates will analyze the feasibility of the investment, potential, and risk factors associated with the investment, with a proper investment analysis that must be agreed upon and/or approved by, the Executives, the Board of Directors, or the Company's shareholders meeting (as applicable). 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.

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:

| Natural Rubber Products | | | | |
|-------------------------|-----------|--|-------------------------------|--------------------|
| Company | Country | Type of Business | Direct Shareholding (Percent) | Paid-up Capital |
| 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 | 42.51 ³ | Baht 60,000,000 |
| Sri Trang Ayeyar | Myanmar | Production of SMR - block rubber | 59.00 ⁴ | USD 1,000,000 |



Gloves Products

As of 31 December 2022

| Company | Country | Type of Business | Direct Shareholding (Percent) | Paid-up Capital |
|---|-------------|---|-------------------------------|--------------------|
| Sri Trang Gloves (Thailand) PLC. | Thailand | Production of examination gloves | 50.61 ⁵ | Baht 1,432,589,955 |
| Shidong Shanghai Medical Equipment | 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 | Singapore | Asset management and investment management | - ⁶ | USD 180,000,000 |
| Sri Trang Gloves (Singapore) | Singapore | Glove distribution in Singapore and research and development (R&D) | - ⁶ | USD 1,000,000 |
| Sri Trang Gloves Vietnam | 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 |
| Sri Trang Responsible Gloves Supply, Inc. | USA | Glove distribution in USA | - ⁶ | USD 500,000 |
| Sri Trang Gloves Philippines Inc. | Philippines | Glove distribution in Philippines | - ⁹ | PHP 10,470,100 |



Other Finished Products

As of 31 December 2022

| Company | Country | Type of Business | Direct Shareholding (Percent) | Paid-up Capital |
|-----------------|----------|---|-------------------------------|------------------|
| Semperflex Asia | Thailand | Production of high-pressure hydraulic hoses | 37.50 ¹⁰ | Baht 380,000,000 |



Rubber Product Trading/Distribution

As of 31 December 2022

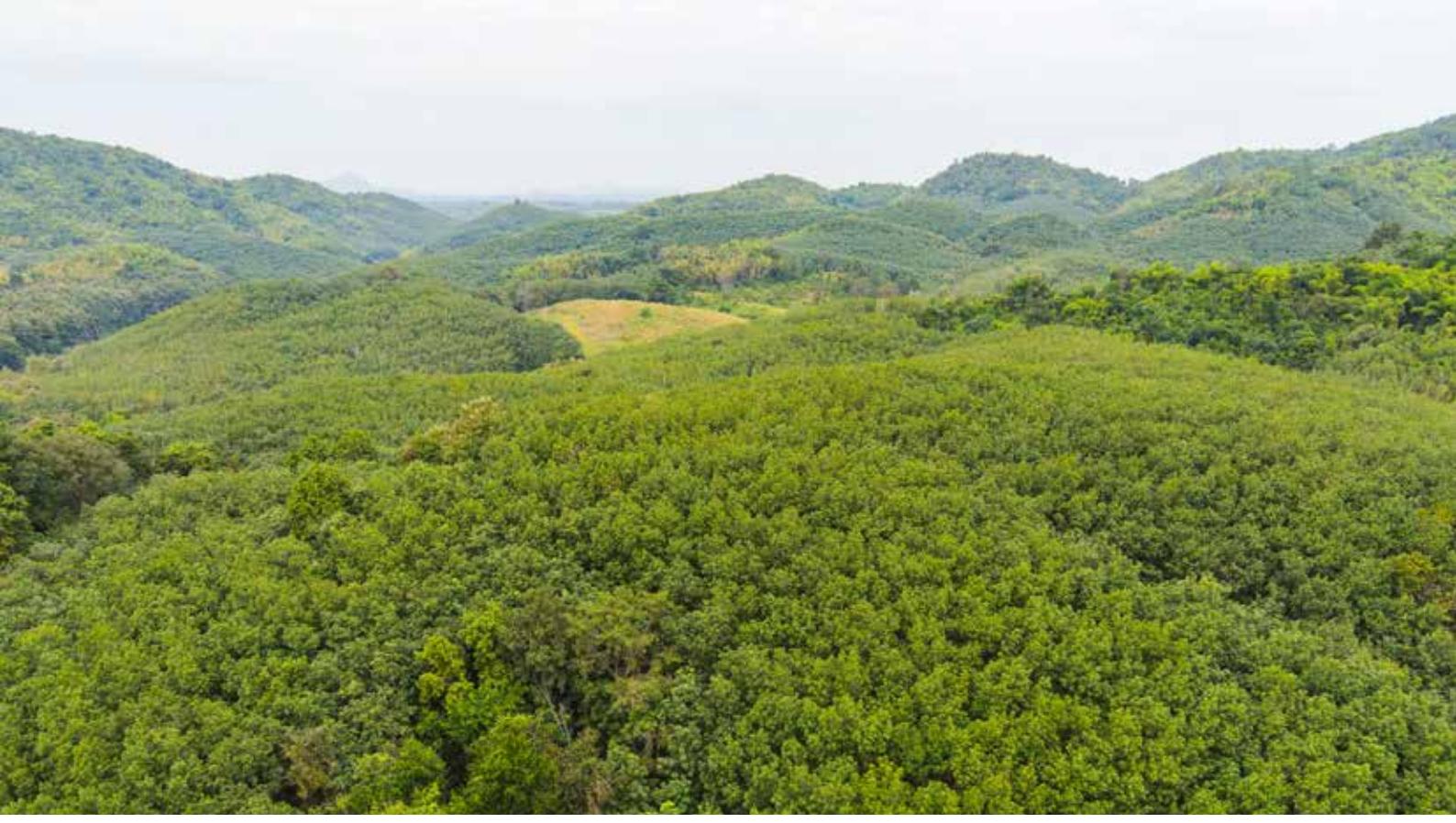
| Company | Country | Type of Business | Direct Shareholding (Percent) | Paid-up Capital |
|-------------------------|---------------|--|-------------------------------|------------------|
| Sri Trang International | Singapore | Natural rubber and gloves distribution | 99.99 ¹¹ | USD 61,000,000 |
| Shi Dong Shanghai | PRC | Natural rubber distribution in PRC | 100.00 | USD 5,000,000 |
| Sri Trang Indochina | Vietnam | Natural rubber distribution in Vietnam | 99.99 ¹² | USD 1,000,000 |
| Sri Trang Africa SA | Cote d'Ivoire | Trade and Export Rubber and Raw Material | 100.00 | F.CFA 10,000,000 |



Other businesses

As of 31 December 2022

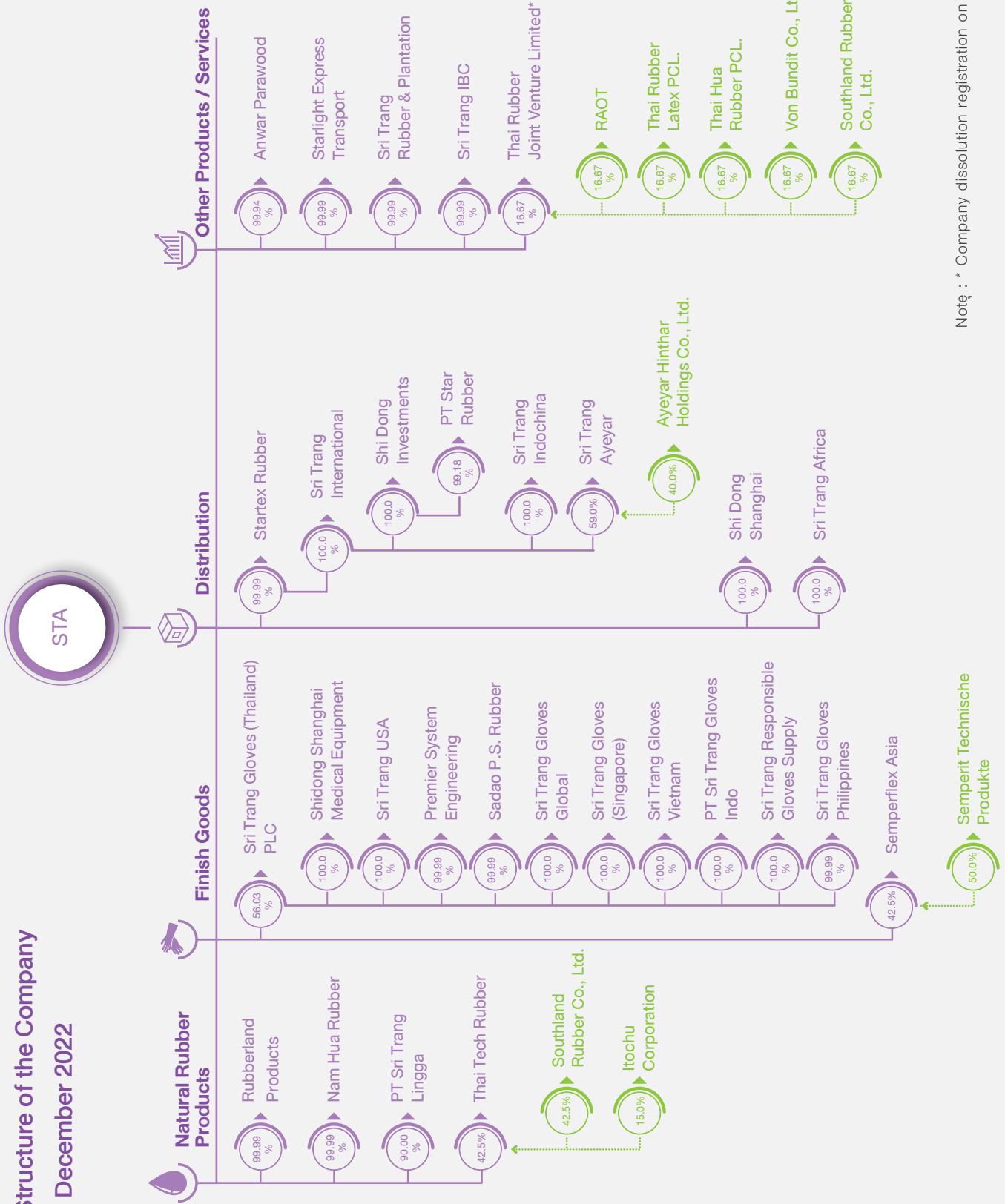
| Company | Country | Type of Business | Direct Shareholding (Percent) | Paid-up Capital |
|---|-----------|--|-------------------------------|--------------------|
| Anvar Parawood | Thailand | Lumber production and manufacture of wooden furniture | 99.94 ¹³ | Baht 10,000,000 |
| Startex Rubber | Thailand | Ownership and management of rubber and oil palm plantations and investment | 99.99 ¹⁴ | Baht 2,197,876,500 |
| Starlight Express Transport | Thailand | Transportation services and import/export documentation services | 79.99 ¹⁵ | Baht 15,000,000 |
| Sri Trang Rubber & Plantation | Thailand | Ownership and management of rubber plantations and other economic crops | 99.99 | Baht 7,205,000,000 |
| Shi Dong Investments | Singapore | Investment holding in PT Star Rubber | 99.99 ¹⁶ | USD 58,000,000 |
| Thai Rubber Joint Venture Limited ¹⁸ | Thailand | Domestic and international trade of rubber | 16.67 ¹⁷ | 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 percent
2. Held by Shi Dong Investments 99.18% and the remaining shares are held by Mr. Lee Paul Sumade 0.82 percent
3. Held by STA 42.50 percent and the remaining shares are held by Southland Rubber Co., Ltd. (which is not a person who may have conflicts of interest) 42.50 percent, Itochu Corporation Limited (which is not a person who may have conflicts of interest) 15.00 percent, 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 percent and the remaining shares are held by Ayeyar Hintha Holdings Co., Ltd. 40.00 percent and Mr. Kitichai Sincharoenkul 1.00 percent
5. Directly held by STA 50.61 percent and indirectly held by Rubberland Co., Ltd. which is a subsidiary of the Company 5.42 percent
6. Directly held by Sri Trang Gloves (Thailand) PLC. 100.00 percent
7. Held by STGT 99.99 percent and the remaining shares are held by Mr. Phanlert Wangsuphadilok (3 shares) and Mr. Aram Sirisuwat (1 share)
8. Held by STGT 99.99 percent 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 Sinchareonkul (1 share), and Mr. Kitichai Sincharoenkul (1 share)
9. Held by STGT 99.99 percent
10. Held by STA 37.50 percent and the remaining shares are held by Semperit Technische 50.00 percent, Rubberland Co., Ltd. 5.00 percent, Sri Tang Holdings 5.00 percent, Paktai Rubber 2.50 percent, Ms. Poonsuk Cherdkiatgumchai (2 shares), Mrs. Promsuk Sinchareonkul (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)
11. Held by Startex Rubber 100.00 percent
12. Held by Sri Trang International 100.00 percent which wholly owned by Startex Rubber 100.00 percent
13. Held by STA 99.94 percent 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)
14. Held by STA 99.99 percent and the remaining shares are held by Mr. Somporn Punnarai (1 share) and Mrs. Promsuk Sinchareonkul (1 share)
15. Held by STA 79.99 percent and the remaining shares are held by Rubberland Products 13.33 percent, Nam Hua 3.33 percent, Startex Rubber 3.33 percent, Phrueksa Mansion Ltd. (1 share), and Mr. Boonyachon Sincharoenkul (1 share)
16. Held by Sri Trang International 100.00 percent which wholly owned by Startex Rubber, 100.00 percent
17. Held by STA 16.67 percent 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 percent, Thai Rubber Latex Corporation (Thailand) Public Co., Ltd. 16.67 percent, Thai Hua Rubber Public Co., Ltd. 16.67 percent, Von Bundit Co., Ltd. 16.67 percent, Southland Rubber Co., Ltd. 16.67 percent, Mr. Teetatch Suksa-ard (1 share), Mr. Vitchaphol Sincharoenkul (1 share), Mr. Patharaphol Wongasuthikul (1 share), Mr. Korakot Kittiphol (1 share), Mr. Bundit Kerdvongbundit (1 share), and Mr. Chamnan Nopakhunkachon (1 share).
18. Company dissolution registration on 8th March 2022

**Group Structure of the Company
as of 31 December 2022**





Information of juristic persons in which the Company holds more than 10 percent of the issued shares of such juristic persons as of 31 December 2022

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 percent

Anvar Parawood

| | |
|------------------|---|
| Head Office | : 101 Moo 3, Padangbazar Road, Samnuk Kham Subdistrict, Sadao District, Songkhla Province, Thailand |
| Branch Office | : 1. 369 Moo 7, Huai Nang Subdistrict, Huai Yot District, Trang Province, Thailand 2. 395 Moo 2, Non Sombun Subdistrict, Mueng Bueng Kan District, Bueng kan Province, Thailand 3. 28 Moo 11, Nong Phra Subdistrict, Wang thong District, Phitsanulok 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 percent

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. 17 th 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 percent

Sri Trang Gloves (Thailand)

| | |
|-------------------------|--|
| Head Office | : 110 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. 17 th 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, Kanchanadit 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, Kanchanadit 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 percent

Subsidiaries of Sri Trang Gloves (Thailand) Public Company Limited

Shidong 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 | : | +86 21 64137860-616 |
| Fax | : | +86 21 64137315 |
| Type of Shares | : | Ordinary shares |

Total number of shares directly held by STGT : 100.00 percent

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 and Canada |
| Telephone | : | +1 813 606 4301 |
| Fax | : | +1 813 606 4314 |
| Type of Shares | : | Common stock |

Total number of shares directly held by STGT : 100.00 percent

Premier System Engineering

| | | |
|------------------|---|---|
| Head Office | : | 123 Moo 8, Kanjanavanit Road, Ban Phru Subdistrict, Hatyai District, Songkhla Province, Thailand |
| Branch Office | : | 133 Rakpru Road, Ban Phru 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 : 499,996 shares or 99.99 percent

Sadao P.S. Rubber

| | | |
|------------------|---|---|
| Head Office | : | 207/1 Padangbezar 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 : 399,994 shares or 99.99 percent

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 : 180,000,000 shares or 100.00 percent

**Sri Trang Gloves
(Singapore)**

| | | |
|------------------|---|---|
| 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 : 1,000,000 shares or 100.00 percent

**Sri Trang Gloves
Vietnam**

| | | |
|------------------|---|---|
| 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 | : | +84 83 821 6869 |
| Fax | : | +84 83 821 6877 |
| Type of Shares | : | Ordinary shares |

Total number of shares directly held by STGT : 100.00 percent

**PT Sri Trang
Gloves Indo**

| | | |
|------------------|---|--|
| 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 : 1,000,000 shares or 100.00 percent

**Sri Trang
Responsible
Gloves Supply,
Inc.**

| | | |
|------------------|---|---|
| Head Office | : | 100 S. Saunders Rd, Ste, 178 Lake Forest, IL 60045, USA |
| Type of Business | : | Distribution of rubber gloves in USA |
| Telephone | : | +1 847 340 3487 |
| Fax | : | N.A. |
| Type of Shares | : | Ordinary shares |

Total number of shares directly held by STGT : 5,000 shares or 100.00 percent

**Sri Trang
Gloves
Philippines, Inc.**

| | | |
|------------------|---|--|
| Head Office | : | 32 nd Floor, Unit 3207, Robinsons Equitable Tower, ADB Avenue corner, Poveda Street, Ortigas Center, Pasig City, Philippines |
| Type of Business | : | Distribution of rubber gloves in Philippines |
| Telephone | : | +63 919 0006533 |
| Fax | : | N.A. |
| Type of Shares | : | Ordinary shares |

Total number of shares directly held by STGT : 104,701 shares or 100.00 percent

**Semperflex
Asia**

| | |
|------------------|---|
| 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 percent

**Starlight
Express
Transport**

| | |
|------------------|--|
| 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 percent

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 | : 0 2259 2964-71 |
| Fax | : 0 2259 2958 |
| Type of Shares | : Ordinary shares |

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

**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 Mueang Phet Subdistrict, Sikao District, Songkhla Province, Thailand 3. 6 Moo 2, Thakamcham Subdistrict, Nongjig 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 42.51 percent

**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 percent

**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 percent

**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 percent

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 percent

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 Interest | : Equity |

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

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 | : +84 83 821 6869 |
| Fax | : +84 83 821 6877 |
| Type of Shares | : Ordinary shares |

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

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, Kec. Jujuhan, Kab. Muara Bungo, Jambi, Indonesia |
| 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 percent

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 percent

Thai Rubber Joint Venture Limited

| | | |
|------------------|---|--|
| Head Office | : | 67/25 Bangkhunnon Road, Bangkhunnon, 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 percent

Note: Company dissolution registration on 8th March 2022

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 percent

Sri Trang Africa

| | | |
|------------------|---|--|
| Head Office | : | Résidence Cedric, Enceinte centre commercial prima center, Rue Lumière, Appartement Baleares, 2ème étage, Abidjan, Côte d'Ivoire |
| Type of Business | : | Trade and Export Rubber and Raw Material |
| Telephone | : | +225 2724357144 |
| Fax | : | N/A |
| Type of Shares | : | Ordinary shares |

Total number of shares directly held by STA : 1,000 shares or 100 percent

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

None

1.3.3 Relationship between major shareholders and Group business

None

1.3.4 Shareholders

Major shareholders

The top 10 largest shareholders¹ of STA according to the book closure date as of 24 August 2022, are as follows:

| No | Name | No. of Shares | Shareholding (Percent) |
|-----|---|---------------|------------------------|
| 1 | STH | 343,790,629 | 22.38 |
| 2 | Sincharoenkul family ² | 279,302,216 | 18.18 |
| 3 | Thai NVDR Co., Ltd | 131,173,363 | 8.54 |
| 4 | Mrs. Promsuk Sinchareonkul | 45,300,000 | 2.95 |
| 5 | CITIBANK NOMS SPORE PTE LTD | 40,443,321 | 2.63 |
| 6 | Mr. Sompob Tingthanathikul | 22,000,000 | 1.43 |
| 7 | CITIGROUP GLOBAL MARKETS LIMITED-PB CLIENT-NRBS COLLATERAL | 21,126,635 | 1.38 |
| 8 | Mrs. Voradi Sincharoenkul | 14,776,364 | 0.96 |
| 9 | SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED | 14,378,675 | 0.94 |
| 10 | LGT BANK (SINGAPORE) LTD | 13,491,640 | 0.88 |
| รวม | | 925,782,843 | 60.27 |

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 | Shareholding (Percent) |
|------------|------------------------------|--------------------|---------------------------|
| 1 | Mr. Viyavood Sincharoenkul | 132,987,509 | 8.66 |
| 2 | Ms. Lee Joyce Shing Yu | 29,117,690 | 1.90 |
| 3 | Mr. Vitanath Sincharoenkul | 24,856,500 | 1.62 |
| 4 | Mr. Vitchaphol Sincharoenkul | 23,500,000 | 1.53 |
| 5 | Mr. Veerasith Sinchareonkul | 22,500,000 | 1.46 |
| 6 | Mr. Kitichai Sincharoenkul | 17,664,084 | 1.15 |
| 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 |
| รวม | | 279,302,216 | 18.18 |

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 as of 24 August 2022, are as follows;

| No | Name | No. of Shares (Par value of Baht 10 each) | Direct Shareholding (Percent) |
|--------------|--------------------------------------|--|----------------------------------|
| 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 2022, 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 (Primary Listing) and SGX-ST (Secondary Listing).



1.5 Issuing Other Securities

Debt Securities

Debentures

On 31 December 2022, STA had 21 tranches of outstanding debentures, totaling a principal of 25,338 million baht. The details of the debenture of Sri Trang - Agro Industry Public Company Limited are as follows:

Bill of Exchange

As of 31 December 2022, the Company has no outstanding bill of exchange.

| No. 1/2021 | Tranche 1 | Tranche 2 | Tranche 3 |
|--------------------|---|--|--|
| Distribution | Institutional and High Net Worth Investors | | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | | |
| Issuing Amount | 1,000 million baht | 1,800 million baht | 700 million baht |
| 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 Payment | 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. | | |

| No. 2/2021 | Tranche 1 | Tranche 2 |
|--------------------|---|--|
| Distribution | Institutional and High Net Worth Investors | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | |
| Issuing Amount | 1,500 million baht | 500 million baht |
| Interest Rate | Fixed interest rate at 1.79% per annum | Fixed interest rate at 2.75% per annum |
| Interest Payment | Semi-annually | |
| Term | 3 years | 4 years |
| Maturity Date | 22 July 2024 | 22 July 2025 |
| Credit Rating | A / Stable by Tris Rating Co., Ltd. | |

| No. 3/2021 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 |
|--------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Distribution | Institutional and High Net Worth Investors | | | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | | | |
| Issuing Amount | 1,000 million baht | 1,000 million baht | 1,250 million baht | 1,250 million baht |
| 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 Payment | 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 / Stable by Tris Rating Co., Ltd. | | | |

| No. 1/2022 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|--------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Distribution | Institutional and High Net Worth Investors | | | | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | | | | |
| Issuing Amount | 2,000 million baht | 500 million baht | 1,000 million baht | 2,000 million baht | 1,500 million baht |
| Interest Rate | Fixed interest rate at 2.08 per annum | Fixed interest rate at 2.85 per annum | Fixed interest rate at 3.56 per annum | Fixed interest rate at 3.94 per annum | Fixed interest rate at 4.17 per annum |
| Interest Payment | Semi-annually | | | | |
| Term | 3 years | 5 years | 7 years | 10 years | 12 years |
| Maturity Date | 31 March 2025 | 31 March 2027 | 31 March 2029 | 31 March 2032 | 31 March 2034 |
| Credit Rating | A / Stable by Tris Rating Co., Ltd. | | | | |

| No. 2/2022 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | |
|--------------------|---|-----------|-----------|-----------|--|
| Distribution | Institutional and High Net Worth Investors | | | | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | | | | |
| Issuing Amount | 1,180 million baht | | | | |
| Interest Rate | Fixed interest rate at 3.94 per annum | | | | |
| Interest Payment | Semi-annually | | | | |
| Term | 10 years | | | | |
| Maturity Date | 21 April 2032 | | | | |
| Credit Rating | A / Stable by Tris Rating Co., Ltd. | | | | |

| No. 3/2022 | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | |
|--------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|--|
| Distribution | Institutional and High Net Worth Investors | | | | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | | | | |
| Issuing Amount | 1,000 million baht | 2,400 million baht | 1,100 million baht | 1,000 million baht | |
| Interest Rate | Fixed interest rate at 2.89 per annum | Fixed interest rate at 3.69 per annum | Fixed interest rate at 3.94 per annum | Fixed interest rate at 4.16 per annum | |
| Interest Payment | Semi-annually | | | | |
| Term | 3 years | 5 years | 7 years | 10 years | |
| Maturity Date | 27 July 2025 | 27 July 2027 | 27 July 2029 | 27 July 2032 | |
| Credit Rating | A / Stable by Tris Rating Co., Ltd. | | | | |

| No. 4/2022 | Tranche 1 | Tranche 2 |
|--------------------|---|-----------|
| Distribution | Public Offering | |
| Type of Debentures | Name-registered, unsubordinated and unsecured debentures with a debenture holders' representative | |
| Issuing Amount | 678.7 million baht | |
| Interest Rate | Fixed interest rate at 3.55 per annum | |
| Interest Payment | Semi-annually | |
| Term | 4 years | |
| Maturity Date | 4 November 2026 | |
| Credit Rating | A / Stable by Tris Rating Co., Ltd. | |

On 8 July 2022, Tris Rating Co., Ltd. assigned A / Stable rating for STA and the issued debentures.

1.6 Dividend Policy

Dividend Policy of STA

The Company has a dividend policy to pay a dividend of approximately 30 percent of net profit, but not in excess of the retained earnings in the Company's separate financial statements. In determining dividend payment, various factors are taken into consideration, including STA's financial position, operation results, cash flows, the ability of STA's subsidiaries, associates, and joint ventures to pay a dividend, expected working capital to support STA's future growth, economic conditions, and other external factors that may have an impact on the business operations.

Dividend Policy of Subsidiaries

The dividend payment of 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 specify the percentage of dividend payment of each subsidiary. The dividend paid by the subsidiaries depends on the business profits, financial position, and future investment plans, and shall be in accordance with its Articles of Association and the relevant laws of each subsidiary.

Information of Dividend Payment for the Year 2014 – 2022

| Operating Year | Number of Share | Par Value (Baht) | Earnings per Share (Baht) | Dividend per Share (Baht) | Total Dividend Payment (Baht) | Dividend Payout Ratio (Percent) |
|----------------|-----------------|------------------|---------------------------|---------------------------|-------------------------------|---------------------------------|
| 2565* | 1,535,999,998 | 1 | 3.12 | 2.00 | 3,072,000,000 | 64.10 |
| 2564 | 1,535,999,998 | 1 | 10.32 | 4.15 | 6,374,400,000 | 40.21 |
| 2563 | 1,535,999,998 | 1 | 6.21 | 2.25 | 3,456,000,000 | 36.23 |
| 2562 | 1,535,999,998 | 1 | (0.10) | 0.35 | 538,000,000 | N/A |
| 2561 | 1,535,999,998 | 1 | 1.34 | 0.65 | 998,000,000 | 48.51 |
| 2560 | 1,535,999,998 | 1 | (1.05) | No Dividend Payment | | |
| 2559 | 1,280,000,000 | 1 | (0.59) | 0.40 | 512,000,000 | N/A |
| 2558 | 1,280,000,000 | 1 | 0.87 | 0.40 | 512,000,000 | 45.98 |
| 2557 | 1,280,000,000 | 1 | 0.81 | 0.40 | 512,000,000 | 49.38 |

Note : * The Board of Directors resolved to approve the interim dividend payment of 1.00 baht per share from the Company's operating result for the six-month period ended 30 September 2022. Moreover, On 17 February 2023, the Board of Directors resolved to approve the second dividend payment from the 2022 operating result at the rate of 1.00 baht per share. However, the right to receive such dividend is still not definite as it is subject to the approval of the 2023 Annual General Meeting of Shareholders which will be held on 10 April 2023.

2

Risk Management

2.1 Policy and Risk Management Plan

Due to complex and rapidly changing business environment which 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 established risk management at the level of business groups/lines or specific committees, for example;

| Regulatory Affair Committee | Sustainable Development Committee | Working Team for Complying with Personal Data Protection Act |
|---|--|--|
| is responsible for effectively considering, controlling, managing, communicating, and providing information to government entities in the same direction without any conflicts and to comply with laws and regulations. | is responsible for conducting work plan and governing the Company's operations to be in compliance with the organization's sustainable development policy which cover environment, social and governance dimensions. | is responsible for ensuring work plans, guidelines, and practices to be complying with the Personal Data Protection Act. |



Risk Management Performance

In 2022, the Risk Management Committee held a total of 4 meetings with 100 percent 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
- Reporting the Risk Management Committee's performance to the Board of Director on a quarterly basis

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 4 key risk factors namely strategic risks, operational risks, financial risks, and compliance risks as well as other emerging risks and project investment risks that may affect the achievement of the vision, mission, objectives, and goals of the Company, in case there is any improper management.

2.2 Risk Factors Affect The Company's Operations

2.2.1 Risk factors affect to Sri Trang Group's operation



Strategic Risk

(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. Additionally, global demand for such products, in particular TSR, is significantly dependent upon the tire manufacturing industry, which accounts for around 70 percent of global natural rubber consumption. A slowdown in the tire manufacturing industry may lead to decreased demand for the Company's natural rubber products, our business, financial position 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 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, varieties of synthetic rubber are

available in the market, which 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 issues, 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 position, and operating results. As of December 31, 2022, revenue from natural rubber products accounted for 79 percent of our total revenue.

Speculation

As natural rubber and some of the Company's natural rubber products 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 natural rubber. (Please find more details in Notes to Consolidated Financial Statements under item 4.21 and 36.1.)

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

As natural rubber and gloves are consumed by a wide variety of consumers in various countries all over the world, market demand for both is subject to factors, such as changes in consumer preference, existence of replacement products, and changes in laws and regulations, for example, the ban on the use of powdered medical gloves by the U.S. 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 Company's natural rubber products ,namely TSR, RSS, and LTX, have a wide variety of applications and diversified customer bases. 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, which allows us to timely adjust the proportion of glove production. We also have a variety of customer bases that have varying preferences and regulations. Our production and marketing strategies can be timely 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, China, United States, the Philippines, and Ivory Coast. Hence, the Company is subject to the risks associated with our business activities in these countries. Our business, financial position, 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;
- Imposition of restrictions on foreign currency conversion or the transfer of funds; or
- 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 situation, and changes in the relevant domestic and international laws and regulations to assess opportunities and risks as well as sets 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 Sri Trang Group has been the ability to attract and retain a team of experienced professional management. STA's continuous success depends on our ability to retain key management personnel as well as to recruit and train new management. If members of the Company's senior management are unable or unwilling to continue in their present positions, the Company may not be able to find appropriate successors and the business may be adversely affected. In addition, the process of recruiting new management with the required skills and attributes may be time-consuming and competitive. If the Company cannot attract additional qualified persons to complement our expansion plans, the 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.



Operational Risk

(1) Supply Chain Management

As the world's largest fully integrated natural rubber company, STA's 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. As the Company has approximately around 4,100 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 2022, no single customer who is not a related person accounted for more than 7 percent of our total sale volume of natural rubber products and 7 percent 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 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 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 various production facilities, the environmental issues involved include energy consumption management, management of waste from the natural rubber production processes, wastewater 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 regulations and/or social practices become more rigid that the Company may not comply with or could comply with significantly high costs, It is possible that the Company's failure 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 classified as follows:

1. Resource management and pollution control

The Company focuses production processes that are environmental-friendly, for example, using a circulating water system in 100 percent of block rubber production, using 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 required the Company's staff 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 as well as preparing personnel with direct expertise 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*” and “*SRI TRANG FRIENDS STATION*” applications to help facilitate raw materials purchasing process from rubber suppliers in Thailand which help reduce the number of procurement centres located in many areas and reduce the Company's fixed costs 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 various aspects and communicating through intranet to all executives and employees for their acknowledgment and practice in order to support business continuity by disclosing data protection policy for third parties, employees, directors and shareholders including the use of cookies policy and providing a data-backup system (DR Site), disaster recovery plan for emergency cases, and incident management system. Moreover, practically, the Company has monitored, investigated, and alerted for unusual cyber behaviour and been cautious 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. In 2022, no significant incident, or sign of cyber threat, or information leakage that may affect the Company's business operations were found. The Company also continuously fosters cybersecurity awareness through E-mail, announcement, and annual 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 Thai Baht, our raw materials purchasing for natural rubber products are transacted in Thai Baht and Indonesian Rupiah, and our raw materials purchasing for gloves are transacted in Thai Baht and U.S. Dollar. However, approximately 87 percent of our total revenues is denominated in U.S. Dollars. (approximately 9 percent of our total revenues is denominated in Thai Baht.) Therefore, the fluctuations in the exchange rates between Thai Baht, Indonesian Rupiah, U.S. 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 Thai Baht. Such derivatives are recorded at their fair value on the date of the statement of financial position. In addition, the Company has adopted cash flow hedge accounting in order to reduce the effect of changes in fair value due to exchange rate movement. (Please find more details in Notes to Consolidated Financial Statements under item 4.21 and 36.1.)



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 or only partially comply with such laws or regulations, as well as fraud within the Company 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 such 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 examining, monitoring, and controlling the amendments of the relevant laws and regulations, including assessing and monitoring risks related to fraud within the organization. The unit will then analyze the impacts on the Company's operations and communicate to the management and related business units 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 determined regulations and 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. In 2022, no issues of fraud related to the opposition of competition, monopoly, or any corruption incidents were found.

(2) Government Intervention

When the rubber price falls to low level, government and related organization might implement intervention measures such as decreasing the natural rubber export quota to ease the drop in natural rubber price. However, the measures implemented may cause domestic natural rubber prices to be inconsistent with prices in 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) Risk of Epidemics

As the epidemic situation of the coronavirus (COVID-19) has had a wide impact on both living and economies over the world. The Company has to be prepared to cope with the new wave of epidemics, which included new deceases, past-spreading deceases that re-spreading, and deceases from mutated virus/bacteria, as they posted infection risk to our employees and may result in the production halt affecting the business temporary slowdown or stoppage.

Risk Management

The Company appointed a working team to closely monitor the epidemic situation to assess circumstance and evaluate the risk that may affect the business operation, the emergency working team for each company, as well as the central communication team to communicate the epidemic prevention measure. The Company set measures and guidelines for employees, customers, and other related parties to prevent and control the spread of the decease within the organization. Moreover, the Company also specified emergency plan and business continuity plan for each business unit to be able to handle and manage other epidemic situation in the future and to ensure smooth business operation of the Company without any halt.

(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 pollution emission and enhance production efficiency in order to achieve the ultimate 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 determine 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 guidelines and 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 Membership 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 projects of the Greenhouse Gas Management Organization. (Public Organization) TGO, such as T-VER and 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 business unit in each field, and shall be considered and approved by the Board of Directors or related authorized personnel in order to ensure that the projects are implemented in accordance with defined plans and goals, and not affect the community and the environment.

2.2.3 Risks Relating to Investment in Our Shares

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 Thai 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.

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 Policy and Goals

The Company is committed to being the world's leading fully integrated natural rubber company which conducts business with environmental and social responsibility throughout the business value chain through operational excellence, business transparency, stakeholder participation, and continuous business development to become an organization of determination and dedication in driving possibilities of being a 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 has established the "**Corporate Sustainability Development Policy**," a core sustainability policy that sets good practices for sustainable business development along with the environment and society and builds confidence in business operations for stakeholders. The policy covers operations in existing and new businesses on sustainability topics in governance and economic dimension, environmental dimension, and social dimension, with key practices, such as good corporate governance focusing on governance structure management to create business growth and benefits for stakeholders; compliance with regulations related to business operations; business operations with ethics and transparency including anti-corruption in all aspects; responsible development of innovations, products, and services; emphasis on sustainability risk management in the supply chain as well as comprehensive sustainability assessment for new businesses. As for environmental practices, the Company focuses on sustainable resources and environmental management by implementing an environmental management system according to international standard



ISO 14001 and prioritizes greenhouse gas (GHG) emissions reduction, energy efficiency management, water and wastewater management, air quality management, sustainable waste management, as well as conservation of forest and biodiversity in order to create environmentally friendly business operations and create a pleasant environment for surrounding communities. For key practices in the social dimension, the policy covers cultivating and creating a safety and occupational health culture, respecting and complying with human rights towards the stakeholders, employee care and development, and cultivating awareness of social responsibility and development to help overcome social issues and improve the quality of life in the community, as well as creating a generous and caring society. These are considered social practices that the Company strongly emphasizes and prioritizes. (Corporate Sustainability Policy is publicly disclosed on the Company's website at <https://www.sritranggroup.com/misc/sustainability/20220621-sta-corporate-sustainability-policy-en.pdf>)

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



Green Products

1



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

Green Process

2



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 Procurement

3



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

4



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.



3.2 Management of Impacts on Stakeholders in the Business Value Chain

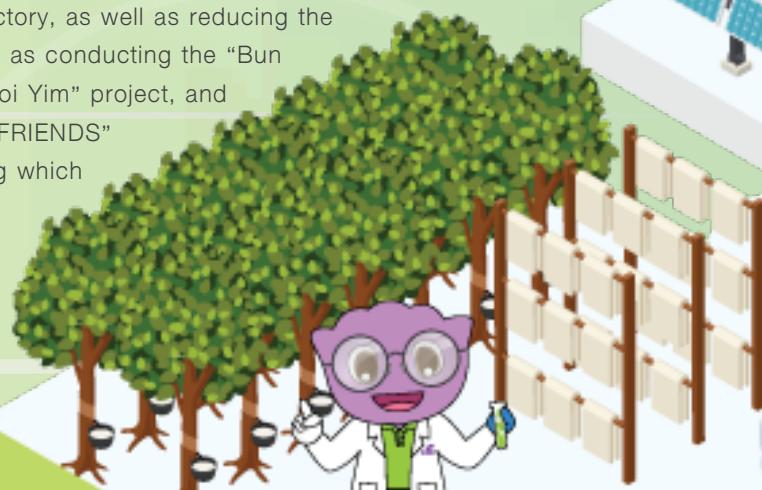
3.2.1 Business Value Chain

The Company emphasizes the importance of conducting stakeholder engagement throughout the value chain of business from upstream to downstream as follows:



Procurement of Raw Materials

The Company procures natural rubber raw material from rubber farmers and dealers which have ESG practices and comply with the Sustainable Natural Rubber Procurement Policy of the Company. The Company supports educating rubber farmers and raw materials suppliers about the quality of rubber required by the factory, as well as reducing the environmental impacts, such as conducting the "Bun Tuk Yang Tid Rang Srang Roi Yim" project, 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.



Sales

The Company provides product information and communicates with customers through a variety of channels, complies 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 as well as the protection of customer confidentiality.





Production

The Company has an environmentally friendly manufacturing process by using biomass fuel for the rubber drying process, reducing non-renewable energy consumption, and having efficient wastewater treatment system, where 100% of treated water can be reused in TSR factories; the usage of the Bio-filter odor treatment system, waste management by using the 3Rs (Reduce, Reuse & Recycle) and Circular Economy principles in order to create value and reuse waste for maximum benefits.



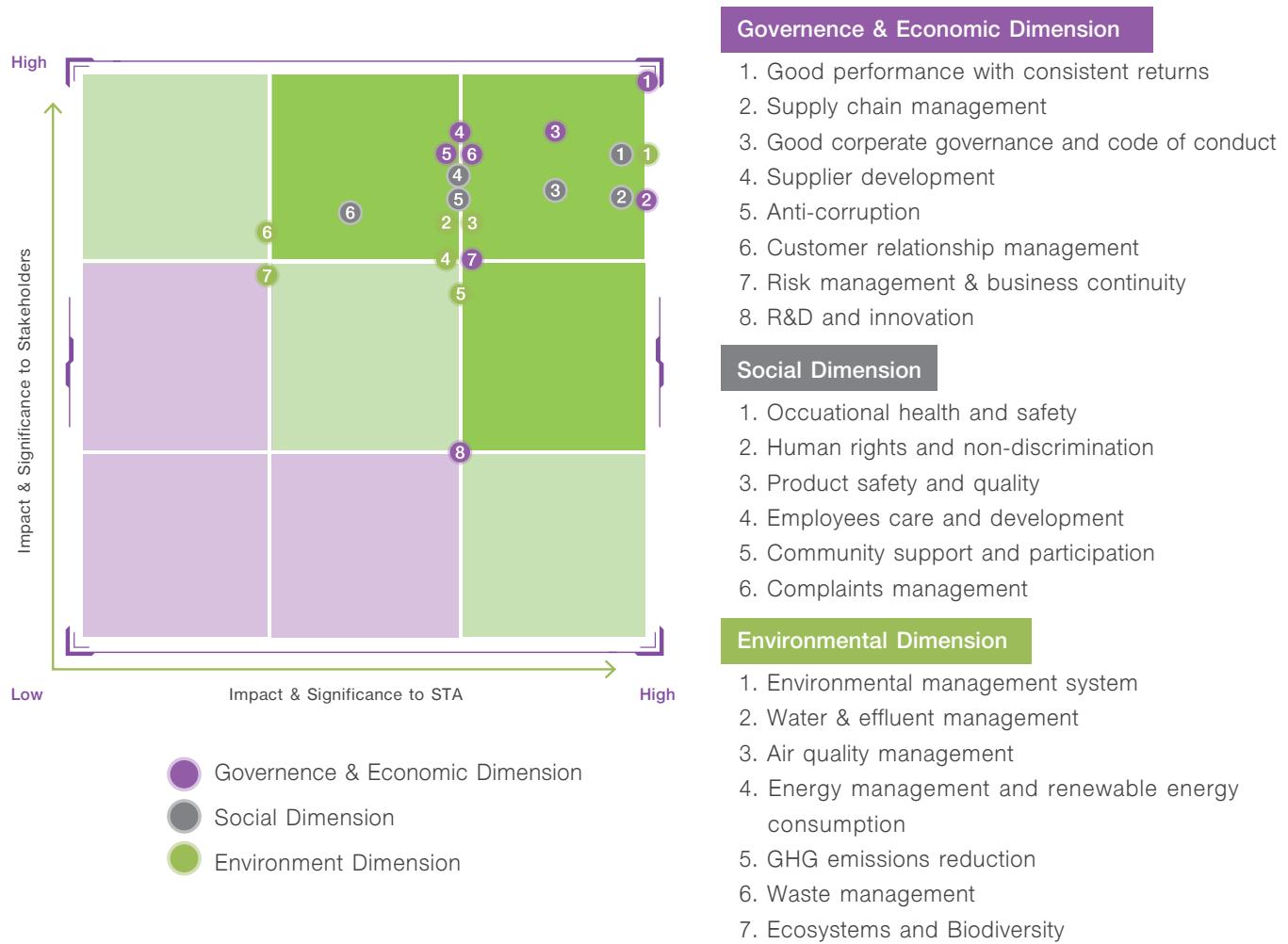
Logistics

The Company implements effective logistics and warehouse management to reduce empty travel of lorries and fuel consumption, which help reduce GHG emissions from transportation activities. The Company also provides new ports and transport routes that can transport and deliver products to customers rapidly and efficiently.

3.2.2 Stakeholders Analysis in the Value Chain

The Company places great importance on conducting stakeholder engagement by identifying and analyzing the Company's stakeholder groups in order to determine appropriate ways of working with each group of stakeholders. In 2022, the Company continued to classify stakeholders into eight groups as follows: customers/consumers, employees, creditors/banks, business partners/suppliers, raw material suppliers/rubber farmers, communities, shareholders/investors/analysts, and government agencies/ state enterprises/private sectors involved. The Company conducted stakeholder engagement surveys to obtain needs and expectations from stakeholders in order to respond to stakeholder's needs and expectation correctly and accurately. The Company has assigned relevant departments to conduct the surveys and respond to stakeholders as per the Company's guidelines. The Company conducts stakeholder engagement surveys to review needs and expectations of stakeholders once a year, and the response method is adjusted as appropriate (needs and expectation of stakeholders and the Company's responses are publicly disclosed under the topic of "Stakeholder Engagement" in the 2022 Sustainability Report on the Company's website, <https://www.sritranggroup.com/en/sustainability/report>).

In order for the economic, social, and environmental operations of the Company to achieve the goals in accordance with sustainable development approaches, and be measurable and appropriately responding to the expectations of stakeholders, the Company has identified, compiled, assessed, and prioritized materiality topics that affect Company's business operations and stakeholders. The material sustainability topics were identified from both internal factors, such as business directions, goals, and strategies of the Company; and external factors, such as the needs and expectations of stakeholders, business environment of the industry, and global sustainability trends. These factors were used in analyzing and prioritizing the material sustainability topics of the Company in order to plan the correct and appropriate responses. The Company has disclosed the materiality topics in accordance with the GRI Sustainability Reporting Standards 2021 (GRI Standards 2021). Materiality topics have been considered and approved by the Board of Directors. In 2022, the Company had the material sustainability topics according to the Materiality Matrix as follows:



For more information of materiality topics, please see 2022 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 aims to grow the business along with taking care of the environment for sustainable business development. The Company has the **Corporate Sustainability Policy** which sets out environmental practices regarding sustainable resources and environmental management covering efficient use of natural resources and environmental impact prevention in terms of air pollution control, water and effluent management, waste management, energy efficiency improvement, forest and biodiversity conservation, and GHG emissions reduction. Furthermore, the Company has the **Quality, Safety, Occupational Health, Environment,**

and **Energy Conservation Policy** that determines environmental practices which align with the Company's 4 Green sustainability approaches. The policy focuses on operating in accordance with the laws and regulations related to the environment, preventing and reducing environmental impacts in business operations, creating awareness of environmental stewardship throughout the supply chain, as well as producing environmentally friendly products to reflect the determination to be the leader of the green rubber industry. The Quality, Safety, Occupational Health, Environment, and Energy Conservation Policy has key environmental practices as follows:



GREEN COMPANY

- To comply with the environmental relevant laws and regulations
- To develop standardized environmental and energy management system
- To enhance environmental employees' potential



GREEN PROCESS

- To provide processes and measures for environmental and energy management in order to achieve the specified objectives
- To focus on energy conservation and efficient use of resources, as well as controlling and preventing pollution of wastewater, air, odor, and other environmental impacts in order to ensure that the Company has a production process that is friendly to the environment and surrounding communities
- To take preventative action, reduce waste, and encourage recycling in order to minimize environmental impact



GREEN PRODUCTS

- To commit to producing rubber and other products in Sri Trang Group, which are clean natural products and free from impurities that could harm the downstream industry, and throughout the product's life cycle, which is related to safety, health, and environmental friendliness



GREEN PROCUREMENT

- To communicate and educate suppliers throughout the supply chain in order to stimulate and cultivate the mind to have awareness and comply with the management system of quality, safety, occupational health, environment, and energy conservation that reflects the business operations of the Company based on fairness for mutual sustainable development

Environmental Management Targets

The Company has set targets on significant environmental topics of the Company as follows:

Environmental Management System

- The newly built TSR factories to be certified with ISO 14001 environmental management system within 1 year following its ISO 9001 management system standard.

Water and Wastewater Management

The Company has revised the target to reduce water withdrawal because the Company achieved the original target of reducing water withdrawal by 40% from the base year 2019 by 2024. The Company has set a new target as follows:

- To reduce the amount of new water withdrawal from water sources per production unit by 20% compared to the base year 2022 by 2026.

Water Pollution Management

- Able to reuse 100% of the treated water in the production process.

Air Pollution Management

- The air quality vented from the stacks passes the legal air quality standards.
- To develop and install effective air pollution control systems to reduce the impact on the community.

Energy Conservation and Climate Change

- To reduce non-renewable energy consumption per production unit by 20% compared to the base year 2021 by 2026.
- To reduce GHG emissions (Scope 1 and Scope 2) per production unit by 10% compared to the base year 2021 by 2026.

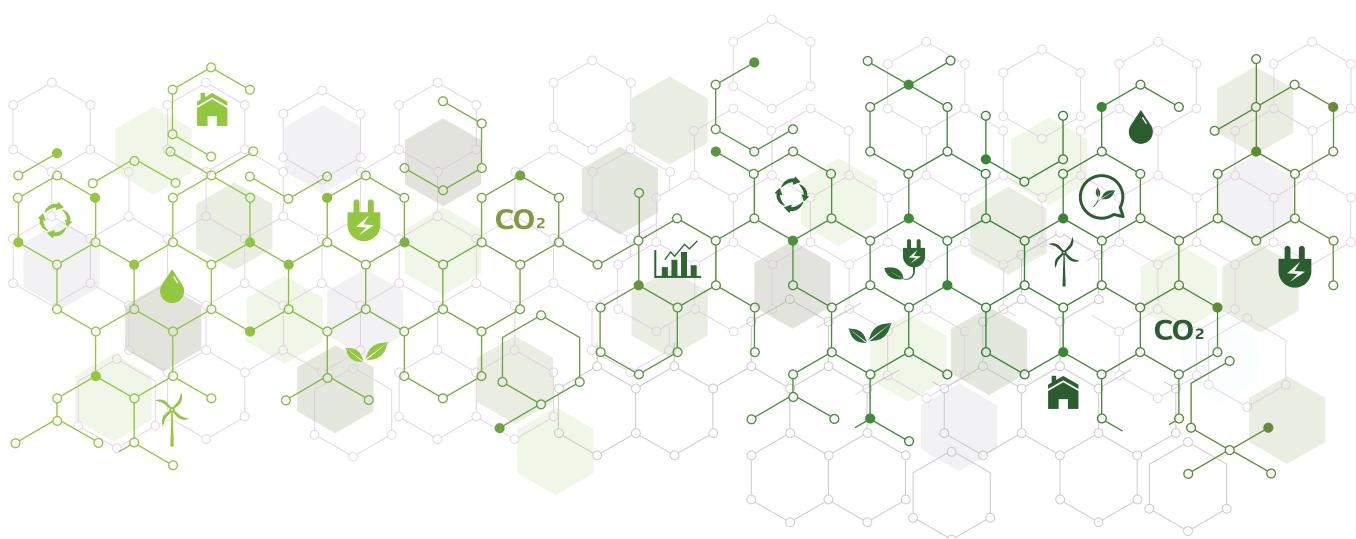
Waste Management

The Company has reviewed the target to reduce the amount of waste generated per production unit due to the changes in the waste data collection and reporting scope. The Company has set a new target as follows:

- To reduce the amount of waste per production unit by 10% compared to the base year 2022 by 2026.

Consideration of Ecosystem and Biodiversity

The Company has announced the Sustainable Natural Rubber Procurement Policy which has established guidelines for forest conservation and preserving biodiversity and ecosystems for the operation of natural rubber suppliers to ensure that business operations of the Company and natural rubber suppliers will not have impacts on the ecosystem and biodiversity.



3.3.2 Environmental Performance



Environmental Management System

The Company has continuously adopted the ISO 14001 system standard for environmental management. Until 2022, the Company has had 17 factories that have been certified under ISO 14001 (accounted for 65 % of all factories of the Company). Each factory is audited internally according to the annual audit plan and by an external agency that accredits the environmental management system according to international standards to ensure that the Company has an effective environmental management system. In addition, the Company has organized environmental training for employees to create knowledge and understanding of the Company's environmental practices and operations. In 2022, the Company organized over 30 training courses related to the environment for employees, such as the ISO 14001:2015 course, organizational requirements and applications, various environmental operator and operator courses, corporate carbon footprint management courses, and courses related to the circular economy. The training courses were organized in the forms of online training, video learning, and self-learning through the Company's internal @Core system. There was a total of 57.9 percent of the employees participated in the environment-related training courses.



Water Management

The Company manages water used in the production process according to the 3Rs (Reduce, Reuse & Recycle) principle. The Company has reused the treated water through the wastewater treatment system in the production process and improved the efficiency of the odor treatment system by replacing the wet scrubber system with a bio-filter system, which significantly reduces water consumption. The Company has developed the soft water production system for maximum benefit in order to minimize the use of groundwater, promoted the improvement of water use efficiency in each process through various development activities, as well as established cooperation with external agencies in the conservation of water sources.



Water Management Performance

| Water Management | Unit | FY 2019 (Base year) | FY 2020 | FY 2021 | FY 2022 |
|--|---------------------------------|------------------------|---------|---------|---------|
| Water withdrawal intensity | cubic meters per ton of product | 3.03 | 2.77 | 2.05 | 1.62 |
| Percentage of water withdrawal intensity reduction | % | - | 9 | 32 | 46 |



Water Pollution Management

The Company has standard wastewater treatment systems. The quality of treated water is regularly measured to ensure that the quality of effluent discharged outside the factories comply with the legal effluent quality standard, which is regarded as the minimum effluent quality standard of the Company. In addition, the Trang branch latex factory has installed

a BOD online system that can measure the amount of oxygen required by microorganisms to decompose organic matter (Biochemical Oxygen Demand: BOD) in the wastewater and deliver BOD results in real time to the Department of Industrial Works to ensure that the effluent discharged to public water sources meets the legal standard.



Performance

TSR factories have been able to reuse 100% of the treated water in the production process.



Air Pollution Management

The Company has prepared a management plan to control the air quality inside and around the factories. The Company has installed an appropriate odor and air pollution treatment system according to the type of production. For the TSR factories that have odors from cup lump raw materials, the Company has used wood vinegar to help reduce odors, installed the biofilter treatment system to cope with the odor that occurs from the drying process of TSR, installed an odor treatment system to cope with odor occurring from the compound rubber production line, established a building to store cup lump raw materials in a closed system, and installed wind direction measuring instruments for analysis and follow-up. The Company also installed the multi-cyclone systems for factories

that use boilers to generate heat for the rubber drying process to capture particulate matter and ashes from biomass fuel combustion in boilers before venting air from the stack. In addition, the Company has measured and monitored air quality. The result of air quality measurement after treatment passed all standard control parameters according to the law.





Energy Conservation and Climate Change

The Company has given importance to managing energy consumption, climate change, and the impacts that may occur due to the increase in global energy prices, the changes in energy technologies, and climate change. The Company has established the Energy Conservation Policy and appointed the Energy Conservation Committee and responsible personnel for the energy management at the factory to implement energy-saving measures to pursue energy-related targets set each year, such as using energy-saving equipment, the use of renewable energy by using biomass fuel for boilers to generate heat for the rubber drying process, reducing diesel and LPG, and the use of EV forklifts in the production process. The Company has also implemented the Solar Floating Project, which has the installed capacity of 1 megawatt (MW), at Rubberland Products Co.,Ltd (Mukdahan Branch) to increase the amount of renewable energy consumption in the factory and reduce GHG emissions from the purchase of electricity (Scope 2). This Solar Floating Project has been registered under the renewable energy project for the Thailand Voluntary Emission Reduction Program (T-VER) of Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) to be certified the GHG emissions reduction or carbon credits of the project. The average GHG emissions reduction of the project throughout the project duration under the T-VER is 649 tCO₂ e per year. The Company also has future plans to expand solar power projects to other factory branches to

increase the proportion of renewable energy consumption in the operations and reduce GHG emissions. Besides the solar power project, the Company has conducted the Project of Carbon Sequestration and Reducing Emissions in Teaks Plantations in Pua district, Nan province, Thailand to register the project for T-VER. This project covered 873.96 Rai (139.8 hectares) in areas owned by Sri Trang Rubber & Plantation Company Limited which is an upstream business of the Company. It is estimated that this project can reduce GHG emissions of 1,189 tCO₂ e per year throughout the project duration under the T-VER.

In 2022, the Company calculated and disclosed the GHG emissions in Scope 1 and Scope 2, covering all Company's factories operating in Thailand by using guidelines for calculating GHG emissions according to the Requirements for Calculating and Reporting the Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (Public Organization) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006). Furthermore, the Company arranged to verify the disclosure of GHG emissions data in accordance with the GRI Standards by KPMG Phoomchai Audit Ltd., a third-party agency with works recognized for providing independent assurance of sustainability disclosures in accordance with international standards.

Performance

| Energy Consumption | Unit | FY 2021 (Base year) | FY 2022 |
|--|------------------------------|------------------------|---------|
| Non-renewable energy consumption intensity | Gigajoule per ton of product | 0.95 | 0.93 |
| Percentage of non-renewable energy consumption intensity reduction | % | - | 2 |

| GHG Emissions (Scope 1 & Scope 2) | Unit | FY 2021 (Base year) | FY 2022 |
|---|---------------------------------------|------------------------|---------|
| Total GHG emissions | tCO ₂ e | 143,319 | 168,971 |
| GHG emissions intensity | tCO ₂ e per ton of product | 0.12 | 0.12 |
| Percentage of GHG emissions intensity reduction | % | - | -0.7 |



Waste Management

The Company implements 3Rs (Reduce, Reuse, Recycle) and Circular Economy principles for effective waste and unused material management. The Company focuses on creating value for waste and reusing waste and unusable materials through several waste management initiatives to reduce waste disposal. For example, the sediment from the wastewater treatment system is processed into organic fertilizer to be used in agriculture for farmers and communities. The implementation of the "S-Brick: Sustainable Brick - Green Brick" project that uses ashes from biomass fuel combustion in boilers to be used as a

mixture for making bricks for paving walkways in factories and surrounding communities.

In addition, the Company has established waste materials disposal procedures, scheduled monthly information gathering, and operated random operation inspections of factories. The Company has determined that only authorized companies registered with the Department of Industrial Works will be used by the Company for sending waste for the disposal.

Performance

| Waste Management | Unit | FY 2020 | FY 2021 | FY 2022 |
|-----------------------|-----------------------|---------|---------|---------|
| Total waste intensity | kg per ton of product | 10.94 | 13.26 | 9.78 |



Consideration of Ecosystem and Biodiversity

In 2022, the Company began to study the impact on biodiversity by using the Integrated Biodiversity Assessment Tool, or IBAT, which is internationally accepted to assess risks and impacts on biodiversity covering the areas of business activities in 23 manufacturing plants located in Thailand. Assessment results show that the Company does not conduct any business activities in World Heritage areas and protected areas of International Union for Conservation of Nature (IUCN) Type 1-4, that is, not located in a Strict Nature Reserve, a National Park, a Natural Monument, and a Habitat/Species Management Area. In addition, Sri Trang Rubber & Plantation Co., Ltd. has been certified with the international standard FSC™ (Forest Stewardship Council™), a sustainable forest management standard.

The Company has also carried out activities to promote the conservation of biodiversity and natural resources, as well as continuously promoting community participation through activities such as mangrove planting activities. Sri Trang Agro-Industry Public Company Limited, Kanchanadit branch, and Sri Trang Gloves (Thailand) Public Company Limited, Surat Thani branch, participated in 400 trees of mangrove planting at Khlong Ram area, Kanchanadit district, Surat Thani province. There is also the "Planting tree, Increasing green areas" activity. In 2022, the Company, together with government agencies, planted trees inside and outside of the Company, a total of 15,365 trees, increasing habitats for living things and preserving biodiversity.

For more information about environmental performance, please see 2022 Sustainability Report on the Company's website (<https://www.sritranggroup.com/en/sustainability/report>)

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policies and Practices

The Company is determined to maintain its leadership in the international rubber business with the awareness that in every step of business growth, we must grow together with the community and society. Therefore, we are aware of and place a high value on conducting business with social responsibility by operating in the production of quality products using environmentally friendly and safe processes, respecting human rights and conducting human rights due diligence throughout the entire business processes, and creating trading systems and standards based on transparency and fairness to be accepted and trusted by rubber farmers who supply natural rubber raw materials, business partners/suppliers and customers. We also consider all aspects of business operations that may have an impact on all stakeholder groups, employee care and development, along with instilling good values, strengthening attitudes, and corporate culture so that employees are responsible for the society.

The Company has established social policies and practices consistent with laws, rules, and regulations related to business operations, standards, and international principles such as the UN Global Compact, the respect for international human rights principles throughout the business value chain, fair labor practices, responsible production and service for customers, and participation in community and social development. The Company has key social policies and targets as follows:



1. Occupational Health and Safety

The Company has the **Quality, Occupational Health & Safety, Environment, and Energy Conservation Policy**, which defines safety and occupational health practices for all employees and contractors to be responsible for work-related safety for themselves and colleagues. Safety and occupational health practices of the policy are in line with the "4 Green" sustainability approaches. The Company strictly

focuses on compliance with the laws, regulations, and other requirements related to occupational health and safety, as well as promoting healthy and safe working conditions, building safety and occupational health awareness for suppliers throughout the supply chain, and the production of products that meet safety standards and are environmentally friendly.

The full version of Quality, Occupational Health & Safety, Environment, and Energy Conservation Policy is publicly available on the Company's website (<https://www.sritranggroup.com/misc/cg/others/20170106-sta-quality-env-en.pdf>)

With its commitment to occupational health and safety at work, the Company has set targets of zero work-related fatality and zero worked-related illness.



2. 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 violation impact occurs,

the Universal Declaration of Human Rights (UDHR), Children Rights and Business Principles (CRBPs), and compliance with the UN Global Compact to express the 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 the business operations, human rights risks and impacts assessments, and establishing preventive and remedial measures for the incidents of human rights violations. (Human Rights and Non-Discrimination Policy is publicly available on the Company's website, <https://www.sritranggroup.com/misc/cg/20221108-sta-human-rights-and-non-discrimination-policy-en.pdf>)



3. Responsibility Towards Customers and Consumers

The Company adheres to the **Business Code of Conduct related to Customer Relationships** with an aim to create satisfaction and confidence for the customers through quality products and services at a reasonable price, the disclosure of comprehensive and correct information about products and services, on-time product delivery, and product and service guarantees under proper time conditions. The Company also provides communication channels and systems for customer complaints regarding products and services, as well as being responsible for collecting customers' information and maintaining confidentiality. In addition, the Company values the importance of producing products which are clean and safe for customers and downstream industries in accordance with the Quality, Occupational Health & Safety, Environment, and Energy Conservation Policy. The Company has set a target to create customer satisfaction at 80 percent.



4. Employee Care and Development

Employees are the most vital resource in business operations and contribute to the organization's success. Therefore, the Company emphasizes creating good human resource management systems, from fair employee recruitment with the consideration of human rights and non-discrimination regarding genders, ages, religions, nationalities, social statuses, and disabilities, and standard compensation and benefits management, as well as formulating the **Human Capital Development and Succession Planning Policy** that sets development guidelines for skill development, general knowledge, and specialized knowledge in responsible positions, along with creating the mindset of social and environmental responsibility of employees. The policy also sets targets and employee potential development plans to promote career advancement and stability. In addition, the Company provides opportunities for the communication between executives and employees in negotiating employee benefits with the Company through the Welfare Committee which comprises representatives elected by the employees of each company in the corporate group.

For the employee care and development target, the Company has set a target of employee engagement for the year 2022 at 85 percent to reflect the Company's employee care and development performance, as well as setting a target for the average training hours of employees at 35 hours per person per year.



5. Participation in Community and Social Development

The Company believes that effective and sustainable corporate social responsibility is founded on awareness rising for employees in every department from all levels of responsibilities. Because of this, the Company has the Corporate Sustainability Policy, which provides a guideline of social responsibility and development, and the **Corporate Social Responsibility Policy** which encourage all employees to have positive attitudes and mindset towards society and those involved in the work they are responsible for, as well as the voluntary mind to participate in community and social development. The Company promotes and supports employees to be good people of society who participate in voluntary and social activities, and help alleviate victims of natural disasters, or appropriately and continuously support any kind of shortages in the community to create a benevolent society and social care for each other to that remains forever. The Company has set a target of community satisfaction regarding the Company's social development projects and activities as a performance indicator for community and social development participation.

3.4.2 Social Performance



Occupational Health and Safety

The Company has applied the occupational health and safety management system according to ISO 45001 in management by setting objectives, targets, and management plans along with reviewing and following up on performance regularly. The Company has established the Safety, Occupational Health, and Working Environment Committee to perform supervision, as well as continuously improving safety, occupational health, and working environment operations along with the setting of occupational health and safety targets as the goals of the Company. Until 2022, the Company has had three factories certified with ISO 45001 by a third party. These three factories include a RSS factory (Hat Yai Branch), a TSR factory (Sikao Branch), and a concentrated latex factory (Hat Yai Branch). In addition to this, the Company has plans to obtain ISO 45001 certification for another four factories in 2023 and for all TSR factories within 2026.

In addition, the Company has carried out work-related hazard identification and occupational health and safety risk assessments covering both activities carried out by employees and contractors to prepare a plan

to control and prevent risks. The Company has also facilitated the employee participation in work-related hazard reporting and analysis, the investigation of root causes of hazards, and providing effective mitigation and prevention measures. The Company also provides health and occupational health services, including occupational medicine doctors and infirmaries, as well as organizing annual health checks for employees. The Company has organized occupational health and safety training for all employees and contractors before the start of work or the job change by considering the necessary training courses according to work characteristics, work-related risks and hazards, and law compliance, such as the training course for safety officers at the supervisor level, the basic firefighting course, the first aid training course, the safe forklift driving course, the safe chemical use training course, the electrical safety course, and the confined space training course. In addition, the Company has provided training of emergency responses for employees, such as fire suppression, fire evacuation, chemical spill suppression, responses to robbery and terrorism, and flood responses. The Company also organized the safety culture activity for the third year to create awareness and emphasize safety in the workplace for all employees. It is a

continuous promotion of a safety culture in the organization.

During the pandemic of the COVID-19, the Company set up a working group and a central communication team to formulate policies and guidelines for management in the pandemic situation for all companies in the group. All companies in the group set up emergency teams to analyze the situation, prepared emergency plans, and provided the necessary equipment for protection, such as face masks and alcohol gel, and adjusted working hours appropriately for employees, contractors, communities, and customers, and government agencies by operating strictly in accordance with preventive measures against COVID-19. The Company also promoted, educated, and created awareness and responsibility with the employees for the health and safety of themselves, their colleagues, as well as their families.

Performance

| Work-related Fatality | FY 2022 |
|-----------------------|----------|
| Employees | 0 person |
| Contractors | 0 person |
| Work-related Illness | FY 2022 |
| Employees | 0 person |
| Contractors | 0 person |



Human Rights

In 2022, the Company reviewed and improved the Human Rights and Non-Discrimination Policy to align with the UN Guiding Principles on Business and Human Rights (UNGPR), the Universal Declaration of Human Rights (UDHR), the Children Rights and Business Principles (CRBP), and the compliance with the ten principles of the UN Global Compact, as well as improved the guidelines to cover vulnerable groups or groups at risk of human rights violations, and human

rights issues. In addition to the announcement of the policy, the Company also provided a training course about human rights and non-discrimination to employees by external experts to raise awareness and understanding of human rights practices related to business operations. The Company has developed the **Checklist of Human Rights Risks related to Business Operations** and conducted a comprehensive human right due diligence assessment. The Company has expanded human rights due diligence assessment to cover business processes related to stakeholders in addition to the previous year's review and consideration of key human rights risks to employees and communities/societies surrounding the Company's operating areas.

Results of a comprehensive human rights due diligence assessment in 2022 are publicly disclosed in the 2022 Sustainability Report on the Company's website (<https://www.sritranggroup.com/en/sustainability/report>)



Responsibility Towards Customers and Consumers

The Company aims to create satisfaction and confidence for the customers and consumers through quality, safety, and the reasonable price of products and services, as well as the disclosure of comprehensive and correct information about products and services, on-time product delivery, and product and service guarantees under proper time conditions. The Company is responsible for the collection and protection of customer's information and confidentiality. The Company will not use the confidential information of customers for the Company's benefits and others as illegally in order to align with the Code of Conduct of the relation with customers. In addition, the Company has communicated and answered sustainability surveys from customers who have inquired from various companies. The Company has taken issues that customers have asked about regarding products and services to continuously improve the Company's operations, such as the traceability of raw materials, and the announcement of the Company's Sustainable Natural Rubber Procurement Policy to promote

sustainable operations throughout the supply chain. The performance regarding the responsibility towards customers and consumers is publicly disclosed in the 2022 Sustainability Report on the Company's website (<https://www.sritranggroup.com/en/sustainability/report>).



Employee Care and Development

The Company places importance on taking care of employees to have safety and good health, and treats employees with regard to human rights principles and non-discrimination, as well as provides freedom and respect for employees' rights to represent, aggregate, and negotiate to conduct various activities within the Company in accordance with the appropriate framework. In addition to legal compensation such as salaries, social security funds, and workmen's compensation fund, employees receive compensation in the form of overtime wage, extra money for shift workers, hard shift workers, vacation allowance, and annual bonus. Basic benefits are also provided for the well-being of the employees, such as uniforms, house rent subsidy, housing benefits, off-site work allowance, health insurance and accident insurance, and provident fund (employee participation in provident fund: 63% of total employees in 2022), retirement pension, financial assistance for disaster-affected employees, Happy Workplace activities, and field trips.

The Company also gives the importance to the employment of people with disabilities and the underprivileged. The Company has employed people with disabilities in compliance with the Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007), article 33 by focusing on the employment of people with disabilities in the communities located in the operating areas of the Company. In addition, the Company has collaborated with the government sectors and the local agencies to employ the disabled to work in their organizations.

In addition, the Company also sets career development plan, individual development plan, and various development activities for employees to continually develop knowledge, competence, and skills necessary for both current and future operations. The training model focuses on the use of information technology in training to facilitate personnel learning and training, such as online training, video learning, and self-learning through the Company's internal @Core system to adapt to the COVID situation, as well as on-the-job training along with instilling awareness and good behavior in the green rubber company. The Company has used a system to record and store employee training history for systematic and efficient training data management. In 2022, the Company provided several employee training courses, such as training courses related to work safety in accordance with relevant regulations, successor development programs and employee development programs through development activities.

Performance

| Employee Care and Development Indicators | Unit | FY 2022 |
|--|---------------------------|---------|
| Employee engagement/satisfaction | % | 87.98 |
| Employee turnover rate | % | 3.28 |
| Average training hours of employees | hours per person per year | 35 |



Participation to Communities and Social Development

The Company believes that in order for the business to grow sustainably, it must participate in the development of communities and society to grow together. In 2022, the Company implemented self-initiated community development projects and activities to solve social issues in six areas: children and youth; career development and well-being; healthcare; helping disaster victims and disadvantaged; local arts, culture, and traditions; and good environment and surrounding to respond to the expectations of stakeholders, create shared values, and promote sustainable coexistence with communities and the society. The Company has strategies for community and social development as follows:

- Promote the development of potential and professional skills of communities and rubber farmers in the area for sustainability and well-being.
- Build community engagement to develop self-reliance, strong household economy, safety, and the ability to coexist in harmony.
- Apply the BCG Economy Model guidelines to initiate community projects and activities to create sustainability and benefit all parties.

The Company has community and social development plans which focus on creating participation with the communities surrounding its factories through the implementation of projects and activities that the Company has initiated and/or cooperating with external agencies to help solve social problems and meet the needs of communities continuously in order to promote good relations between the communities and the Company to be able to live together sustainably. In 2022, there were important community and social development projects as follows:



Children and Youths

STA Safety School Project: The Company has implemented a school safety project with 11 schools in the areas where the factories are located in order to campaign and encourage students to be aware of accident prevention, fire prevention and suppression and the promotion of good health and hygiene so that students can study safely and efficiently.

STA STEM STUDENT Program: The Company has operated the STEM Education Program for the sixth consecutive year. The purpose is to enhance outdoor experiential learning for local elementary students in different subjects such as Science, Engineering, Technology, and Mathematics, as well as promoting the Company as a learning center for the community. This year, the project has been implemented with 17 schools in the areas where the factories are located.



Career Development and Well-Being

The 3rd Year “Good Quality Latex Creates Happiness” Project: The Company organized the “Good Quality Latex Creates Happiness” project both in an onsite format at every branch of the Company’s latex factory and broadcast live through various online communication channels such as the YouTube and Facebook Live channels of the Company to educate rubber farmers, small rubber traders, and stakeholders in the natural rubber supply chain to raise the quality of Thai latex to global standards. By operating the project in the concentrated latex products group of 8 factories in the Southern and the Northeast regions, there were 138 on-site participants from 11 government agencies, 103 raw material suppliers, 22 farmers, and 2

transport entrepreneurs. In 2022, the project satisfaction score was 99.1%.

The 3rd Year Women's Power Project: The Company operated the project through various branches of factories that work with communities surrounding the areas where the factories are located. The objective is to create vocational skills for women in the community to gain knowledge that can be used for supplementary occupations to increase income, support themselves and their families, and establish a professional group in the community. Major products from the project were brooms made from plastic water bottles that use the upcycling principle to turn waste plastic bottles into brooms. This method creates value for waste, reduces environmental impacts of plastic waste, and reduces GHG emissions from waste disposal, moving towards a low-carbon society. Nine communities produced brooms from plastic bottles in 2022. Additionally, there were also multi-purpose liquid products/dishwashing liquids, operated with a group of students from Ban Mae Mok School, Surat Thani province, and herbal chili paste operated with Ban Khuan Kun community in Songkhla province to generate income and reduce household expenses. In 2022, the Women's Power Project generated more than THB 70,355 income for the communities.

Projects to promote and support community occupation: The Company has a policy to promote and support the occupation of the communities where the factories are located in order to create a good economy and strengthen the communities by promoting the purchase of products such as drinking water, brooms, pyroligneous acid, New Year baskets, souvenirs of important events, and service support such as custom wooden pallets for TSR packaging and community/general contracting jobs. In 2022, the projects were able to generate income for the communities of THB 40,677,314.



Healthcare

The Company takes into consideration the health and safety of people in the community and society. Therefore, this concern has been continuously delivered through the support of community health check-ups in collaboration with local agencies in order to promote community healthcare in the factory area and promote exercise together with the local communities.



Helping Disaster Victims and Disadvantaged

The Company provided drinking water, survival bags, and essential items totaling THB 35,689 for the flood victims in Trang, Pattani, Narathiwat, and Phitsanulok provinces in order to help and alleviate the suffering of communities and employees who have been affected by the floods.



Local Arts, Culture and Traditions

The Company has provided support to local culture and traditions in every community where the Company's factories located, such as long-boat racing, Boon Bang Fai festival, offering fruit juice for monks, setting up an almshouse during Dharma practice in the Northeastern provinces, co-hosting the Kathin Ceremony, robe offering ceremony, Chak Phra ceremony, precepts ceremony and I-Tikaf Promotion in Ramadan of Muslim brothers in order to preserve the local culture and traditions in each area. In 2022, the Company supported communities' local arts, culture, and traditions for the amount of THB 398,875.



Good Environment and Surroundings

“Bun Tuk Yang Tid Rang Srang Roi Yim”

Project: The Company has continuously conducted the project “Bun Tuk Yang Tid Rang Srang Roi Yim” for the sixth consecutive year to promote rubber farmers and delivery partners to transport the rubber with standardized trucks to prevent the serum from cup lump leak into the road during the transportation. The Company has prepared a standard for cup lump trucks and proceeded according to the operation manual and inspection measures for all trucks that come to deliver cup lumps within the Company, as well as continuous monitoring of online inspection measures. This year, the Company organized education about the laws related to transportation with rubber plantation partners and rubber transporters by the government agencies. The Company has

implemented the project with 17 TSR factories across the country. Project results in 2022 showed that the factories in the Northeastern, Eastern, and Northern regions had an average of 99.30 percent of rubber transportation vehicles that met the standards.

“Useful Soil” Project: The Company has operated the “Useful Soil” project for the fifth consecutive year to add value to sediment from wastewater treatment system by processing soil sludge into organic fertilizers to be used in agriculture for farmers and communities, which can reduce fertilizer costs for them. The soil sludge used for fertilizer production has been analyzed for plant nutrients and no contamination of dangerous heavy metals. In 2022, the project was able to convert 1,810 tons of sediment from the Company's wastewater treatment systems into organic fertilizers and generate income for the communities worth THB 90,539.

For more information about social performance, please see 2022 Sustainability Report on the Company's website
(<https://www.sritranggroup.com/en/sustainability/report>)





3.5 Sustainability Management in Corporate Governance and Economic Dimensions

The Company emphasizes sustainability in corporate governance and economic dimensions to aim for good corporate governance, prevent sustainability risks in business operations, and create sustainability throughout the business value chain from upstream to downstream. Key operations in the dimensions of corporate governance and economy are as follows:

Good Supply Chain Management and Business Partner Development

The Company has set the Procurement Policy of the Sri Trang Group to align with the Corporate Social Responsibility Policy and the Green Procurement Approach of the Company. The Company adheres business code of conducts concerning trading partners and competitors strictly to prevent monopoly, unfair competition, fraud and corruption, as well as to facilitate the development which leads to new entrants. In addition, the Company has established the **Supplier Code of Conduct** to encourage its suppliers to conduct their business sustainably, which is also considered a practice for the Company's suppliers. The guidelines include business ethics, labor and human rights practices, safety and occupational health, and environmental protection. Moreover, the Company has established the **Sustainable Natural Rubber Procurement Policy** as a sustainability guideline for natural rubber suppliers who procure and deliver natural rubber raw materials/products.

The Company has analyzed the Company's key suppliers for proper management of business partners. From the analysis, the Company has divided key suppliers into two main groups: raw materials and subcontractors. In selecting suppliers, the Company will evaluate and select new suppliers using ESG evaluation criteria and the compliance with the Supplier Code of Conduct. In addition, the Company will carry out ESG risk assessments in suppliers' operations, as well as monitor the implementation of the Sustainable Natural Rubber Procurement Policy of natural rubber suppliers in order to prevent risks in business operations for both suppliers and the Company in the future. Additionally, the Company has established raw material traceability system for natural rubber which can trace natural rubber back to sellers, districts, and provinces of that natural rubber. The Company also has plans to continuously develop the traceability system to be able to trace natural rubber back to its sources clearly and correctly.

Regarding the development of natural rubber suppliers, the Company has placed importance on educating, developing



potential, elevating the production capability, and providing suppliers' services to meet standards, along with encouraging suppliers to have a social responsibility, which the Company focuses on providing knowledge on the production of quality rubber and reducing environmental and social impacts. Communications, annual contractor training, field observation visits, meetings with suppliers, and annual supplier audits are organized to give advices, jointly solve problems, and improve the quality of raw materials and deliveries aligned with the requirements of the Company. The Company has developed suppliers through the "Good Quality Latex Creates Happiness" project, the "Bun Tuk Yang Tid Rang Srang Roi Yim" project, and campaigned to reduce the use of the wrong type of cup lump coagulant. It has also monitored and evaluated suppliers' performance to develop sustainable business together. The Company also encourages suppliers to sign and show the intention to fight against corruption.

Building Good Customer Relationships

The Company aims to build and maintain good relationships with customers. Apart from responding to customers through product quality and good service at the right price level and providing information about products and services, the Company also responds to customer expectations regarding sustainability performance information and traceability of raw material data through questionnaires and questions from customers as well as using customer feedback to improve operations continuously. In addition, the Company has invited customers to visit the Company's factories plants in order to increase client trust and understanding of business processes as well as promoting good relationships with customers.

For more information about governance and economic performance, please see 2022 Sustainability Report on the Company's website (<https://www.sritranggroup.com/en/sustainability/report>)

4

Management Discussion and Analysis

Financial Result Overview

In FY2022, the Company recorded THB 110,656.7 million in revenue, decreasing 6.3% YoY, and THB 15,805.7 in gross profit, declining 58.5%, with a gross profit margin of 14.3% and a net profit of THB 4,794.9 million, decreasing 69.7% YoY, or THB 3.12 per share, with 4.3% in net profit margin.

The Natural rubber (NR) business

recorded THB 87,625.6 million, accounting for 79.2% of total revenue and growing 23.9% YoY on the back of a strong recovery in demand. Sales volume for TRS, RSS and LTX went up 14.9% YoY to 1,487,950 tons, an increase that was higher than the global growth in consumption of 3.3% and leading Sri Trang Group to a market share (including consumption by STGT) of 11% of global consumption, up from 10% in FY2021. Our ASP also increased 11.7% while the average price of TSR20 on SICOM in 2022 was 154.6 cent/kg, down from 167.8 cent/kg in 2021. With increased competitiveness and effective cost control, gross profit margin for the NR business was 12.9%.

The glove business

recorded THB 22,912.9 million in revenue, accounting for 20.7% of total revenue and decreasing 51.8% YoY because of the ASP that dropped 54.1% YoY as Covid has been brought under control and global supply rapidly increased, leading to an ongoing oversupply situation, even though sales volume grow 5.5% as demand continued to grow.

Extraordinary Event

1) In October 2022, we established a subsidiary in Côte d'Ivoire as part of an expansion plan to engage in the purchase and sales of natural rubber, cup lump, skim rubber or other natural rubber materials as well as the export of natural rubber and natural rubber products.

Statements of Comprehensive Income

| (Unit : THB million) | FY2022 | FY2021 | %YoY |
|---|------------------|------------------|----------------|
| Revenue from sales of goods and services | 110,656.7 | 118,275.4 | (6.4%) |
| Cost of sales and services | (94,851.1) | (80,216.4) | 18.2% |
| Gross profit (loss) | 15,805.7 | 38,058.9 | (58.5%) |
| SG&A | (10,247.8) | (7,927.2) | 29.3% |
| Other income and dividend income | 299.1 | 422.0 | (29.1%) |
| Gain on exchange rates | 506.1 | 474.4 | 6.7% |
| Other gain (loss) | 506.0 | (1,835.5) | N/A |
| Operating profit (loss) | 6,869.0 | 29,192.6 | (76.5%) |
| Share of profit (loss) from investments in JV | 335.7 | 241.4 | 39.1% |
| EBITDA | 10,390.8 | 32,439.4 | (68.0%) |
| EBIT | 7,204.6 | 29,434.0 | (75.5%) |
| Financial incomes | 184.8 | 113.2 | 63.3% |
| Finance costs | (1,222.1) | (828.7) | 47.5% |
| Income tax (expense) | (649.6) | (2,541.6) | (74.4%) |
| Net Profit (loss) for the periods | 5,517.8 | 26,176.9 | (78.9%) |
| Attributed to owners of the parent | 4,794.9 | 15,846.7 | (69.7%) |
| Attributed to non-controlling interests | 723.0 | 10,330.2 | (93.0%) |

Revenue from products and services

Total revenue from products and services in 2022 was THB 110,656.7 million, decreasing 6.4% YoY. Revenue from NR products grew 23.9% YoY to THB 87,625.6 million as the ASP increased 11.7% YoY despite the drop in average price on the global market. Sales volume also grew 14.9% YoY, higher than the global growth on the back of higher market share. Revenue from gloves was THB 22,912.9 million, down 51.8% YoY, because of the ASP that dropped 54.1% YoY while sales volume grew 5.5% YoY as demand continued to grow. Revenue from other products and services came in at THB 118.3 million.

Sales Volume

Natural Rubber Products

Sales volume for NR products increased 14.9% YoY to 1,487,950 tons, with sales volume for TSR growing 20.4% YoY following a capacity expansion and an increase in market share. In 2022, our production output increased from 32% to 33% of Thailand's production. Our utilization rate remained unchanged from 2021 at 70% as production capacity continued to increase throughout the year.

Geographically, China remained our largest market at 53.4% of total sales volume, followed by other countries in Asia at 17.9%. Thailand made up 13.4% of total sales volume, while Europe and the Americas accounted for 8.9% and 6.2% of total sales volume, respectively. Sales volume across all markets increased between 14-40%, with the exception of the domestic market that registered a decline of 10%.



Gloves

Sales volume for gloves increased 5.5% YoY to 28,813 million pieces, increasing 5.5% YoY as demand continued to grow. Utilization rate in FY2022 was 63%, down from 87% in FY2021. The proportion of revenue by latex gloves and nitrile gloves was 77:23.

Geographically, Asia was our largest market with 41.5% of total sales volume, followed by North America and Europe at 20.1% and 16.3% respectively. South America accounted for 14.0% of total sales volume. Africa and the Middle East made up 4.1% and 3.4% of total sales volume, respectively. Other markets accounted for 0.7% of total sales volume.

Gross Profit

in FY2022 was THB 15,805.7 million, decreasing 58.5% YoY from THB 38,058.9 million in FY2022. Gross profit margin was 14.3%, down from 32.2% in FY2022. Gross profit for the NR business increased 27.0% YoY as a result of growth in market share and effective cost control. Our ASP of THB 173.5 cent/kg was also higher than the average NR price on the global market in 2022. As a result, gross profit margin for the NR business continued to improve to a new high of 12.9%.

Gross profit margin in the glove business decreased significantly 84.5% as a result of the 54.1% drop in ASP as Covid has been brought under control and global supply has increased rapidly, leading to an oversupply. At the same time, the costs for both NR and NBR latex decreased to a lesser extent than the drop in ASP. As a result, gross profit margin for the glove business dropped from 61.4% in FY2021 to 19.8% in FY2022. Taking account of the reversal of inventory allowance in the amount of THB 296.4 million and realized profits from hedging transactions of THB 1,127.9 million, our adjusted gross profit margin in FY2022 would be 15.6%, down from 31.1% in FY2021.

Operating Profit

in FY2022 was THB 6,869.0 million and operating profit margin was 6.2%, decreasing from THB 29,192.6 million in FY2021 as a result of the weak performance of our glove business while the NR business continued to see growth in both revenue and volume with consistent profitability.

Selling and administrative expenses (SG&A) were THB 10,247.8 million, increasing 29.3% YoY. Selling expenses increased 31.4% YoY to THB 7,819.8 million because of the substantially increase in freight and transportation costs during the first half of the year and the higher CESS that grew in tandem with higher export volume. Administrative expenses increased 23.0% YoY to THB 2,428.1 million because of depreciation and debt allowance by STGT as well as other tax expenses. Other income came in at THB 299.1 million, including the THB 92.0 million that STGT received from the Rubber Authority of Thailand as part of the interest rate subsidy program as well as THB 73.4 million in insurance claims and THB 39.8 million from the sale of production waste. At the end of FY2022 we had THB 221.3 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 FY2022 was THB 335.7 million, up 39.1% YoY because of higher profits from both the NR and high-pressure hydraulic hose joint ventures.

Net Profit

in FY2022 was THB 4,794.9 million, decreasing 69.7% YoY from THB 15,846.7 million in FY2021, with a net profit margin of 4.3%. This decline in net profit can be attributed to the significant drop in the ASP of gloves after Covid has been brought under control and the rapid global increase in production capacity led to an oversupply, even though sales volume continued to grow. Meanwhile, our NR business continued to grow in both sales volume and market share, both domestic and overseas. Our finance costs increased 47.5% YoY to THB 1,222.1 million because of the issuance of debenture to finance the purchase of raw materials, which increased in tandem with sales and the capacity expansion projects as well as the higher interest rates, which went up with the overall global trend.

In short, our glove business faced significant challenges from the steep drop in ASP and intense competition while our NR business continued to experience growth in both ASP and volume. We are confident that we will be able to further increase our market share as the ongoing scarcity of raw materials in Indonesia has led Non-China tire producers, who conventionally preferred NR from Indonesia, to switch to other NR sources, including Thailand, the world's largest NR-producing country. In anticipation of the growth in market share, we have implemented a capacity expansion for TSR and LTX production in 18 projects in the north, northeast and south, an undertaking that requires approximately THB 10,000 million and is expected to be completed in stages from 2022-2024. The sources of funds will be retained earnings and debenture, to which we have access at lower costs than the market rate. At the end of 2022, we completed the expansion at 5 TSR facilities in Pitsanulok, Sakon Nakorn, Bungkarn, Trang and Myanmar and the LTX facility in Bungkarn. As of the end of FY2022, our production capacity stood at 3.18 million tons per annum, with a target of 4.24 million tons per annum by the end of FY2024.

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.

Business Segmentation Analysis

Revenue breakdown by product segment

(Unit: million baht)

| | FY2022 | FY2021 | % YoY |
|-------------------------------------|------------------|------------------|--------|
| Technically Specified Rubber (TSR)* | 79,637.2 | 61,442.8 | 29.6% |
| % | 72.0% | 51.9% | |
| Gloves* | 22,912.9 | 47,497.2 | -51.8% |
| % | 20.7% | 40.2% | |
| Ribbed Smoked Sheet (RSS) | 6,394.6 | 6,027.4 | 6.1% |
| % | 5.8% | 5.1% | |
| Concentrated Latex (LTX)** | 1,593.8 | 3,230.8 | -50.7% |
| % | 1.4% | 2.7% | |
| Others*** | 118.3 | 77.0 | 53.5% |
| % | 0.1% | 0.1% | |
| Total | 110,656.7 | 118,275.4 | |

หมายเหตุ: *Revenue from TSR is net from hedge accounting.

**Revenue from TSR is net from hedge accounting.

***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 72.0% of total revenue, increased 29.6% YoY on the back of the ASP that increased 11.9% YoY and sales volume that increased 20.4% YoY as we were able to increase our market share, particularly among Non-China tire producers, taking advantage of Indonesia's reduced supply. With increased profitability and effective cost control, our gross profit margin for TSR increased to a new high.

Gloves

Revenue from gloves, which accounted for 20.7% of total revenue, declined 51.8% YoY as a result of the ASP that dropped 54.1% YoY even though sales volume increased 5.5% YoY. This can be attributed to intense industry competition that resulted from the oversupply situation that will require some time to resolve. Prices of NRB latex went down 45.7% YoY while prices of NR latex decreased 10.4% YoY. However, the extent of the decrease in raw material prices was less by the decline in ASP. As a result, gross profit margin significantly declined from the previous year offset by the increase in ASP.

Ribbed Smoked Sheet (RSS)

Revenue from RSS, which accounted for 5.8% of total revenue, increased 6.1% YoY on the back of sales volume that grew 7.5% YoY while the ASP, went down 1.4% YoY. Gross profit margin for RSS was higher than the previous year.

Concentrated Latex (LTX)

Revenue from LTX, which accounted for 1.4% of total revenue, decreased 50.7% YoY because sales volume dropped 53.4% YoY as sales to STGT, which increased, are deemed connected transactions that cannot be stated in the financial statements. At the same time, the ASP went up 5.9% YoY. Gross profit margin for LTX was lower than the previous year.

Financial Position

(Unit : million baht)



Assets

As of 31 December 2022, the Company and its subsidiaries had THB 117,083.8 million of total assets, an increase of THB 2,556.7 million from the previous year.

Current Assets

Current assets as of 31 December 2022 amounted to THB 59,163.9 million, representing 50.5% of total assets and down by THB 8,622.7 million or 12.7% from the previous year. The decrease in current assets primarily resulted from a decrease in inventory following a decline in market price of raw materials and finished goods for both the natural rubber and glove businesses.

Non-Current Assets

Non-current assets as of 31 December 2022 amounted to THB 57,919.9 million, representing 49.5% of total assets and increasing by THB 11,179.3 million or 23.9% from the previous year. The increase in non-current assets primarily resulted from an increase in property, plants, and equipment following the capacity expansion of the natural rubber and glove businesses.

Liabilities

As of 31 December 2022, the Company and its subsidiaries had THB 47,897.5 million of total assets, a decrease of THB 1,581.0 million from the previous year.

Current Liabilities

Current liabilities as of 31 December 2022 amounted to THB 14,462.5 million, representing 30.2% of total liabilities and decreasing by THB 16,347.6 million or 53.1% from the previous year. The decrease in current liabilities primarily resulted from a decrease in short-term borrowings from financial institution.

Non-Current Liabilities

Non-current liabilities as of 31 December 2022 amounted to THB 33,435.0 million, representing 69.8% of total liabilities and increasing by THB 14,766.6 million or 79.1% from the previous year. The increase was mainly due to an increase in debentures issued in 2022.

Shareholders' Equity

Shareholders' equity as of 31 December 2022 amounted to THB 69,186.3 million, increasing by THB 4,137.7 million or 6.4% from the previous year. The increase in shareholders' equity primarily resulted from an increase in unappropriated retained earnings and a surplus on revaluation of assets.

Capital Expenditure and Source of Funds

In 2022, our capital expenditure was THB 10,499.1 million, down 7.9% from the previous year, which primarily consisted of THB 5,749.9 million in expenditure for gloves facilities, which accounted for around 55.2% of total capital expenditure. Followed by expenditure for the maintenance of our TSR, RSS, and LTX facilities of THB 4,371.2 million, which accounted for around 41.6% of total capital expenditure, and investment for the rubber plantation business and other expenditures in the amount of THB 40.5 million, and THB 292.5 million, respectively. Our primary sources of funds were cash, long-term borrowings from financial institutions, debentures, and cash from the IPO proceeds of STGT.

Research and Development (R&D) Expenditure

In 2022, the Company had THB 54.2 million in expenses for research and development in relation to all our products, from natural rubber to gloves. Such expenses went toward improving production efficiency and product quality to meet customers' requirements 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), Chapter 1, "Business Structure and Operations", Topic "Business Overview."

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 2022 amounted to THB 40,560.2 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 21) with the key covenants that the Company must maintain in every quarter as follows:

| Ratio | Condition (Calculated from Consolidated Financial Statements) | 1Q22 | 2Q22 | 3Q22 | 4Q22 | Results |
|------------------------------|--|------|------|------|------|---------|
| Long-term borrowings | | | | | | |
| Net Debt to equity ratio | No greater than 3:1 | 0.31 | 0.29 | 0.24 | 0.26 | Pass |
| Net Long-term debt to EBITDA | No greater than 4.5:1 | 0.13 | 0.39 | 0.56 | 0.87 | Pass |
| Debenture | | | | | | |
| Net debt to equity | No greater than 3:1 | 0.31 | 0.29 | 0.24 | 0.26 | Pass |

Credit Policy

STA defined the criteria for setting credit and payment terms for customers including the account receivable turnover, of not over 40 days. This shall be the guideline for the operation, examination, and credit risk control to be at an acceptable level together with preserving and enhancing customer relations leading to a sustainable business operation. In 2022, STA had an account receivable turnover of 27.9 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. The current ratio as of 31 December 2021 and 31 December 2022 was 2.20 times and 4.09 times, respectively. The increase in the current ratio primarily resulted from a decrease in current liabilities from short-term borrowings from financial institutions, while current assets decreased at a slower rate than a decline in inventory.

Fixed asset turnover ratio

Fixed asset turnover ratio is calculated by dividing the sales of goods and services by the average value of property, plant and equipment (net). As of 31 December 2021 and 31 December 2022, the fixed asset turnover ratio was 3.41 and 2.45 times, respectively. The decrease in fixed asset turnover ratio primarily resulted from softened revenue due to a decline in gloves' average selling price, while, property, plant and equipment increased from the capacity expansion plan of both the natural rubber and glove businesses.

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 2021 and 31 December 2022, our ROA was 15.26% and 4.14% respectively. The decrease was mainly due to a decline in the gloves business's performance.

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 2021 and 31 December 2022, the ROE was 26.76% and 7.14%, respectively. The decrease in ROE resulted from a decline in 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 2021 and 31 December 2022, the D/E was 0.76 and 0.69 times, respectively. The decrease in D/E mainly resulted from a decline in borrowings from financial institutions.

Financial Ratios

| Financial Ratio | | FY 2022 | FY 2021 | FY 2020 |
|---|---------|---------|---------|---------|
| Liquidity Ratios | | | | |
| Current ratio | Times | 4.09 | 2.20 | 1.77 |
| Quick ratio | Times | 2.34 | 1.14 | 1.18 |
| Cash flow liquidity ratio | Times | 0.69 | 0.47 | 0.40 |
| Account receivable turnover ¹ | Times | 12.91 | 12.99 | 10.60 |
| Average collection period | Days | 27.88 | 27.71 | 33.96 |
| Inventory turnover ² | Times | 3.28 | 3.11 | 3.30 |
| Inventory period | Days | 109.76 | 115.81 | 109.03 |
| Account payable turnover ³ | Times | 18.38 | 16.11 | 14.99 |
| Average payment period | Days | 19.59 | 22.34 | 24.02 |
| Cash Cycle | Days | 118.05 | 121.17 | 118.97 |
| Profitability Ratios | | | | |
| Gross profit margin | Percent | 14.28 | 32.18 | 28.86 |
| Operating profit margin | Percent | 6.21 | 24.68 | 23.23 |
| Operating cashflow to operating profit ratio | Percent | 228.17 | 50.57 | 62.48 |
| Net profit margin | Percent | 4.33 | 13.40 | 12.63 |
| Return on equity (ROE) ⁴ | Percent | 7.14 | 26.76 | 24.16 |
| Efficiency Ratios | | | | |
| Return on assets (ROA) ⁵ | Percent | 4.14 | 15.26 | 12.59 |
| Return on fixed assets ⁶ | Percent | 17.69 | 54.32 | 41.33 |
| Fixed assets turnover ratio ⁷ | Times | 2.45 | 3.41 | 2.53 |
| Total assets turnover ratio ⁸ | Times | 0.96 | 1.14 | 1.00 |
| Financial Leverage Ratios | | | | |
| Net debt to equity ratio ⁹ | Times | 0.25 | 0.28 | 0.10 |
| Debt to equity ratio | Times | 0.69 | 0.76 | 0.74 |
| Interest bearing debt to EBITDA ratio | Times | 3.84 | 1.27 | 1.57 |
| Debt Service Coverage Ratio: DSCR | Times | 1.17 | 1.36 | 0.79 |
| Interest Coverage Ratio | Times | 8.65 | 39.28 | 29.75 |
| Interest bearing debt with maturity less than 1 year to total interest bearing debt | Percent | 22.30 | 57.94 | 80.95 |
| Interest bearing debt to total liabilities | Times | 0.59 | 0.63 | 0.60 |
| Loans from financial institutions to interest bearing debt | Percent | 32.09 | 74.84 | 94.70 |

| Financial Ratio | | FY 2022 | FY 2021 | FY 2020 |
|--|---------|---------------------|---------|---------|
| Loans from bill of exchange to total interest bearing debt | Times | N/A | N/A | N/A |
| Dividend payout ratio | Percent | 64.07 ¹⁰ | 40.21 | 36.26 |

Notes:

1. Calculated by dividing sales of goods and services by average trade accounts receivable
2. Calculated by dividing cost of sales and services by average inventories
3. Calculated by dividing cost of sales and services by trade accounts payable
4. Calculated by dividing net profit for the year (attributable to owners of the parent) by average shareholders' equity
5. Calculated by dividing net profit for the year (attributable to owners of the parent) by average total assets
6. Calculated by dividing summation of net profit for the year (attributable to owners of the parent) and depreciation by average fixed assets
7. Calculated by dividing sales of goods and services by average fixed assets
8. Calculated by dividing total revenues by average total assets
9. Calculated by dividing net liabilities, which is total interest bearing debt excluding lease liabilities as presented in the consolidated financial statements deducted with cash and cash equivalents and short term investments, by shareholders' equity
10. Referring to The Board of Directors' resolution approving the interim dividend payment of 1.00 baht per share from the Company's operating result for the six-month period ended 30 September 2022. Moreover, On 17 February 2023, the Board of Directors resolved to approve the second dividend payment from the 2022 operating result at the rate of 1.00 baht per share. However, the right to receive such dividend is still not definite as it is subject to the approval of the 2023 Annual General Meeting of Shareholders which will be held on 10 April 2023.

Sustainable Business Operations

In conducting the business, the Company places great importance on sustainability in all aspects, including environmental, social, and governance (ESG). The Company aims to establish good practices in conducting business that cover all sustainability issues and is committed to continuous development to create a strong business while also taking care of the environment, communities, and all stakeholders sustainably.

Environmental

The Company aims to become a green rubber organization and has implemented the ISO 14001 standards in its environmental management. In addition, the Company has an efficient management system of wastewater, air pollution, and various types of waste to minimize the overall environmental impact. Moreover, the Company has set goals to reduce greenhouse gas emissions by using alternative energy sources such as biomass fuels and solar energy.

Society

The Company strictly complies with all laws, regulations, and requirements related to occupational health and safety to ensure a healthy and safe work environment. The Company implements an occupational health and safety management system according to the ISO 45001 standards. Additionally, the Company has established policies on human rights and non-discrimination to demonstrate its commitment to respecting human rights and not discriminating against any individuals. The Company also strives to continuously engage with the local communities and society as part of its business operations.

Governance

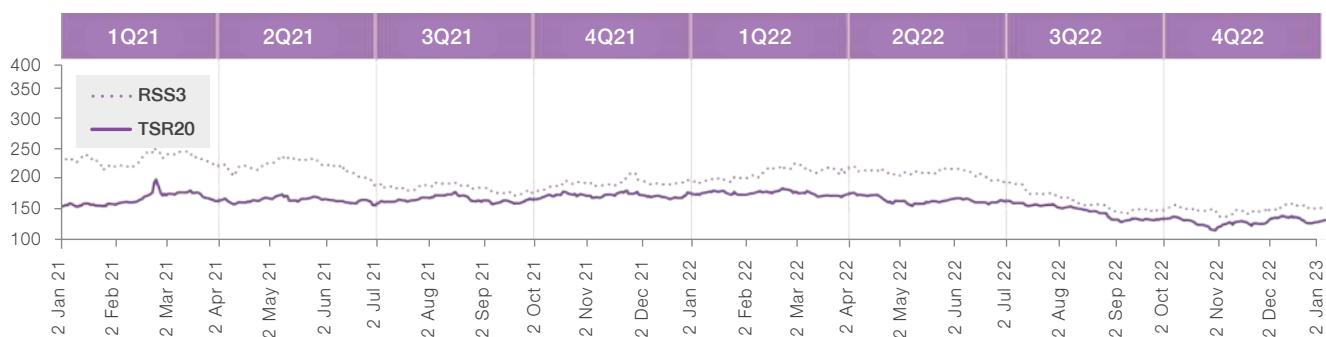
The Company places great importance on sustainable operations in both the corporate and economic dimensions, aiming to establish good governance to prevent sustainability risks in business operations and promote sustainability throughout the supply chain. The Company has established the Supplier Code of Conduct to encourage sustainable business practices among the partners, which serves as a standard for the Company's suppliers. In addition, the Company has also established the Sustainable Natural Rubber Procurement Policy as a sustainability guideline specifically for natural rubber suppliers.

Additional details and results of sustainable operations are disclosed under chapter 3 "Driving a Sustainable Business" in 56-1 One Report and Sustainability Report 2022 on the Company's website www.sritranggroup.com/th/sustainability/home.

Key Factors Affecting the Company's Operations

1. Volatility of Natural Rubber Prices

(unit: US cent/kg.)



Daily Price Movement of TSR20 and RSS3 at SICOM

Like other commodities, natural rubber prices are subject to volatility due to limitations on harvesting. Meanwhile, demand mainly comes from the tire industry, which accounts for about 70 percent of global consumption of natural rubber. The growth or slowdown in the industry is, therefore, crucial and has a significant impact on the global demand for natural rubber products. If there is an imbalance between demand and supply, it can lead to fluctuations in natural rubber prices and may affect the operations of The Company.

According to the latest report from the IRSG*, global natural rubber consumption in 2022 is projected to be 14.34 million tons, a growth of 1.9 percent compared with 2021. Meanwhile, global natural rubber production is forecast to be 14.36 million tons, a growth of 4.3 percent compared with the previous year. The average price of TSR20 rubber on SICOM throughout 2022 is 154.6 cents/kg, a decrease of 7.9% from the average price in 2021.

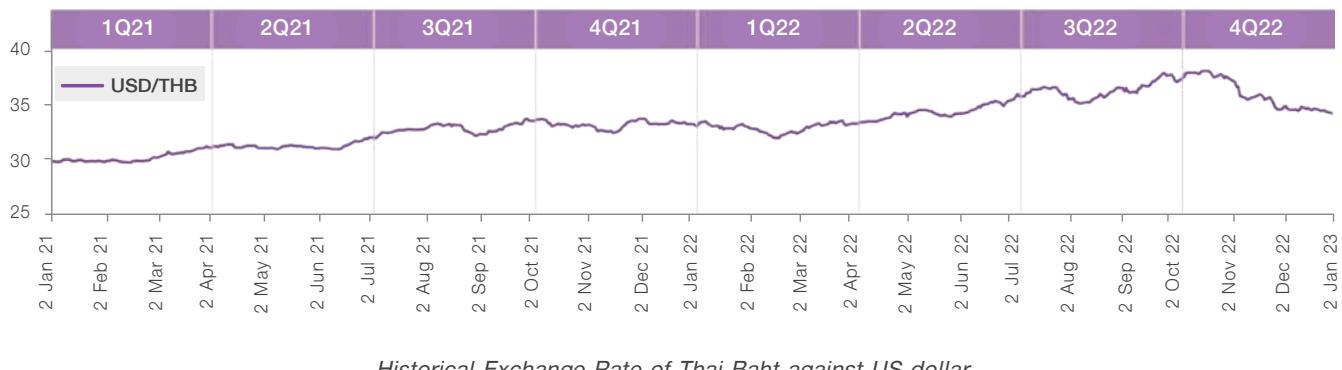
Source: *The World Rubber Industry Outlook, Review and Prospects to 2031, August 2022, by International Rubber Study Group (IRSG)

Price Movement of TSR20 and RSS3 at Singapore Commodity Exchange Limited (SICOM) during 2021-2022

| (Unit: US cent/kg.) | RSS3 | | | TSR20 | | |
|---------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | FY 2022 | FY 2021 | % Change | FY 2022 | FY 2021 | % Change |
| Q1 Average | 209.6 | 233.4 | -10.2% | 176.9 | 167.0 | +5.9% |
| Q2 Average | 210.9 | 221.8 | -4.9% | 165.4 | 165.3 | +0.0% |
| Q3 Average | 163.7 | 185.5 | -11.7% | 146.7 | 166.0 | -11.6% |
| Q4 Average | 149.7 | 192.8 | -22.4% | 129.8 | 172.9 | -24.9% |
| Yearly Average | 183.3 | 208.1 | -11.9% | 154.6 | 167.8 | -7.9% |
| Closing price as at 31 December | 152.0 | 199.1 | -23.7% | 130.2 | 178.3 | -27.0% |

2. Foreign Exchange Rate

Baht: USD



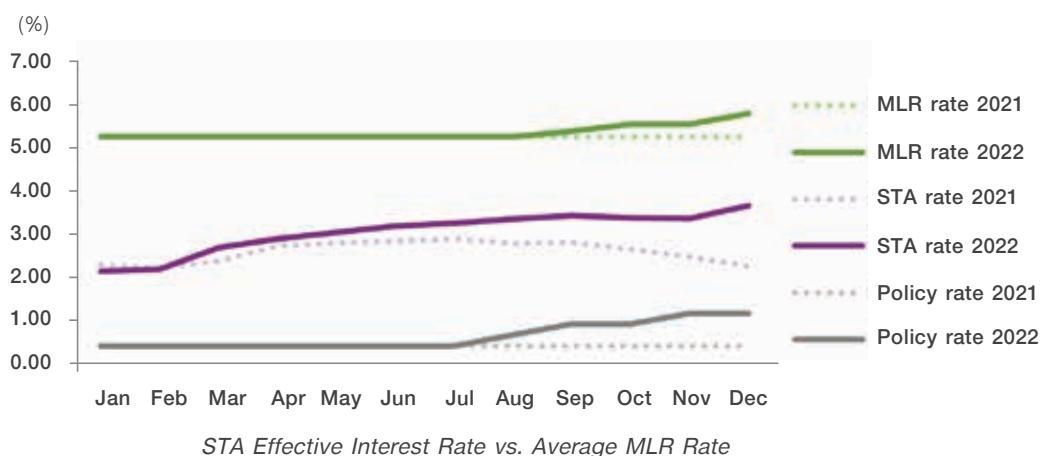
Historical Exchange Rate of Thai Baht against US dollar

The fluctuations of Thai Baht and US Dollar directly affect the Company's revenue as approximately 86.7 percent of total revenue are denominated in US Dollars, while the financial reporting currency is in Thai Baht. Therefore, financial derivatives are used to manage the foreign exchange risk.

In 2022, Thai Baht weakened by 9.6 percent on average over the year, from an average of 32.00 Baht to US Dollar in 2021 to 35.07 Baht to US Dollar in 2022. Thai Baht was on a downward trend throughout 2022, reaching a low of 38.34 Baht in October before starting to recover in November and December 2565 when the U.S. Federal Reserve began to signal a slowdown in interest rate hikes. There was an additional boost from expectation of economic growth after China began to ease the lockdown. In 2022, the Company recorded 506.1 million baht profit from exchange rates in the course of normal business operations and 506.0 million baht profit mostly from currency hedging transactions. In total, the Company recorded 1,012.1 million baht in net currency exchange profit in 2022, an increase from 1,361.2 million baht in 2021.

3. Finance Costs

The key factors affecting our finance costs are NR prices, NR sales volume, and long-term loans for capacity expansion. In 2022, our financial costs increased 47.5 percent from 828.7 million baht in 2021 to 1,222.1 million baht in 2022, mainly from an increase in debentures for the purchase of raw material as well as capacity expansion in the natural rubber business. The Company' average interest rate has increased compared with the previous year alongside the global trend.



The graph above illustrates that the Company's average interest rate during 2021-2022 was lower than the average Minimum Loan Rate (MLR) of 3 large commercial banks, Bangkok Bank, Kasikorn Bank, and Siam Commercial Bank. Although the Company's average interest rate has increased according to risk factors from economic conditions and rising interest rates, the graph has shown that the Company was able to 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 natural rubber exports, happened in 2012, 2016, 2018, and the last time in 2019. In 2019, the Tripartite Rubber Council (ITRC) resolved that member countries, Thailand, Indonesia, and Malaysia, reduce exports of rubber products and increase the use of rubber domestically. The implementation of this policy could have been a factor that caused the movement of NR prices in the country to be inconsistent with the global NR prices or caused speculation in the futures market.

Nevertheless, the Thai government has implemented various programs to combat low natural rubber prices and to help rubber farmers without causing an impact on the market mechanisms, such as the price guarantee offered to rubber farmers, which lasted from October 2021 to March 2022 and October to November 2022, and whereby the government compensated rubber farmers the differential between the guaranteed prices and prices on the market. The guaranteed prices were 60 baht/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 3.0 percent offered to businesses that consume natural rubber and the encouragement to rubber plantations to be certified by the Forest Stewardship Council (FSC) to increase the value of natural rubber products from Thailand and broaden the export base.

Policies that may have an impact rubber gloves products include the ban on natural rubber gloves in the food service and health care industries in certain states in the United States, which may reduce demand for natural rubber gloves in the affect regions, but at the same time, it may increase the demand for nitrile gloves.

5

General Information and Other Key Information

5.1 General Information

(1) Securities Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng
District, Bangkok 10400, Thailand

Telephone: +66 2009 9000 Fax: +66 2009 9991

TSD Call Center: +66 2009 9999

(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

(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 District,
Bangkok 10110, Thailand

Telephone: +66 2264 9090 Fax: +66 2264 0789

(4) Debenture Registrar and Debenture Holders' Representative

Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Toey Nua Subdistrict,
Wattana District, Bangkok 10110, Thailand

Telephone: +66 2255 2222 Fax: +66 2255 9391-3

(5) Legal Advisor

Weerawong, Chinnavat & Partners LTD.

540 Mercury Tower, 22nd floor, Ploenchit Road,
Lumpini Subdistrict, Pathumwan District, Bangkok
10330, Thailand

Telephone: +66 2264 8000 Fax: +66 2657 2222

5.2 Other Key Information

None

5.3 Legal Disputes

As of 31 December 2022, STA and its subsidiaries had no pending legal disputes in the amount of more than 5 percent 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. 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. Currently, STA shares are listed securities on both the SET (Primary Listing) and SGX-ST (Secondary Listing).

5.5 Key Financial Institutions

1. Kasikorn Bank Public Company Limited

400/22 Phahon Yothin Road, Sam Sen Nai Subdistrict, Phaya Thai District, Bangkok 10400, Thailand

Telephone +66 2222 0000

2. Bangkok Bank Public Company Limited

333 Silom Road, Bang Rak District, Bangkok 10500, Thailand

Telephone +66 2231 4333

3. Krung Thai Bank Public Company Limited

35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110, Thailand

Telephone +66 2111 1111

4. Bank of Ayudhya Public Company Limited

1222 Rama III Road, Bang Phongphang Subdistrict, Yan Nawa District, Bangkok 10120, Thailand

Telephone +66 2296 2000 and +66 2683 1000

5. Siam Commercial Public Company Limited

9 Rajadapisek Road, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900, Thailand

Telephone +66 2544 1111 and +66 2777 7777



02

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 policy and regulations are reviewed on an annual basis.

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.

The Board of Directors has specified to monitoring the compliance on the policy and the communication to all employees through the internal intranet system (STA Family) and to the public on the Company's website under the topic of good corporate governance.

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 in on page 17-19 of STA's 56-1 One Report.)

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, the sufficient and timely information, the inclusivity in attending the shareholders' meeting and expressing opinion, 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 to expedite the registration and the vote-counting process for immediate results. In 2022, the Company held 2 shareholders' meetings, 1 extraordinary general meeting and 1 annual general meeting. Both meetings were held through electronic means, due to the ongoing situation of the COVID-19 pandemic. Thus, shareholders were able to attend the meeting through various channels such as computers, tablets, and smart phones. The guideline for the meeting practice was informed in the invitation letter of the meeting.

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.sriranggroup.com and the website of the SGX-ST via www.sgx.com ("SGXNET"). The shareholders will be notified when such information is published through the news publishing system of the Stock Exchange of Thailand. 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

independent examiners with no relation with the Company's for the vote counting process 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 Chittmitrapap, Vice President and Lead Independent Director.

In 2022's Annual General Meeting of Shareholders, every Chairman of each sub-committee attended the meeting comprising Mr. Kriang Yanyongdilok, the Chairman of the Audit Committee, the Remuneration Committee, and the Nominating Committee, Mr. Veerasith Sinchareonkul, the Chairman of the Risk Management Committee and the Sustainable Development Committee, Ms. Anusra Chittmitrapap, the Chairman of Corporate Governance Committee, in addition the external auditors and legal advisors were presented to address queries about the audit of the Company and the auditors' report. STA has noted the questions and clarifications in the minutes of the shareholders' meeting for acknowledgment of shareholders who did not attend the meeting.



Fair Treatment of Shareholders

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 1 share 1 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. In case of electronic meeting, shareholders still have the right to vote by registering in advance to attend the meeting and vote on each agenda during the meeting through the system. After each agenda is presented, a time for voting is given as designated and announced at the beginning of the meeting.

- (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. The policy has been communicated by human resources department, published through the intranet system within the organization (STA Family), and sent through E-mail to directors, executives and employees for their acknowledgement regarding the prevention of insider information usage.
- (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 upon the first nomination, every time changes occurred during his/her position, and at the end of each year by assigning Company Secretary to keep the report. If any conflict of interest is found, Company Secretary shall report to the Chairman of the Board and the Chairman of Audit Committee to use such information to investigate and prevent conflicts of interest.
- (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
 - Company Secretary,
E-mail Address: corporatesecretary@sritranggroup.com
Tel. +66 2207 4590
 - Investor Relations,
E-mail Address: ir@sritranggroup.com
Telephone no. +66 2207 4500 Ext. 1402 and 1404



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 organization.

STA is aware of the principles and standards on human rights. As such, STA has established human rights and non-discrimination policy in accordance with UN Guiding Principles on Business and Human Rights: UNGP that implementing the United Nation's "protect, respect, and remedy" framework, Universal Declaration of Human Rights: UDHR, Children Rights and Business Principles: CRBP, and UN Global Compact to declare our intention to operate the business with respect to human rights and without any discrimination in accordance with the international principles and regulations (The full version of policy is disclosed on the Company's website www.sritranggroup.com)

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 percent to the maximum of 15 percent 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. In 2022, the Company has offered additional investment options from 3 plans to 7 plans, which members are able to change their investment plan once in each quarter, as well as educated members regarding the investment so that they have a guideline to make their decisions.

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 policy and regulations are reviewed on an annual basis.

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.

The use of Inside Information

The Board of Directors oversees the use of inside information in accordance with the law and good corporate governance principles, which has been set out in writing in the policy for the use of inside information to prevent insider trading or seeking unlawful benefits. The key points are summarized as follows:

1. Directors, executives, and employees who have access to inside information of the Company are required to refrain from trading the company's securities at least 1 month prior to public disclosure and at least 24 hours after public disclosure. The disclosure of such information to other people is also prohibited by any means.

In 2022, Company Secretary informed the relevant persons via E-mail about the blackout period in advance and did not find any Directors, executives, or related personnel traded securities during the specified period.

2. Directors and executives as defined by the SEC, who wish to trade securities, have a duty to report their securities holdings to the SEC within the specified period from the date of change through the SEC website. Company secretary will then compile a summary report to report to the Board of Directors every quarter.

In 2022, The audit found that the Directors and executives' traded securities transactions were correctly and completely in compliance with the specified policies.

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.sritranggroup.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 and to monitor the operations of the management. Such information is reviewed by the Board of Directors of the Company on a 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 Ext. 1402 or 1404 E-mail 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 any institutions 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 information 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 2022, STA held meetings with investors, fund managers, media/ reporters globally with a total of 24 times, which important events/ meetings are as follows:

| Activities | Organizer | Date |
|-------------------------------|---|------------------|
| Quarterly Analyst Meetings | STA | 18 February 2022 |
| | | 10 May 2022 |
| | | 11 August 2022 |
| | | 9 November 2022 |
| TISCO Exclusive Talk with STA | TISCO Securities Company Limited | 18 February 2022 |
| | | 10 May 2022 |
| | | 22 August 2022 |
| | | 2 December 2022 |
| STA Bond Roadshow 1/2022 | STA in collaboration with Bangkok Bank Public Company Limited | 28 February 2022 |
| Management Meeting | TRIS Rating Company Limited | 29 April 2022 |
| Thailand Focus 2022 | The Stock Exchange of Thailand | 25 August 2022 |



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.

Nomination and Appointment of Directors

Nomination Committee has set directors selection criteria for the candidates to possess qualifications in accordance with the law and the specified criteria,

which included experience, knowledge and ability that will be beneficial to the Company, with no limitation in gender, race, ethnicity, nationality, or place of origin, as well as considering diversity and expertise as a whole by setting a target that at least 2 of the Directors must be female. The Company has prepared a Board Skill Matrix for consideration that the candidate's qualification is consistent with business operations and select persons to be nominated as Directors, Independent Directors, or the Audit Committee members to propose to the Board of Directors and the shareholders' meeting to consider the election in accordance with the Company's Articles of Association.

Determination of Remuneration for Directors

The Remuneration Committee has duties to initially review remuneration for Directors and present to the Board of Directors for consideration and proposing for approval at the Annual General Meeting of shareholders. The consideration of remuneration for Directors has taken into account the suitability and alignment with their duties and responsibilities which is at a level comparable to the remuneration rates of companies in the same industry.

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 2022, 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 months. 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.

Director Development

The Company encourages and facilitates Directors to receive training or seminars in courses that are beneficial to their duties too be used as a guideline for continuous operational development.

The Board of Directors gives importance to the development of knowledge and ability to perform duties as a director. The Company's Directors have passed the training courses regarding the duty of directors from the Thai Institute of Directors Association (IOD). In addition, the Company has promoted, encouraged, and coordinated to facilitate all directors to participating in various training courses and seminars.

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.sritranggroup.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 2022

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 2022, the Company has reviewed significant policy namely (1) Corporate Governance policy (2) Research and Development policy (3) Human Rights and Non-Discrimination policy (4) Information Technology policy and (5) Anti-Corruption policy.

In addition, the Risk Management Committee has approved the reorganization of the Risk Management Working Group to cover all product groups of the Company to be consistent with current risk trends.

In 2022, the Board of Directors has considered and approved the new policies namely (1) Sustainable Development policy: the Sustainable Development Committee has appointed a sustainable development working group to manage sustainability systematically and efficiently, as well as oversee the operation to be in compliance with the sustainable development policy (2) Sustainable Natural Rubber Procurement Policy: to manage risks in the supply chain to create sustainability throughout the company's value chain. The Company's disclosure of other important policies on STA's 56-1 One Report in section "Enclosure 4".

The Company has certified the renewal of participation in the Thai Private Sector Collective Action Against Corruption project in 2021. In 2022, the Company has applied to join the CAC Change Agent by inviting business partners to participate in the declaration of intentions with CAC, which helped the Company to develop and improve operational processes to be transparent, enhance corporate governance standards, create a transparent business network to be truly free from corruption, and confirm the intention of the Company to fight against all forms of corruption.

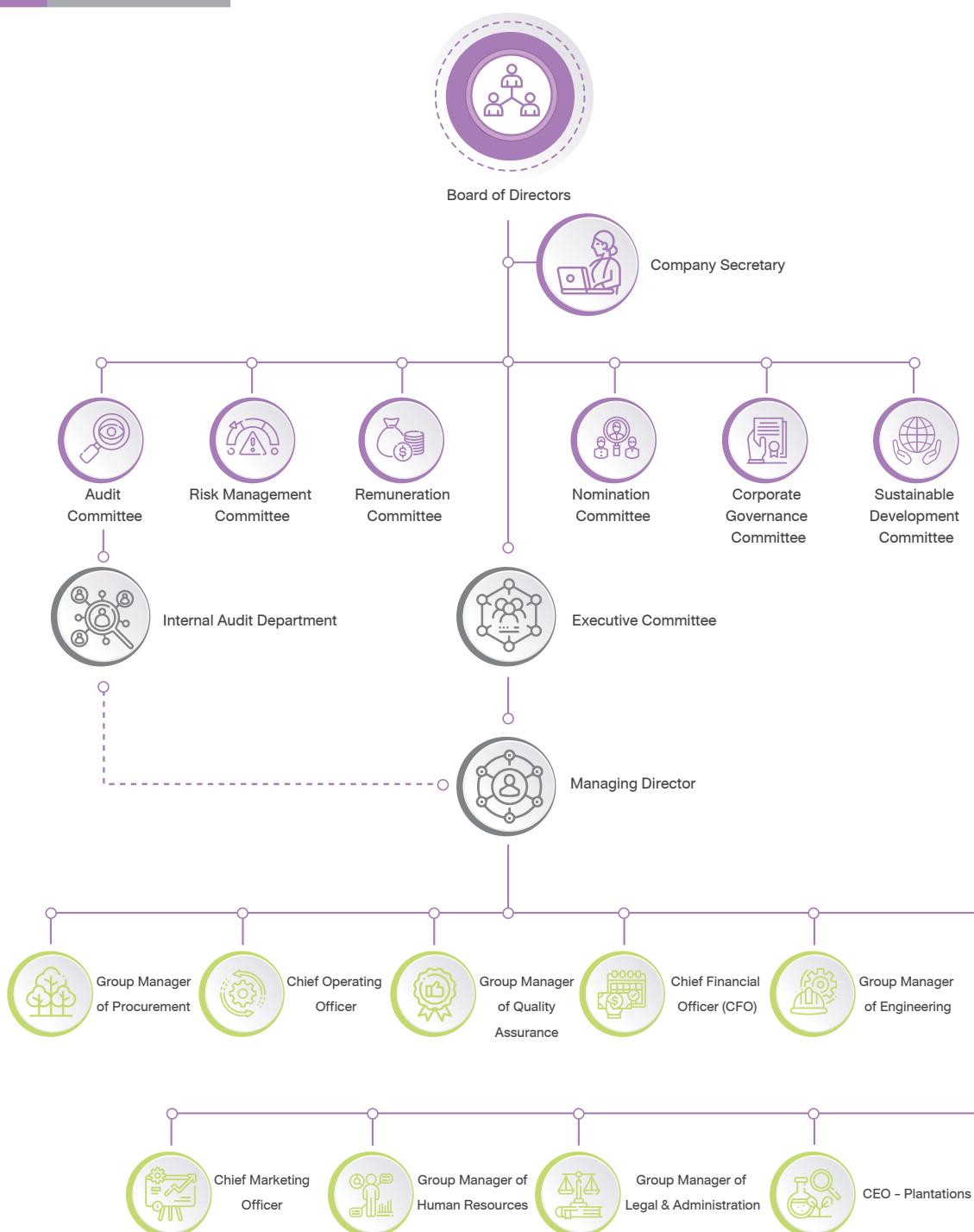
The Company is committed to continually complying with the principles of good corporate governance. However, there are some topics that the Company may not be fully implemented in 2022 namely;

- **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 Chittmittrapap, 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.
- **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 1 January 2023



7.2 The Board of Directors of STA

7.2.1 The Board of Directors of STA structure

As of **31 December 2022**, the Board of Directors of STA consists of 12 directors which are 8 Executive Directors and 4 Non-Executive Directors, all of whom are independent. The proportion of Independent Directors to total Directors is 33.33 percent and the proportion of Non-Executive Directors to total Directors is 33.33 percent, with details as follows:

| Name | Position | Executive Director | Non-Executive Director | Independent Director |
|---|--|--------------------|------------------------|----------------------|
| 1. Mr. Viyavood Sincharoenkul | Chairman/ Chairman of the Executive Committee | ✓ | | |
| 2. Ms. Anusra Chittmittrapap | Vice Chairman / Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Chairman of the Remuneration Committee | | ✓ | ✓ |
| 3. Mr. Veerasith Sinchareonkul | Director / Managing Director / Chairman of the Risk Management Committee / Chairman of the Sustainability Development Committee / Member of the Corporate Governance Committee | ✓ | | |
| 4. Mr. Chaiyos Sincharoenkul | Director / Executive Director | ✓ | | |
| 5. Mr. Kitichai Sincharoenkul | Director / Executive Director / Member of the Nomination Committee | ✓ | | |
| 6. Mr. Paul Sumade Lee | Director / Executive Director | ✓ | | |
| 7. Mr. Vitchaphol Sincharoenkul | Director / Executive Director / Member of the Sustainability Development Committee | ✓ | | |
| 8. Mr. Patrawut Panitkul | Director / Executive Director / Member of the Risk Management Committee | ✓ | | |
| 9. Mr. Chalermpop Khanjan | Director / Executive Director / Member of the Risk Management Committee / Member of the Sustainability Development Committee | ✓ | | |
| 10. Gen Thanasorn Pongarna | Independent Director / Member of the Audit Committee / Chairman of the Nomination Committee / Member of the Remuneration Committee | | ✓ | ✓ |
| 11. Mr. Thanatip Upatising | Independent Director / Member of the Corporate Governance Committee | ✓ | ✓ | |
| 12. Ms. Nongram Laohaareedilok | Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Remuneration Committee | | ✓ | ✓ |
| Total Number of Directors | | | | |
| 8 persons 4 persons 4 persons | | | | |

Mrs. Pacharin Anuwongwattanachai is the Company Secretary.

- The Board of Directors' Meeting No. 1/2022, held on 4 February 2022, has resolved the appointment of Sub-Committee, as follows:

The Corporate Governance Committee

| Name | Position |
|-----------------------------|--|
| Ms. Anusra Chittmittrapap | Chairman of the Corporate Governance Committee |
| Mr. Thanatip Upattising | Member of the Corporate Governance Committee |
| Mr. Veerasith Sinchareonkul | Member of the Corporate Governance Committee |

The Sustainable Development Committee

| Name | Position |
|------------------------------|---|
| Mr. Veerasith Sinchareonkul | Chairman of the Sustainable Development Committee |
| Mr. Vitchaphol Sincharoenkul | Member of the Sustainable Development Committee |
| Mr. Chalermpop Khanjan | Member of the Sustainable Development Committee |

- The 2022 Annual General Meeting of Shareholder, held on 7 April 2022, was resolved to approve the appointment of Ms. Nongram Laohaareedilok to be a Director / Independent Director in replace of Mr. Kriang Yanyongdilok, one of the Directors who shall vacate office, had not renewed the term of office as a Director / Independent Director of the Company
- On 19 April 2022, Mr. Samacha Potavorn has resigned from the position of Independent Director, member of the Audit Committee, member of the Nomination Committee, and member of the Remuneration Committee of the Company.
- The Board of Directors' Meeting No. 3/2022, held on 26 April 2022, has resolved the appointment of Sub-Committee to replace the vacant position, details as follow:

The Audit Committee

| Name | Position |
|----------------------------|---------------------------------|
| Ms. Anusra Chittmittrapap | Chairman of the Audit Committee |
| Gen Thanasorn Pongarna | Member of the Audit Committee |
| Ms. Nongram Laohaareedilok | Member of the Audit Committee |

The Nomination Committee

| Name | Position |
|----------------------------|--------------------------------------|
| Gen Thanasorn Pongarna | Chairman of the Nomination Committee |
| Ms. Nongram Laohaareedilok | Member of the Nomination Committee |
| Mr. Kitichai Sincharoenkul | Member of the Nomination Committee |

The Remuneration Committee

| Name | Position |
|----------------------------|--|
| Ms. Anusra Chittmittrapap | Chairman of the Remuneration Committee |
| Gen Thanasorn Pongarna | Member of the Remuneration Committee |
| Ms. Nongram Laohaareedilok | Member of the Remuneration Committee |

The Board of Directors of STA



01

Mr. Viyavood Sincharoenkul

Chairman / Chairman of the Executive Committee



02

Ms. Anusra Chittmittrapap

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



03

Mr. Veerasith Sinchareonkul

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



07

Mr. Vitchaphol Sincharoenkul

Director / Executive Director / Member of the Sustainability Development Committee



08

Mr. Patrawut Panitkul

Director / Executive Director / Member of the Risk Management Committee



09

Mr. Chalermpop Khanjan

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



04

Mr. Chaiyos Sincharoenkul

Director / Executive Director



05

Mr. Kitichai Sincharoenkul

Director / Executive Director /
Member of the Nomination
Committee



06

Mr. Paul Sumade Lee

Director / Executive Director



10

Gen Thanasorn Pongarna

Independent Director / Member of
the Audit Committee / Chairman of
the Nomination Committee /
Member of the Remuneration
Committee



11

Mr. Thanatip Upatising

Independent Director / Member
of the Corporate Governance
Committee



12

Ms. Nongram Laohaareedilok

Independent Director / Member of
the Audit Committee / Member of
the Nomination Committee /
Member of the Remuneration
Committee



Composition and Appointment of the Board of Directors of STA

The following is a summary of the composition, appointment, dismissal, 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 3 persons must be Independent Directors;
3. The 3 member of the Audit Committees must be Independent Directors, and at least 1 person of the 3 members must have 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/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 in order to establish the Committee that can perform their duties effectively.

In 2022, the Board of Directors consisted of 12 members, with 4 independent directors, 2 of whom were women. The Board of Directors possesses skills in accordance with business strategies of the Company through the Board Skill Matrix as well as diversity in educational background and experiences without other limitations.

In this regard, Directors of the Company have invaluable experiences in accounting, finance, business administration, strategic planning, marketing, laws, foreign affairs, and rubber industry.

Board Skills Matrix

Qualifications of Independent Directors

1. Holding shares not exceeding 1 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 percent 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 percent shareholder of, or a partner in (with 10 percent 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 percent 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 3 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 3 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/her 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 2 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, controlling person, or partner of an audit firm that employs an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than 2 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 2 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 2 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 percent 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 1 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. In 2022, none of Independent Director has been in the position beyond 9 years.

Matters to be 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 in collaboration 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 execute. 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 authority that are suitable for the responsibilities of the management;
- D. Determination of resources allocation framework, development, and budgeting such as policy and plan for people management and information technology management policy;
- E. Monitoring and assessment of performance;
- F. Oversight over reliable financial disclosure and reporting and sufficient and appropriate non-financial disclosure.

Matters that 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 2 of the 8 following directors of STA, namely, Mr. Viyavood Sincharoenkul, Mr. Chaiyos Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul, Mr. Paul Sumade Lee, Mr. Patrawut Panitkul, Mr. Chalempop Khanjan, and Mr. Vitchaphol Sincharoenkul shall affix their signatures and the Company's seal.

As 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 participate in the agenda-setting of the Board of Directors' meeting to counterbalance the authority 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 authority and duties of the Board of Directors as follow:

1. The Board of Directors have authority, duties, and responsibilities in managing the Company in compliance laws, 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. To be responsible for proposing, reviewing, and approving the policy and direction of the Company;
3. To appoint, remove, and assign duties to advisors to the Board of Directors, other sub-committees, and the Managing Director;
4. To authorize the management, management-level officers or any person to act on behalf of the Board of Directors;
5. To approve investments in securities or debt instruments;
6. To 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. To approve the establishment, merger, or dissolution of subsidiary companies;
8. To seek advice from specialists or company consultants (if any), or retain the services of outside specialists or consultants at the Company's expense;
9. To 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. To appoint and remove the Company Secretary;
11. To consider and approve the connected transactions, except if such transactions require approval of the shareholder meeting. Such approval will be in compliance with notifications, rules, and/or regulations related to the Stock Exchange;
12. To 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 authorization, and assignment of duties and responsibilities, the Board of Directors shall not authorize or sub-authorize a person that may cause the Board of Directors or the authorized person to approve transactions in which the Board of Directors or the authorized person, or any person who may have any conflict of interest (as defined in the notification of the SEC), a vested interest, or any other conflict of interest with the Company or its subsidiaries, except for the approval of transactions that comply with the policy and criteria approved by the shareholders' meeting or the Board of Directors.

The Board of Directors will develop an understanding of its scope of duties and will authorize the Chief Executive Officer and the management to perform the tasks. Such authorization is to be made in writing, however, shall not discharge the Board of Directors from its duties as the Board of Directors. It shall continue monitoring and supervising 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

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

1. To oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve STA's objectives;
2. To ensure that all Directors contribute to STA's ethical culture and good corporate governance;
3. To set the board meeting agenda by discussing with Independent Directors and follow the measures to ensure that important matters shall be included as the meeting agenda;
4. To 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. To 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 the voting results are equal; the Chairman of the Board shall have an additional vote as the casting vote.

In order to encourage good corporate governance and ensure the balance of authority between the Board and the 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 explicit as follows:

Scope of Authorities and Responsibilities of the Managing Director

1. To approve any juristic act binding the Company for the normal business operation of STA in an amount not exceeding Baht 200,000,000;
2. To issue, amend, add, and revise rules, orders, and working restrictions of STA, for example, the employment, appointment, dismissal, and disciplining of staff and employees, and the determination of salary and other monetary benefits, including allowance and other welfare;
3. To determine the salary rate and other remuneration, including expense rates and facilities of the manager or equivalent for proposing to the Executive Committee for further approval;
4. To administer STA's business according to the resolutions and policies of the Board of Directors of STA;
5. To propose significant matters to the Board of Directors of STA or the meeting of shareholders for further approval or other appropriate action;
6. To study the feasibility of new projects, consider and approve the projects as delegated by the Board of Directors of STA and the Executive Committee;
7. To 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 The Sub-Committees

As of 31 December 2022, the sub-committees consist of the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Management Committee, the Corporate Governance Committee, and the Sustainability Development Committee to help supervise and scrutinize important tasks, as well as give strategic opinions to the Board of Directors.

(1) The Executive Committee

As of 31 December 2022, the Executive Committee consists of 8 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 in accordance with the policies set by the Board of Directors;
2. To appoint STA's management to efficiently and transparently manage STA's businesses;
3. Any 2 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) The Audit Committee

The Audit Committee consists of 3 Independent Directors and all have the qualifications required by the Capital Market Supervisory Board and the SET. As of 31 December 2022, the Audit Committee members are as follows:

| Name | Position |
|-------------------------------|---------------------------------|
| 1. Ms. Anusra Chittmittrapap | Chairman of the Audit Committee |
| 2. Gen Thanasorn Pongarna | Member of the Audit Committee |
| 3. Ms. Nongram Laohaareedilok | Member of the Audit Committee |

Mr. Nongram Laohaareedilok 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 the Audit Committee Members

Members of the Audit Committee shall be Independent Directors with the following qualifications and shall not have any of the following prohibited characteristics:

1. Holding no more than 1 percent of the total number of voting shares of the Company, its parent companies, subsidiaries, associate companies, major shareholders or persons with controlling power of the Company. For this purpose, shareholding of related persons of such Independent Directors shall be accumulated with the shareholding of the Independent Directors.
2. Not being or not having been Directors involved in the management, employees, hired workers, advisers earning fixed salary or persons with controlling power of the Company, its parent companies, subsidiaries, associate companies and same-level subsidiaries, major shareholders or persons with controlling power of the Company except where such status has terminated at least 2 years before the date on which he or she has assumed the position of a member of the Audit Committee. This prohibited status shall, however, exclude the case where the Independent Director used to be a government official or adviser of a governmental agency, which is a major shareholder or the controlling person of the Company;
3. Not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child of other Directors, executives, major shareholders, controlling person or person to be nominated as Director, executive or controlling person of the Company or its subsidiaries;
4. Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent judgement. This prohibition shall also include cases where the independent is or has been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person except where such relationships have terminated at least 2 years before the date on which he or she has assumed the position of a member of the Audit Committee. The business relationship described above shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services or granting or receipt of financial assistance by way of acceptance or provision of loan, guarantee, use of assets as collateral, and such other similar actions, which result in the Company or the counterparty being

- subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from 20 million baht or more, whichever amount is lower. Such indebtedness shall be calculated in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year prior to the date of establishing the business relationship with the related person;
5. Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, person with controlling power, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or person of controlling power, except where such relationship has terminated not less than 2 years before the date on which he or she has assumed the position of a member of the Audit Committee;
 6. Not being or having been a provider of professional services, including legal advisory services or financial advisory services earning a service fee of more than 2 million baht per year from the Company, its parent company, subsidiary, associated company, majority shareholder, or person with controlling power, and not being a significant shareholder, person with controlling power, or partner of such provider of professional services, except where such relationship has terminated not less than 2 years before the date on which the independent director has assumed the position of a member of the Audit Committee;
 7. Not being a Director who is appointed as the representative of Directors of the Company, major shareholder, or shareholder who is a connected person of a major shareholder;
 8. Not undertaking any business of the same nature and in significant competition with that of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, hired worker, adviser earning regular monthly salary, or holding more than 1 percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with that of the Company or its subsidiary;
 9. Not being a director assigned by the Board of Directors to make decisions regarding business operations of the Company, its parent company, subsidiary, associated company, majority shareholder, or person with controlling power;
 10. Not being a director of parent company, subsidiary or same-level subsidiary, which are listed companies;
 11. Having other complete and appropriate qualifications required by the law or in accordance with the requirements of government agencies;
 12. Not having any other characteristics that could cause the Independent Directors to express their independent opinion about business operations of the Company.

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) The Nomination Committee

As of 31 December 2022, the Nomination Committee consists of 3 Directors as follows:

| Name | Position |
|-------------------------------|---|
| 1. Gen Thanasorn Pongarna | Chairman of the Nomination Committee (Independent Director) |
| 2. Ms. Nongram Laohaareedilok | Member of the Nomination Committee (Independent Director) |
| 3. Mr. Kitichai Sincharoenkul | Member of the Nomination Committee (Executive Director) |

Scope of Duties and Responsibilities of the Nomination Committee

1. To Review and assess candidates to be nominated as Directors (including executive directors) before proposing to the Board of Directors;
2. To review and recommend the Board of Directors in regard of appointment and re-appointment of the Directors based on the Director's contribution and performance;
3. To consider the independence of each Director on an annual basis;
4. To evaluate each Director's performance whether he/she has carried out his/her duty properly as a Director.

In performing the duties as mentioned, the Nominating Committee will consider the following factors:

- Independence of thoughts;
- The capability of each individual to 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
- Time contribution and effort in performing his/her duties as a Director.

(4) The Remuneration Committee

As of 31 December 2022, the Remuneration Committee consists of 3 Independent Directors as follows:

| Name | Position |
|-------------------------------|---|
| 1. Ms. Anusra Chittmittrapap | Chairman of the Remuneration Committee (Independent Director) |
| 2. Gen Thanasorn Pongarna | Member of the Remuneration Committee (Independent Director) |
| 3. Ms. Nongram Laohaareedilok | Member of the Remuneration Committee (Independent Director) |

Scope of Duties and Responsibilities of the Remuneration Committee

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

(5) The Risk Management Committee

As of 31 December 2022, the Risk Management Committee consists of 5 Directors as follows:

| Name | Position |
|--------------------------------|---|
| 1. Mr. Veerasith Sinchareonkul | Chairman of the Risk Management Committee (Managing Director) |
| 2. Mr. Chalermpop Khanjan | Member of the Risk Management Committee (Executive Director) |
| 3. Mr. Patrawut Panitkul | Member of the Risk Management Committee (Executive Director) |
| 4. Mr. Chaidet Pruksanusak | Member of the Risk Management Committee |
| 5. Mr. Nattee Thiraputhbhokin | Member of the 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 a 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 for 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 appropriate or when requested;
4. To draw up strategies for managing risks in accordance with 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 in accordance with the defined policy;
6. To consider and approve the determination of an acceptance risk level (Risk Appetite) and a deviation of the organization's risk tolerance (Risk tolerance) prior presenting to the Board of Directors to consider and approve, including the opinion given on the guidelines and risk management measures and the action or mitigation plan to manage the residual risk to ensure that there is adequate and appropriate risk management;
7. To provide suggestion and support to the Board of Directors and the management on the Enterprise Risk Management, including promoting and supporting to the continually and regularly risk management system improvement;
8. The Risk Management Committee has the authority to empower all departments to collaborate with risk management departments to clarify information in writing or inviting executives or employees in the relevant departments to attend the meeting with Risk Management Committee for providing the required information in accordance with the responsibilities as the Risk Management Committee deems appropriate. It is deemed

- that being invited, asked, or requested information is considering as the duty of all levels of employees to collaborate with the Risk Management Committee;
9. The Risk Management Committee has the authority to request any business unit under the Group of company to take action or act as necessary to enable the performance of the responsibilities set forth in this Charter or any other special additional duties as assigned by the Board of Directors;
 10. To be in charge of supervising and providing support to ensure 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 Management Sub-Committee and/or the risk manager.
 11. To support and promote the revision of the sufficiency of the risk management policy of the Company and its subsidiaries including the effectiveness of the system and compliance, and propose 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 overall current business strategies and environment;
 12. 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.
13. To seek advisers or persons who are independent to express opinion or give recommendations as necessary.
 14. To consider, review, and revise Charter for the Risk Management Committee at least once a year and propose to the Board of Directors for consideration and approval;
 15. To perform other tasks as assigned by the Board of Directors meeting by and with the consent from the Risk Management Committee.
- The Risk Management Committee recognizes the importance of compliance with the policy of good corporate governance and Risk Management policy for the effectiveness and efficiency in supervising the organizational risk management. Therefore, on 21 April 2022, the Risk Management Committee resolved to appoint a Risk Working Group (RWG) to discharge the duties of determining risk measurement criteria risk, acceptable level, risk assessment, methods, and mitigating plan for risk management to ensure that it has the appropriate level. The Risk Working Group is also responsible to supervise, control, and follow up on risk management operations of each line of work to ensure that they are in the same direction in line with strategic objectives and goals of the organization and comply with the policy and risk management framework set by the Risk Management Committee (RMC), as well as to encourage staff of all levels to have awareness and understanding about risk management as a culture of the organization.

(6) The Corporate Governance Committee

As of 31 December 2022, the Corporate Governance Committee consists of 3 Directors as follows:

| Name | Position |
|--------------------------------|--|
| 1. Ms. Anusra Chittmittrapap | Chairman of the Corporate Governance Committee (Vice Chairman / Independent Director) |
| 2. Mr. Thanatip Upatising | Member of Corporate Governance Committee (Independent Director) |
| 3. Mr. Veerasith Sinchareonkul | Member of Corporate Governance Committee (Managing Director) |

Scope of Duties and Responsibilities of the Corporate Governance Committee

1. To 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. To 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. To 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. To advise, 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. To encourage communication among Directors, executives, employees at all levels and other related parties to understand and be aware of 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. To review the policies and guidelines regarding 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) The Sustainable Development Committee

As of 31 December 2022, the Sustainable Development Committee consists of 3 directors as follows:

| Name | Position |
|---------------------------------|---|
| 1. Mr. Veerasith Sinchareonkul | Chairman of the Sustainable Development Committee (Managing Director) |
| 2. Mr. Vitchaphol Sincharoenkul | Member of the Sustainable Development Committee (Executive Director) |
| 3. Mr. Chalermpop Khanjan | Member of the Sustainable Development Committee (Executive Director) |

Scope of Duties and Responsibilities of the Sustainable Development Committee

1. To determine directions, policies, strategies, goals, and plans for sustainable development covering environmental dimension, social dimension, and governance & economic dimension of the Company and propose to the Board of Directors;
2. To support and drive cooperation in operations regarding sustainability throughout the organization by advising 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. To review and recommend the Company's sustainability practices to be in line with best practices and international standards and up-to-date at all times, and propose such practices to the Board of Directors for consideration, improvement, and development.
4. To 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. To follow up and summarize the sustainability performance of the organization and report progress to the Board of Directors at least once a year;
6. To oversee the disclosure of The Company's sustainability information through the Company's annual report and annual sustainability report;
7. To consider the appointment of a sustainability working group as it deems appropriate.

The Sustainable Development Committee has established a Sustainability Development Working Group on 1 April 2022. The Working Group is responsible for implementing policies, conducting the Company's sustainability activities according to the policy, and follow up on the implementation of the plan and communicate important issues related to corporate sustainability to employees at all levels, so that employees are aware of sustainability issues that may affect the Company's goals.

7.4 Executive Directors

7.4.1 Executives

According to Clause 7.1 Corporate Governance Structure as of 1 January 2023, 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 | Director / 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 | Group Manager of Plantations |
| 7. Ms. Nuchanart Chaiyarat | Group Manager of Human Resources |
| 8. Mr. Nattee Thiraputbhokin | Group Manager of Marketing |
| 9. Mr. Ratapong Laparojkit ² | Group Manager of Engineering |

Note:

1. "Executive" means a director, manager, or the next 4 executives succeeding the manager, a person holding an equivalent position to the 4th executive, including a person holding the position higher or equivalent to a manager in the accounting or finance departments.
2. Mr. Ratapong Laparojkit was appointed to the position on 1 January 2023.

7.4.2 Policy and Criteria for Remuneration of Directors and Executives

The Remuneration Committee is responsible for proposing clear and transparent guidelines and criteria regarding the remuneration of Directors to the Board of Directors for their consideration. The Board of Directors, then, determines the policy for remuneration of Directors. The details are as follows:

Policy and Criteria for Remuneration of Directors

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 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 achieve both short-term and long-term goals. In addition, the remuneration shall be disclosed in the Company's annual report.

Policy and Criteria for Remuneration of Executives

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 and compared to remuneration information surveyed by reliable institutes, organizations, and entities as well as the inflation rate and net profits of the Company, together with performance of 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) |
|------|-----------------------------------|-------------------|-----------------------|
| 2022 | Salary and other monetary benefit | 12 | 200.8 |

In 2022, the accumulated monetary remuneration of STA was at 4,365.5 million baht, with the remuneration of senior executive directors accounted for 4.6 percent of the total renumeration of the Company.

For the fiscal year ending 31 December 2022, STA paid the remuneration to the Directors and Executives, totaling 12 persons, in the amount of 200.8 million baht. Such remuneration was in the form of salary, bonus and other compensation including paid benefits and compensation, as well as any deferred compensation that based on such financial year which accrued to be paid later 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.

- 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 percent 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 percent 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, 2022, the Company paid the provident fund contributions to the Company's executives as follows:

| | Number of persons | Amount (Million Baht) |
|----------------|-------------------|-----------------------|
| Provident fund | 11 | 3.6 |

7.5 Employee Information

As of 31 December 2022, Sri Trang Group had a total of 15,287 employees.

Catagorized by Business:

| Type of Business | As of 31 December 2022 (unit: person) |
|--------------------------------------|---------------------------------------|
| Natural Rubber Business | 5,727 |
| - <i>TSR products</i> | 4,657 |
| - <i>RSS products</i> | 315 |
| - <i>Concentrated Latex products</i> | 755 |
| Glove Business | 7,434 |
| General Administration | 255 |
| Services/ Others | 1,817 |
| Total | 15,287 |

Catagorized by Geography:

| Geography | As of 31 December 2022 (unit: person) |
|--------------------------|---------------------------------------|
| Thailand | 13,915 |
| Indonesia | 1,178 |
| Singapore | 31 |
| United States of America | 14 |
| China | 64 |
| Vietnam | 7 |
| Myanmar | 78 |
| Total | 15,287 |

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, 2022, Sri Trang Group has compensated salary, overtime pay, bonus, provident fund, and etc. to employees in the total amount of 4,356.5 million baht.

Employee Development Policy

The Company places importance to employee development as our employees are the valuable resources of our organization. Therefore, the employee development plan has been established as follows:

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, 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 is responsible for developing employees' 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

Accountant

Ms. Ruethai Wanathanasin has assigned to be the accountant of the Company to ensure that accounting records are efficient and in compliance 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 the meetings, 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

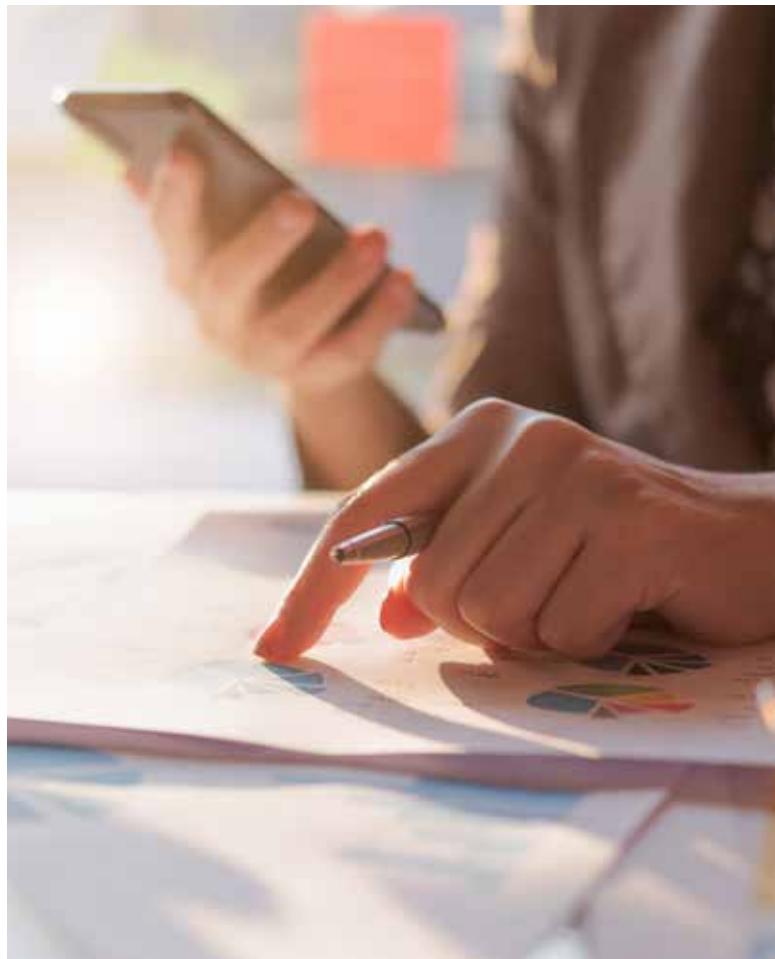
Mr. Wittawat Krungtanmuang took the position of Internal Audit Group Manager (The profile of the Company Secretary is shown in Enclosure 3.). The duties and responsibilities of the Head of Internal Audit are as follows:

1. To prepare an annual internal audit plan based on a risk-based methodology to present to the Executives and the Audit Committee for approval;
2. To audit as specified plan and act on special requested/assigned projects from the Executives and the Audit Committee;
3. To report the audit result including the progress of operation comparing to specified plan;
4. To support the operation, including providing necessary information for the Audit Committee and the Executives' auditing processes;
5. To develop the staff of Internal Audit unit to have adequate knowledge, professional skill and business, as well as support the staff in pursuing related Professional Certification;
6. To perform other tasks as assigned.

Head of Investor Relations

For the accurate, complete, and transparent information disclosure, the Company has established Investor Relations Department and assigned Ms. Apinya Assavasrisilp to be Head of Investor Relations. Investor Relations Department acts as a center of information disclosure to shareholders and investors both domestically and internationally. Such information includes financial information, namely operating results, financial statements, and 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 +66 2207 4500 ext. 1402 and 1404 and E-mail Address: ir@sritranggroup.com. The Company's information for the investors can also be found in website www.sritranggroup.com in both Thai and English.



Auditor's Remuneration

On April 7, 2022, the 2022 Annual General Meeting of Shareholders approved the appointment of EY Office Company Limited to be the auditor for the year 2022 and to approve the audit fee for the year 2022 with details as follows:

Audit Fee

The audit fee for the year 2022 of STA and its subsidiaries in Thailand was 11.7 million baht, divided into audit fees for separate financial statements of Baht 6.1 million and audit fees for subsidiaries in Thailand of 5.6 million baht.

Other Service Fees (Non-Audit Fee)

Other fees for the year 2022 including BOI audit fees were 1.4 million baht. The total amount has already been accrued and will be paid in the following year as the services have not been completed in this fiscal year.

8

Key Results of Corporate Governance

8.1 Board of Directors' Performance in 2022

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 Annual General Meeting of Shareholders 2022, 5 Directors were to be retired by rotation as follows:

| Name | Position |
|-------------------------------|---------------------------------|
| 1. Ms. Anusra Chittmittrapap | Director / Independent Director |
| 2. Mr. Chalermpop Khanjan | Director |
| 3. Mr. Chaiyos Sincharoenkul | Director |
| 4. Mr. Kitichai Sincharoenkul | Director |
| 5. Mr. Kriang Yanyongdilok | Director / Independent Director |



Since Mr. Kriang Yanyongdilok, one of the directors to be retired by rotation, had declared his intention not to be a candidate for the Company's director for another term, the Nomination Committee proposed Ms. Nongram Laohaareedilok to take office as a Director/Independent Director in place of Mr. Kriang Yanyongdilok to the Board of Directors. As Ms. Nongram Laohaareedilok has knowledge, ability, and experience regarding accounting very well which is beneficial to the business operation. Moreover, she has complete qualifications, does not have prohibited characteristics as specified by law, and have qualifications in accordance with relevant criteria. In addition, the selection of such director is to ensure that the composition of the Board of Directors is in line with the strategy of the Company's operations.

Orientation for the New Directors

In case 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. In 2022, the Company has 1 newly appointed Director, namely Ms. Nongram Laohaareedilok. The orientation has already been arranged.

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

(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 2022, 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 | Organized by | Date |
|----------------------------------|--|---|---|-------------------|
| Mr. Patrawut Panitkul | Director / Chief Financial Officer (CFO) | Corporate Finance No.2/2022 | Federation of Accounting Professions | 20 July 2022 |
| | | Transfer Pricing: Effects on accounting records that accountants must perform correctly | Dharmniti Seminar and Training Co., Ltd. | 5 October 2022 |
| | | Accounting Manager's Tax Management Techniques and Tax Privileges | Dharmniti Seminar and Training Co., Ltd. | 29 November 2022 |
| Mr. Veerasith Sinchareonkul | Director / Managing Director | Carbon Neutral Network Seminar | Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) | 23 September 2022 |
| Mrs. Pacharin Anuwongwattanachai | Company Secretary | Accounting for Hedge Instruments and Examples | NYC Management Co., Ltd. | 20 June 2022 |
| | | Cybersecurity and Privacy Awareness | BigFish Enterprise Limited | 24 August 2022 |
| | | Investment Plan of Provident Fund of Sri Trang Group | SCB Asset Management Co., Ltd. | 7 September 2022 |
| | | Class Action for Securities Investors | Faculty of Law, Chulalongkorn University | 9 November 2022 |
| | | Human Rights and Non-Discrimination | National Human Rights Commission | 9 November 2022 |
| | | In-depth Seminar on Survey Guidelines for CGR Projects in 2023 | Thai Institute of Directors | 10 November 2022 |

Currently, 10 members of the Board of Directors have participated in training courses related to their duties as Directors, such as the Director Certification Program (DCP) and the Director Accreditation Program (DAP) of the Thai Institute of Directors, representing 83.33 percent of the total number of Directors. Additionally, all Directors have also attended the annual seminar of the Sri Trang Group, which presented an overview of the group's business operations of the previous year, along with the business outlook for the next year of all business units, as well as sustainable business practices (ESG).



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

The Company arranges for the performance assessment of the Board of Directors both as a whole and individually, as well as the Sub-Committees and the President, then present the results at the Board of Directors' meeting annually. The assessments are to be used as a framework for auditing whether the Board of Directors has performed their duties completely, appropriately, within their scope of duties, and in accordance with good corporate governance principles. The committees that are subjected to the performance assessment are as follows:

- The Board of Directors (as a whole)
- The Board of Directors (individual)
- The Audit Committee
- The Nomination Committee
- The Remuneration Committee
- The Risk Management Committee
- The Corporate Governance Committee
- The Sustainable Development Committee
- Managing Director (CEO)

Guidelines

The performance assessment of the Board of Directors is based on an assessment form prepared in accordance with the guidelines of the Stock Exchange of Thailand and adapted to suit the characteristics and structure of the Board of Directors. The result of the assessment is an important part for the improvement of the Board of Directors' duties and operations to be more efficient and effective in the future.

The self-assessment of the Board of Directors (as a whole) consists of 6 topics, as follows:

- Structure and Qualifications of the Board of Directors
- Roles, duties, and responsibilities of the Board of Directors
- Board meetings
- Performance of duty of the Board of Directors
- Relationships with Management
- Director's self-improvement and executive development

The self-assessment of individual member of the Board of Directors consists of 4 topics, as follows:

- Responsibility for own decisions and actions and performing duties efficiently
- Equitable and fair treatment of stakeholders
- Transparency in operations, that can be audited and are disclosed
- Ethics / Code of Conducts in business operations

The self-assessment of the Audit Committee, the Nomination Committee, and the Remuneration Committee consists of 3 topics, as follows:

- Structure and qualifications of the Sub-Committees
- The Sub-Committee meetings
- Roles, duties, and responsibilities of the Sub-Committees

The self-assessment of the Risk Management Committee consists of 4 topics, as follows:

- Structure and qualifications of the Risk Management Committee
- The Risk Management Committee meetings
- Roles, duties, and responsibilities of the Risk Management Committee
- Report of the Risk Management Committee

The self-assessment of the Corporate Governance Committee consists of 4 topics, as follows:

- Structure and qualifications of the Corporate Governance Committee
- The Corporate Governance Committee meetings
- Roles, duties, and responsibilities of the Corporate Governance Committee
- Report of the Corporate Governance Committee

The self-assessment of the Sustainable Development Committee consists of 5 topics, as follows:

- Structure and qualifications of the Sustainable Development Committee
- Performance of duty of the Sustainable Development Committee
- The Sustainable Development Committee meetings
- Roles, duties, and responsibilities of the Corporate Governance Committee
- Training / Source of Information

The performance assessment of the CEO consists of 10 topics, as follows:

- Leadership
- Strategy Formulation
- Strategy Implementation
- Financial planning and results
- Relationships with the Board of Directors
- Relationships with external stakeholders
- Management and Relationships with personnel
- Succession
- Knowledge regarding products and services
- Personal qualifications

Scoring is done by indicating the opinions of each judge with a symbol (/) in the score boxes ranging from 0-4 in an assessment form, with levels ranging from strongly disagree to strongly agree or with no action taken to excellent action taken. Then, the total score is evaluated by calculating it as a percentage of the full score. The scoring criteria is as follows:

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



Performance assessment process

Company Secretary delivers performance assessment forms to all Directors for the purpose of assessing the performance of the Board of Directors and the Sub-Committees in which they hold the positions to assess the performance over the past year. Then, Company Secretary will collect the completed assessment forms and summarize the results according to established criteria, and report the performance of all committees to the Company's Board of Directors.

In 2022, the Board of Directors, Sub-Committees, and the CEO's assessment results can be summarized as follows:

| Performance Assessment | Results (percent) |
|--|-------------------|
| The Board of Directors | |
| 1. The Board of Directors (as a whole) | 96.72 |
| 2. The Board of Directors (Individual) | 96.50 |
| The Sub-Committee | |
| 1. The Audit Committee | 99.17 |
| 2. The Nomination Committee | 98.04 |
| 3. The Remuneration Committee | 99.44 |
| 4. The Risk Management Committee | 91.94 |
| 5. The Corporate Governance Committee | 98.89 |
| 6. The Sustainable Development Committee | 92.65 |
| Chief Executive Officer (CEO) | 91.46 |

8.1.2 Attendance and Payment of Remuneration for Individual Board Member

(1) Board Meetings Attendance

In 2022, the details of Board Meetings' attendance can be summarized as follows:

| Name | Position | The Board of Directors' meeting via electronic means (Number of Attendance / Right of Attendance) | | Annual General Meeting of Shareholders via electronic means (Number of Attendance / Right of Attendance) | | Extraordinary General Meeting of Shareholders via electronic means (Number of Attendance / Right of Attendance) | |
|--|---|--|---------|---|---------|--|---------|
| | | 2022 | Percent | 2022 | Percent | 2022 | Percent |
| 1. Mr. Viyavood Sincharoenkul | Chairman / Chairman of the Executive Committee | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 2. Ms. Anusra Chittmittrapap | Vice Chairman / Chairman of the Audit Committee ¹ / Independent Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 3. Mr. Veerasith Sinchareonkul | Director / Managing Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 4. Mr. Chaiyos Sincharoenkul | Director / Executive Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 5. Mr. Kitichai Sincharoenkul | Director / Executive Director | 7/8 | 87.5 | 1/1 | 100 | 1/1 | 100 |
| 6. Mr. Paul Sumade Lee | Director / Executive Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 7. Mr. Vitchaphol Sincharoenkul | Director / Executive Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 8. Mr. Patrawut Panitkul | Director / Executive Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 9. Mr. Chalermpop Khanjan | Director / Executive Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 10. Mr. Kriang Yanyongdilok ² | Chairman of the Audit Committee / Independent Director | 2/2 | 100 | 1/1 | 100 | 1/1 | 100 |
| 11. Mr. Samacha Potavorn ³ | Member of the Audit Committee / Independent Director | 2/2 | 100 | 1/1 | 100 | 1/1 | 100 |
| 12. Gen Thanasorn Pongarna | Member of the Audit Committee ⁴ / Independent Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 13. Mr. Thanatip Upatising | Independent Director | 8/8 | 100 | 1/1 | 100 | 1/1 | 100 |
| 14. Ms. Nongram Laohaareedilok | Member of the Audit Committee / Independent Director ⁵ | 6/6 | 100 | - | - | - | - |
| Percentage of Meeting Attendance | | 99.11 | | 100 | | 100 | |

1. Ms. Anusra Chittmittrapap has been appointed as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

2. Mr. Kriang Yanyongdilok retired from the company's Director position on 7 April 2022.

3. Mr. Samacha Potavorn resigned from the company's Director position on 19 April 2022.

4. Gen Thanasorn Pongarna has been appointed as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

5. Ms. Nongram Laohaareedilok has been appointed as the Company's Independent Director according to the resolution of the Annual General Meeting 2022 on 7 April 2022 and as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

In 2022, the non-executive directors held a meeting without the management participation on 21 December 2022 to freely exchange opinions and propose various ways to improve the management of the Company in various areas. The outcome was reported to the Managing Director.

(2) Remuneration of Individual Board Committee

At the 2022 Annual General Meeting of Shareholders, held on 7 April 2022, the meeting resolved to approve the remuneration and meeting allowances for the year 2022 as follows:

| | Unit (Baht / Person/Month) |
|---|----------------------------|
| Remuneration of the Board of Directors | |
| - Chairman of the Board | 95,000 |
| - Director | 75,000 |
| Remuneration of the Audit Committee | |
| - Chairman of the Audit Committee | 95,000 |
| - Member of the Audit Committee | 85,000 |
| Meeting Allowance | |
| - Chairman of the Board / Chairman of the Audit Committee | 10,000 |
| - Director / Member of the Audit Committee | 7,000 |
| Other Benefits / Non-Monetary Remuneration | None |

In the fiscal year ended 31 December 2022, the Company has paid Directors' remuneration totaling Baht 12,700,000 as gratuity benefits and meeting allowances to Directors. The details of payment for each Director are as follows:

| Name | Total Monthly Compensation Received in 2022 ¹ | Total Meeting Allowance in 2022 | | Total Compensation in 2022 |
|---|--|--------------------------------------|---|----------------------------|
| | | For the Board of Directors (8 Times) | For Member of the Audit Committee (8 Times) | |
| 1. Mr. Viyavood Sincharoenkul | 1,140,000 | 80,000 | - | 1,220,000 |
| 2. Ms. Anusra Chittmittrapap ² | 1,101,667 | 74,000 | 74,000 | 1,249,667 |
| 3. Mr. Chaiyos Sincharoenkul | 900,000 | 56,000 | - | 956,000 |
| 4. Mr. Kitichai Sincharoenkul | 900,000 | 49,000 | - | 949,000 |
| 5. Mr. Veerasith Sinchareonkul | 900,000 | 56,000 | - | 956,000 |
| 6. Mr. Vitchaphol Sincharoenkul | 900,000 | 56,000 | - | 956,000 |
| 7. Mr. Paul Sumade Lee | 900,000 | 56,000 | - | 956,000 |
| 8. Mr. Patrawut Panitkul | 900,000 | 56,000 | - | 956,000 |
| 9. Mr. Chalermpop Khanjan | 900,000 | 56,000 | - | 956,000 |

| Name | Total Monthly Compensation Received in 2022 ¹ | Total Meeting Allowance in 2022 | | Total Compensation in 2022 |
|--|--|--------------------------------------|---|----------------------------|
| | | For the Board of Directors (8 Times) | For Member of the Audit Committee (8 Times) | |
| 10. Mr. Kriang Yanyongdilok ³ | 307,167 | 20,000 | 20,000 | 347,167 |
| 11. Mr. Samacha Potavorn ⁴ | 308,833 | 14,000 | 14,000 | 336,833 |
| 12. Gen Thanasorn Pongarna ⁵ | 981,667 | 56,000 | 42,000 | 1,079,667 |
| 13. Mr. Thanatip Upatising | 900,000 | 56,000 | - | 956,000 |
| 14. Ms. Nongram Lohaareedilok ⁶ | 741,667 | 42,000 | 42,000 | 825,667 |
| Total | 11,781,000 | 727,000 | 192,000 | 12,700,000 |

Note :

¹ 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.

² Ms. Anusra Chittmittrapap has been appointed as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

³ Mr. Kriang Yanyongdilok retired from the company's Director position on 7 April 2022.

⁴ Mr. Samacha Potavorn resigned from the company's Director position on 19 April 2022.

⁵ Gen Thanasorn Pongarna has been appointed as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

⁶ Ms. Nongram Lohaareedilok has been appointed as the Company's Independent Director according to the resolution of the Annual General Meeting 2022 on 7 April 2022 and as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

8.1.3 Principles of Good Corporate Governance in Subsidiaries and Associates

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 Federation of Accounting Professions 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 Accounting Standard : Related party disclosure as specified by Federation of Accounting Professions 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.

In 2022, the Company established a new subsidiary named SRI TRANG AFRICA SA in Côte d'Ivoire to support the Company's business expansion. The Company owns 100 percent of the shares and has appointed 3 representatives as directors in the aforementioned company.

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 2022, 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 online training for employees to create correct knowledge and understanding through a hundred courses "Have a good day with STA Culture" which there are 99 percent 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 2022, there were not find any significant conflict of interest among Directors, Executives, and permanent employees.

The policy on the prevention of conflict of interest is 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. The Company has the Board of Directors and senior executives signed as an acknowledgment of the aforementioned policy.

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 2022.

The policy on the use of insider information is 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 2022, hold the Company's ordinary shares as of 31 December 2022, with the following details:

| Name | Position | Number of Shares Held on 1 January 2022 | Number of Shares Held on 31 December 2022 | Number of Shares Increase / (Decrease) in 2022 | Shareholding as of 31 December 2022 (Percent) |
|---|--|---|---|--|---|
| Mr. Viyavood Sincharoenkul Spouse and minor child | Chairman / Chairman of Executive Committee | 132,987,509 7,372,940 | 132,987,509 7,372,940 | - - | 8.6600 0.4800 |
| Ms. Anusra Chittmittrapap Spouse and minor child | Vice-Chairman / Independent Director / Chairman of the Audit Committee | - | - | - | - |
| Mr. Chaiyos Sincharoenkul Spouse and minor child | Director | 5,497,521 - | 5,497,521 - | - - | 0.3600 - |
| Mr. Kitichai Sincharoenkul Spouse and minor child | Director / Group Manager of Legal and Administration | 17,449,084 - | 18,417,084 - | 968,000 - | 1.2000 - |
| Mr. Paul Sumade Lee Spouse and minor child | Director | 10,814,399 28,874,890 | 10,814,399 29,117,690 | - 242,800 | 0.7000 1.9000 |
| Mr. Veerasith Sinchareonkul Spouse and minor child | Director / Managing Director | 22,500,000 - | 22,500,000 - | - - | 1.4600 - |

| Name | Position | Number of Shares Held on 1 January 2022 | Number of Shares Held on 31 December 2022 | Number of Shares Increase / (Decrease) in 2022 | Shareholding as of 31 December 2022 (Percent) |
|--|--|---|---|--|---|
| Mr. Vitchaphol Sincharoenkul Spouse and minor child | Director | 23,500,000 | 23,500,000 | - | 1.5300 |
| 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 | - | - ¹ | - | - |
| Mr. Samacha Potavorn Spouse and minor child | Independent Director / Member of the Audit Committee | - | - ² | - | - |
| Gen Thanason Pongarna Spouse and minor child | Independent Director / Member of the Audit Committee | - | - | - | - |
| Mr. Thanatip Upatising Spouse and minor child | Independent Director | - | - | - | - |
| Ms. Nongram Laohaareedilok Spouse and minor child | Independent Director / Member of the Audit Committee | 5,500 ³ | 5,500 | - | 0.0004 |
| Mr. Chaidet Pruksanusak Spouse and minor child | Group Manager of Quality Assurance | - | - | - | - |
| Mr. Udom Pruksanusak Spouse and minor child | CEO - Plantation | 12,000 | 12,000 | - | 0.0010 |
| Ms. Nuchanart Chaiyarat Spouse and minor child | Group Manager of Human Resource | 20,900 | 23,900 | 3,000 | 0.0020 |
| Mr. Nattee Thiraputhbhokin Spouse and minor child | Chief Marketing Officer | - | - | - | - |
| Total Number of Shares | | 249,093,943 | 250,307,743 | 1,213,800 | 16.2984 |

Note :

¹ Information as of 7 April 2022, date of retirement from the Company's Director position

² Information as of 19 April 2022, date of resignation from the Company's Director position

³ Information as of 7 April 2022, date of appointment as the Company's Director position

3. Anti-Corruption

The Company places importance on good corporate governance for transparent and ethical operation and being against all forms of corruption. The Board of Directors has assigned the Corporate Governance Committee to be responsible for setting anti-corruption policies and monitoring compliance with such policies to promote transparency, accountability, and to build an ethical organizational culture to prevent corruption. In 2022, the Company carried out activities to enhance good governance, business ethics, and anti-corruption efforts as follows:

- The Company reviewed its anti-corruption policy and communicated the policy to counteract corruption to the Board of Directors, Executives, and Employees via E-mail and intranet. The Company was also required an annual review of its anti-corruption policy to ensure its completeness and covers all risks of corruption in the Company's business operations, including bribery, political contributions, and charitable donations. The appropriate guidelines have been established to prevent risks that may arise from such activities.
- The Company provides training to the employees to create correct understanding and knowledge about anti-corruption policies through the "Have A Good Days with STA Culture" course. 99 percent of employees have undergone the training, and a knowledge test was given with 100 percent passing rate. This is to embed good governance, ethical values, and anti-corruption policies, preventing conflicts of interest, gift-receiving guidelines, whistleblowing, and protection for whistleblowers. This is to equip employees with the necessary understanding and knowledge to apply correctly.
- The Company had been certified for renewing its participation in the Thai Private Sector Collective Action Against Corruption project in 2021. In 2022, The Company enrolled as a CAC Change Agent by inviting its business partners to jointly declare intention with CAC, helping the Company to develop and improve its operations with transparency and to set standards for business governance. This creates a business network with transparency, strength, and free from corruption.

It also demonstrates the Company's commitment to act against corruption in all forms.

- The Company has announced a 'No Gift Policy' during the New Year holiday and any other occasions through the website www.sritranggroup.com to express the intention and communicate to all stakeholders including business partners, customers, affiliated companies and other third parties.
- The Company arranges risk assessments for fraud both inside and outside the organization in order to prevent and subjugate fraud by analyzing the risks of fraud cases that affect business operations, determining the level of risk importance, and appropriate measures for assessable risks.
- The Company arranges internal audits to ensure that the established internal control and risk management systems help the Company achieves its goals, as well as monitors compliance with regulatory requirements and help find weaknesses in the control system in order to advise on developing an operating system to be efficient and effective, free from fraud, and in accordance with good corporate governance guidelines.

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

4. Whistleblowing

The Company has committed to conducting business with transparency, integrity, and accountability. It is aligned with the principles of good governance and expects all stakeholders to report any incidents that may violate these principles in order to take corrective action. The Company has a policy for whistleblowing and protecting the whistleblowers to ensure that complaints are handled efficiently. The Company provides various channels for receiving complaints made by any stakeholders regarding any unethical actions, misbehavior, suspected violation of laws, regulations, and ethical business practices, corruption, as well as incorrect financial reporting and defective internal controls which may cause damage to the Company as well as establishing measures to protect complainants acting in good faith.

Channels

Complaints can be submitted through the following channels;



Channel 1

By post or submit directly to Company
Secretary, Sri Trang Agro-Industry Public
Company Limited
17FL, Park Ventures Ecoplex, Unit 1701,
1707-1712 57 Wireless Road, Lumpini,
Pathumwan, Bangkok 10330



Channel 2

By Telephone number
+66 2207 4590



Channel 3

By E-mail Address:
corporatesecretary@sritranggroup.com



Channel 4

By directly reporting to the units
responsible for that issue

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

In 2022, The summary of complaints through these channels are as follows:

| Types of Complaints | Number of Complaints |
|---|----------------------|
| Violation of Code of Conducts | |
| • Unethical Competition | - |
| • Non-Discrimination | 2 |
| • Use of Inside Information | - |
| • Working Environment and Safety | - |
| Services/Products | 7 |
| Misconduct in Performing Duties and/or Unethical Behavior | 3 |
| Others | 9 |

Of the total complaints, 16 complaint cases have been completed according to the complaint dealing process, and 3 cases of violation were found as follows:

1. Violation of use and maintaining of data and assets, which is a violation of work regulations, resulted in termination without compensation in one case.
2. Improper behavior of employees in 2 cases, resulted in a warning in one case and termination without compensation in another case.

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 is disclosed on the Company's website (www.sritranggroup.com/th/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 is 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.

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. The company has received a renewal of its membership in the Thai Private Sector Anti-Corruption Network (CAC) in March 2021. In 2022, Evaluation, audit, and control measures were conducted to prevent corruption risks. The Company communicated policies and practices to the Board of Directors, Executives, and employees, as well as third parties, including stakeholders, suppliers, and business partners. The Company also placed importance on embedding and creating awareness on promoting good business practices, business ethics, and anti-corruption and anti-collusion efforts to the employees through training program "Have A Good Days with STA Culture" and conducting post-training evaluations. Besides, the Company organized a survey for employees to answer questions regarding conflict of interest to gather and analyze data to find ways to prevent future risks. The Company's anti-corruption policy was reviewed and approved by the Company's Board of Directors on 8 November 2022 to align with the Thai Private Sector Collective Action against Corruption (CAC).

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 3 Independent Directors. One of the Directors possess the knowledge regarding Accounting and Finance. The details are as follows:

- | | |
|-------------------------------|---------------------------------|
| 1. Ms. Anusra Chittmittrapap | Chairman of the Audit Committee |
| 2. Gen Thanasorn Pongarna | Member of the Audit Committee |
| 3. Ms. Nongram Laohaareedilok | Member of the Audit Committee |

Mr. Wittawas Krungtanmuang, Manager of Internal Audit Group, held a position as the secretary of the Audit Committee. The performance of the Audit Committee is disclosed in Enclosure 5.1 "Report of the Audit Committee".

8.3 Report on the Performance Results of the Sub-Committees

In 2022, the details of Board Meetings' attendance can be summarized as follows:

| Name | Position | Executive Committee Meeting (via electronic means) | The Audit Committee Meeting (via electronic means) | The Nomination Committee Meeting | The Remuneration Committee Meeting | The Risk Management Committee Meeting | Corporate Governance Meeting | The Sustainable Development Meeting | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
|--|---|---|---|----------------------------------|------------------------------------|---------------------------------------|------------------------------|-------------------------------------|--|--|--|--|--|--|--|
| | | | | | | | | | 2022 (Number of Attendances / Rights of Attendances) | 2022 (Number of Attendees / Rights of Attendees) | 2022 (Number of Attendances / Rights of Attendances) | 2022 (Number of Attendees / Rights of Attendees) | 2022 (Number of Attendances / Rights of Attendances) | 2022 (Number of Attendees / Rights of Attendees) | 2022 (Number of Attendances / Rights of Attendances) |
| 1. Mr. Viyavood Sincharoenkul | Chairman / Chairman of Executive Committee | 5/5 | 100 | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Ms. Anusra Chittmittrapap ¹ | Independent Director / Vice-Chairman/ Chairman of the Audit Committee / Chairman of the Remuneration Committee / Chairman of the Corporate Governance Committee | - | - | 8/8 | 100 | - | - | 2/2 | 100 | - | - | 2/2 | 100 | - | - |
| 3. Mr. Veerasith Sincharoenkul ² | Director / Managing Director / Chairman of the Risk Management Committee / Member of the Corporate Governance Committee / Chairman of the Sustainable Development Committee | 5/5 | 100 | - | - | - | - | - | - | 4/4 | 100 | 2/2 | 100 | 3/3 | 100 |
| 4. Mr. Chaiyos Sincharoenkul | Director / Executive Director | 5/5 | 100 | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Mr. Kitchai Sincharoenkul | Director / Executive Director / Member of the Nomination Committee | 5/5 | 100 | - | - | 2/2 | 100 | - | - | - | - | - | - | - | - |
| 6. Mr. Paul Sumadee Lee | Director / Executive Director | 5/5 | 100 | - | - | - | - | - | - | - | - | - | - | - | - |
| 7. Mr. Vitchaphol Sincharoenkul ³ | Director / Executive Director/ Member of the Sustainable Development Committee | 5/5 | 100 | - | - | - | - | - | - | - | - | - | - | 3/3 | 100 |

| Name | Position | Executive Committee Meeting | The Audit Committee (via electronic means) | The Nomination Committee Meeting | The Remuneration Committee Meeting | The Management Committee Meeting | The Risk Committee Meeting | Corporate Governance Meeting | The Sustainable Development Meeting |
|--|--|---|--|---|------------------------------------|---|----------------------------|---|-------------------------------------|
| | | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent |
| 8. Mr. Patrawut Panitkul | Director / Executive Director / Member of the Risk Management Committee | 5/5 | 100 | - | - | - | - | 4/4 | 100 |
| 9. Mr. Chalermpop Khanjan ⁴ | Director / Executive Director / Member of the Risk Management Committee / Member of the Sustainable Development Committee | 5/5 | 100 | - | - | - | - | 4/4 | 100 |
| 10. Mr. Kriang Yanyongdilok ⁵ | Independent Director / Chairman of the Audit Committee / Chairman of the Nomination Committee / Chairman of the Remuneration Committee | - | - | 2/2 | 100 | 1/1 | 100 | 1/1 | 100 |
| 11. Mr. Samacha Potavorn ⁶ | Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Remuneration Committee | - | - | 2/2 | 100 | 1/1 | 100 | - | - |
| 12. Gen Thanason Pongarna ⁷ | Independent Director / Member of the Audit Committee / Chairman of the Nomination Committee / Member of the Remuneration Committee | - | 6/6 | 100 | 1/1 | 100 | 1/1 | 100 | - |

| Name | Position | Percentage of Meeting Attendance | | | | | | | | | |
|---|--|---|---------|---|---------|---|---------|---|---------|---|-------------------------------------|
| | | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | Percent | 2022 (Number of Attendances / Rights of Attendance) | The Sustainable Development Meeting |
| 13. Mr. Thanatip Upatising ⁸ | Independent Director / Member of the Corporate Governance Committee | - | - | - | - | - | - | - | - | - | - |
| 14. Ms. Nongram Laohaareedilok ⁹ | Independent Director / Member of the Audit Committee / Member of the Nomination Committee / Member of the Remuneration Committee | - | - | 6/6 | 100 | 1/1 | 100 | 1/1 | 100 | - | - |

Note :

¹. Ms. Anusara Chittmittrapap has been appointed as the chairman of the Corporate Governance Committee according to the resolution of the Company's Board of Directors meeting No. 1/2022 on 4 February 2022 and appointed as the chairman of the Audit Committee and the chairman of Remuneration Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

². Mr. Veerasith Sincharoenkul has been appointed as the chairman of the Sustainable Development Committee and a member of the Corporate Governance Committee according to the resolution of the Company's Board of Directors meeting No. 1/2022 on 4 February 2022.

³. Mr. Vitchaphol Sincharoenkul has been appointed as a member of the Sustainable Development Committee according to the resolution of the Company's Board of Directors meeting No. 1/2022 on 4 February 2022.

⁴. Mr. Chalempop Khanjan has been appointed as a member of the Sustainable Development Committee according to the resolution of the Company's Board of Directors meeting No. 1/2022 on 4 February 2022.

⁵. Mr. Kriang Yanyongdilok retired from the company's Director position on 7 April 2022.

⁶. Mr. Samacha Potavorn resigned from the company's Director position on 19 April 2022.

⁷. Gen Thanasorn Pongarna has been appointed as the chairman of the Audit Committee, the chairman of the Nomination Committee, and a member of the Remuneration Committee according to the resolution of the Company's Board of Directors Meeting 2022 on 26 April 2022.

⁸. Mr. Thanatip Upatising has been appointed as a member of the Corporate Governance Committee according to the resolution of the Company's Board of Directors meeting No. 1/2022 on 4 February 2022.

⁹. Ms. Nongram Laohaareedilok has been appointed as the Company's Independent Director according to the resolution of the Annual General Meeting 2022 on 7 April 2022 and as the chairman of the Audit Committee according to the resolution of the Company's Board of Directors meeting No. 3/2022 on 26 April 2022.

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. Therefore, the Board of Directors has appointed the Audit Committee and set up Internal Audit Department which are independent units 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.

At the Board of Directors' meeting no. 1/2022 on 3 February 2023, with 3 members of the Audit Committee of the Company attended the meeting, the Board of Directors considered and assessed the sufficiency of the internal control system of the Company according to the sufficiency assessment form of the internal control system of the SEC and 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 are no material which is a weakness of the internal control that may have a material effect on its opinion on the financial statements of the Company and its subsidiaries for the year ended December 31, 2021 STA's internal control 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 levels 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. The Company has published various policies to Executives and employees to acknowledge through the Company's communication channels such as e-mail, the Company's website, information boards, etc.
- 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 Sustainable Development 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 has Human Resources Department that is responsible for systematically managing human resources of the Company, defining employee development plan, promoting 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 by using enterprise risk management in accordance with COSO ERM principles, as well as monitor the risks and

report to the Executives, so that they can use it to determine preventive measures in a timely manner.

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.
- The company has adopted the B2P (Blockchain Solution for Procure-to-Pay) system, which uses blockchain technology to support the organization's procurement and data recording. This results in



secure, easily verifiable data and a faster and more efficient process with less time, manpower, and documentation required. The system only provides visibility to relevant parties in the procurement process, increases transparency and security, and automates document verification such as purchase orders, receipts, and invoices. The result is a more effective and significantly less resources consuming procurement process.

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, "SRI TRANG FRIENDS" and "SRI TRANG FRIENDS STATION" application. This is to encourage customers, suppliers, shareholders, investors, and public to receive the Company's information regularly and allow them to express their opinion/inquiry in case of doubt or suggestions, which help promoting more accurate, faster, and comprehensive communication.
- The Company's vision focuses on developing technology and innovation to improve operational efficiency, reduce costs, and expenses, such as using the "SRI TRANG FRIENDS" and "SRI TRANG FRIENDS STATION" applications to purchase rubber from Thai rubber farmers and partners, which enables the Company to purchase rubber from farmers and partners anytime and anywhere. This is using technology and innovation to sustainably develop the Thai rubber industry. The Company continuously develops the "SRI TRANG FRIENDS" and "SRI TRANG FRIENDS STATION" applications for effective use, accessible and reachable to all.
- The Company has provided various channels for receiving feedback, suggestions, complaints, and reporting unethical behavior via designated whistleblowing channels. The information of the complainant will be kept confidential according to the Company's policy, along with the protection measures for honest complainants. The whistleblowing channels serve as tools to detect violations or non-compliance with policies, regulations, laws, and business ethics.
- STA recognizes the significance of cyber security; therefore, the Company has established information security policies and guidelines, together with strategic plan for safety and data security system for confidentiality, integrity, and availability of information, as well as cyber security and personal data protection to prevent misuse of information and unauthorized editing. The Directors, Executives, employees and

other related parties are required to be aware of the importance of cyber security, as well as related duties, responsibilities and guidelines. The authorized personnel can access the data via the Company's designated channels. The Company has installed software and other systems to prevent cyber security risks, including Firewall system to prevent unauthorized persons' access to the Company's information system, Antivirus system to protect against viruses, worms and spam mail, Proxy Server system to screen information flowing from website and collect the records for verification, as well as set up a backup data center (Disaster Recovery Site) to manage business continuity in critical processes to support emergencies that may result in the failure of the information system.

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 established an Internal Audit department which has line of command that corresponds directly to the Audit Committee and is responsible for auditing and evaluating the internal control of the Company and its subsidiaries. The Company 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

of 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 at least once a quarter. 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 one head of the internal audit and 4 internal audit staff. One of which has been registered for the Certified Professional Internal Audit of Thailand (CPIAT).

Related Party Transactions

Persons who may have conflicts and nature of relationship.

Persons who may have conflicts of interest with the Company transactions with the Company and its subsidiaries for the year ended 31 December 2022 are as follows:

| Person who may have conflicts and nature of business | Relationship style as of 31 December 2022 |
|--|---|
| 1. Sri Trang Gloves (Thailand) Public Company Limited (STGT). Operates the business of manufacturing and distributing rubber gloves. | <ul style="list-style-type: none">• A subsidiary in which the Company holds 56.03 percent of shares in STGT.• Common Directors are Dr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul and Mr. Veerasith Sinchareonkul |
| 2. Premier System Engineering Co., Ltd. (PSE). Business engineering services, design, manufacture, installation, maintenance of machinery. | <ul style="list-style-type: none">• A subsidiary of STGT in which the Company holds 56.03 percent of STGT's shares.• One common Director is Mr. Veerasith Sinchareonkul. |
| 3. Pruksa Rubber Co., Ltd. Operates a business selling latex and rubber sheet. | <ul style="list-style-type: none">• A company in which the executives of the Company, Mr. Udom Pruksanusak and siblings holding shares together more than 50 percent and Mr. Udom Pruksanusak is a director authorized to sign on Pruksa Rubber Co., Ltd. |
| 4. Mr. Somwang Sincharoenkul | <ul style="list-style-type: none">• Father of Mr. Viyavood Sincharoenkul who is a major shareholder. Chairman and Chairman of the Executive Board of STA.• Father of Mr. Kitichai Sincharoenkul, a Director of STA.• Father of Mr. Paul Sumade Lee, a Director of STA.• Grandfather of Mr. Veerasith Sinchareonkul who is a Director and Managing Director of STA.• Grandfather of Mr. Vitchaphol Sincharoenkul, a Director of STA. |
| 5. Sri Trang USA Inc. | <ul style="list-style-type: none">• One common Director is Mr. Veerasith Sinchareonkul. |
| 6. Shidong Shanghai Medical Equipment Co., Ltd. | <ul style="list-style-type: none">• One common Director is Dr. Viyavood Sincharoenkul. |
| 7. Sri Trang Gloves Vietnam (STGV) | <ul style="list-style-type: none">• A subsidiary of STGT in which the Company holds 56.03 percent of STGT's shares. |
| 8. PT Sri Trang Gloves Indo (STGI) | <ul style="list-style-type: none">• A subsidiary of STGT in which the Company holds 56.03 percent of STGT's shares. |
| 9. Sri Trang Gloves Philippines (STGP) | <ul style="list-style-type: none">• A subsidiary of STGT in which the Company holds 56.03 percent of STGT's shares.• Common Directors are Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul |
| 10. Dr. Viyavood Sincharoenkul | <ul style="list-style-type: none">• The Company's Directors. |
| 11. Mr. Kitichai Sincharoenkul | <ul style="list-style-type: none">• The Company's Directors. |

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 2021 and 31 December 2022 are as follows:

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Necessity / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|----------------------------|--|--|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 1. Pruksa Rubber Co., Ltd. | The Executives officer of STA, Mr.Udom Pruksanusak and siblings, hold more than 50 percent 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 | 1.56 | 1.32 | 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. |
| | | 1.2 Nam Hua Rubber <ul style="list-style-type: none"> Sales of field latex | 0.08 | 0.16 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> The purchase of fresh latex | 17.20 | 20.47 | 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 | 0.74 | 0.78 | 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. |
| | | <ul style="list-style-type: none"> Sale of rubber scraps | 0.01 | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|------------------------------|---|---|--|--|---|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 1.4 Rubberland Products | • The purchase of fresh latex | 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. | - | 20.31 | Rubberland Products required fresh latex as a raw material for the production of concentrated latex. The purchase price was at the market price determined daily by the procurement department of the group to purchase raw materials from general suppliers. | |
| 2. Mr. Somwang Sincharoenkul | Father of • Mr. Vyavood Sincharoenkul, Major shareholder, Chairman and Managing Director of STA • Mr. Kitchai Sincharoenkul, Director of STA; and • Mr. Paul Sunnade Lee, Director of STA Grandfather of • Mr. Veerasith Sincharoenkul, Director of STA • Mr. Vitchaphol Sincharoenkul, Director of STA | • Honorary advisor 5.14 | 5.14 | 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. | | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|---|--|-----------------------------|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 3. Sri Trang Gloves (Thailand) Public Company Limited. (STGT) | STGT 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 • Sales of latex | 4,362.65 | 4,892.12 | 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 and the above price reflected related cost conditions such as delivery, maintenance of latex, etc. | 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. |
| | | • Sales of Glove | 47.91 | - | STA sold gloves to STGT,because STGT is ready to use the SAP program for product control and support the distribution of gloves to retail customers in the country. This is a purchase through purchase orders in which the price of rubber gloves traded is the cost price of STA, plus profit as appropriate. | The selling price that is comparable to the market price at STA 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Purchases of gloves | 52.28 | 0.20 | <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 | 31.20 | 30.60 | <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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Revenue from SAP information services and maintenance | 10.92 | 12.72 | <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> | The aforementioned service rates were reasonable, and the rate was comparable to the market price of the service in a similar manner or comparable. |
| | | <ul style="list-style-type: none"> Revenue from weighing services | 0.84 | 0.84 | <p>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.</p> | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Latex tank rental fee | 3.27 | 3.24 | STA-Trang Branch paid latex tank rental fee to STGTr- 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. |
| | | <ul style="list-style-type: none"> Other service income(information service fee and booth expenditure) | 5.45 | 9.27 | STA collecting license fees for SAP systems and expenditures for organizing a booth to promote products from STGTr. This is the actual expense rate by charging according to the number of users of the STGTr and charged according to the size of the exhibition area respectively. | It is the actual service charge rate. Therefore, the said transaction was considered appropriate and reasonable. |
| | | <ul style="list-style-type: none"> Expenses for purchasing materials used in factory | 0.15 | 0.14 | STA bought materials from STGTr 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 STGTr 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <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. |
| | | <ul style="list-style-type: none"> 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. |
| | | <ul style="list-style-type: none"> 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Necessity / Opinion(s) of the Audit Committee |
|-----------------|--------------|--------------------------|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • 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 and in the area of 191 rai 59.6 square wa in Bang mak,Kantang , Trang 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. 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. |
| | | • Accounts receivable | 438.67 | 314.19 | 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 | 0.48 | 0.08 | 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 | 1.36 | 3.17 | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|---|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | 3.2 Rubberland Products | | | | |
| | | • Sales of latex | | | | |
| | | | 477.65 | 477.65 | 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 and the above price reflected related cost conditions such as delivery, maintenance of latex, etc. | 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. |
| | | | 839.24 | | | |
| | | | | | | |
| | | • Rental income | 4.64 | 0.19 | 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. |
| | | | | | | |
| | | • 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---------------------------------|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • 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. |
| | | • Latex tank rental fee | 3.54 | 2.17 | 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. |
| | | • Income from water-electricity | - | 3.58 | Rubberland Products save water, electricity to STGT for landbuildings that are homes in Sosa area. Which is in the process of transferring the name in the water and fire meter. Rubberland Products charge by bill at the rate per unit that the Provincial Electricity Authority actually charges and pay for groundwater at a rate per unit that is comparable to the Office of Natural Resources and Environment's direct collection. | Such transactions are charged according to the actual expense bill. Therefore, such transactions are considered appropriate and reasonable. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • 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. |
| | | • Expenses for purchasing materials used in factory | 0.27 | 0.23 | 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. |
| | | • Pay for other services (security fees) | 0.24 | 0.35 | 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. |
| | | • Purchases of gloves | 0.03 | 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, the said transaction was considered appropriate and reasonable. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee | |
|-----------------|--------------|------------------------------|--|---|---|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | | |
| | | • 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. | |
| | | • Sale of land and buildings | 104.56 | Rubberland Products sale of land and buildings to STGT by selling land located at Phatong Subdistrict, Hatyai District, Songkhla Province, amounting to 323 title deeds, totaling 29 rai 1 ngan 41.3 square wah, with cafeteria building Staff housing and other buildings. At the total purchase price of 104.56 million baht. The land purchase price is the price agreed between the buyer and the seller. By referring to the appraisal price of land from First Star Consulting Co., Ltd. This was approved by the Board of Directors' meeting on August 10, 2021. | Currently, the land and villas are owned by Rubberland Products, using the area of 668 rooms. For employees in Sri Trang Group divided into STGT staff 651 rooms, Rubberland Products 17 rooms, and because STGT wants to improve the staff's housing according to STGT welfare program, but with the investment budget and the return is not worth the investment. STGT therefore proposed to purchase such land and buildings for improvement and management, and will reserve the proportion of villas according to the needs of Rubberland Products. Therefore, the sale of such land and buildings it does not affect RBL and also increases the potential of STGT's labor management. | It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account payable. | |
| | | • Accounts Receivable | 81.04 | 15.94 | It was the account receivable resulting from the aforementioned item. | It was an 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|------------------------------------|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • Other Accounts Payable | 0.04 | 0.05 | 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 | | | | |
| | | • Sales of latex | 706.64 | 453.47 | Nam Hua Rubber sold concentrated latex to STGT. Nam Hua Rubber was 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 and the above price reflected related cost conditions such as delivery, maintenance of latex, etc. | 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. |
| | | • Other income (latex tank rental) | 0.49 | 0.02 | 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 was comparable to the market price. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | Necessity / Reasonability of the Transaction | | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|---|--|--|
| | | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | |
| | | • Weighing service fee | 0.03 | Nam Hua Rubber provides weighing services to STGT Sadao Branch, (ANV), as STGT Sadao Branch, (ANV) 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 fee is determined on a per trip basis according to the vehicle type, which is a reasonable rate. | Because the use of weighing services is the same rate as other customers. However, the service fee received by Nam Hua Rubber is a comprehensive rate and reflects related costs and profit margins that are appropriate and acceptable. | |
| | | • Rental Fee | 0.36 | Nam Hua Rubber leased land of STGT, title deed no. 38392, 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 | 0.11 | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--------------------------|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • Purchases of gloves | 0.01 | 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. | 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. |
| | | • Accounts receivable | 43.76 | 12.40 | 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. |
| | | • Accounts payable | 0.01 | 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. |
| | | • Other Accounts Payable | 0.07 | 0.01 | 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 / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|---------------------------|--------------|---|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 3.4 Anvar Parawood | | <ul style="list-style-type: none"> Revenue from selling raw materials | 1,436.44 | 1,377.25 | 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. |
| | | <ul style="list-style-type: none"> 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. |
| | | <ul style="list-style-type: none"> Advance income | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Necessity / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|---|---|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | | |
| | | • 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 | 1.44 | 4.53 | 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 | | | | | |
| | | • Revenue from transportation costs | 76.98 | 76.97 | 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 Transports 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Income from import-export ceremony | 10.31 | 10.58 | 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 | 11.29 | 9.63 | 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 | 1.60 | 1.80 | 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"> Purchases of gloves | 0.003 | 0.01 | Starlight Express Transport 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Necessity / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|--|---|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | | |
| | | • Accounts Receivable | 10.25 | 8.23 | 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. | |
| | | 3.6 Premier System Engineering | | | 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. | |
| | | • Sales of Material | 0.49 | - | | | |
| | | • Incomes from providing producing and machine installation services | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Income from maintenance service and others | 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"> Accounts Receivable | 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 | - | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-------------------------|---|----------------------------|---|--|----------------------------------|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 3.7 Sri Trang Indochina | <ul style="list-style-type: none"> Purchases of glove | <p>202.95</p> <p>-0.33</p> | 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. | | |
| | <ul style="list-style-type: none"> Commission income | <p>1.92</p> <p>-</p> | 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. | | |
| | <ul style="list-style-type: none"> Accounts Receivable | <p>0.17</p> <p>-</p> | 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 | <p>46.85</p> <p>-</p> | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | 3.8 Sri Trang IBC • Revenue from providing information services | 80.72 | 96.08 | 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 | 15.20 | 14.39 | 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 | 12.34 | 13.04 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|--|---|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | 3.9 Sri Trang Rubber & Plantation • Expenses for purchasing factory materials | 0.01 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. | |
| | | • 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, the said transaction was considered appropriate and reasonable. | |
| | | • Other Accounts Payable | - | 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. | |
| | | 3.10 Startex Rubber • Land rental income | 0.26 | 0.40 | STGT leased land from Startex Rubber of Title Deed No. 9875, Land No. 53, survey page 915, area 3 ngan 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. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | Reasonability of the Transaction | | Opinion(s) of the Audit Committee |
|------------------------------|---|--|--|----------------------------------|---|---|
| | | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | |
| 3.11 Sri Trang International | • Consulting service income | Sri Trang International providing recruiting and consulting services to STGT by considering the appropriate qualifications according to the Company's criteria under the Service Agreement for service to STGT to be a business consultant make operations in line with the company's business objectives. If considering the knowledge, ability, experience and complete qualifications of the consultant. Such service rates are reasonable. | 12.50 | | | Considering the qualifications of the consultants and the roles of the consultants available to the Company, consider that the transaction is appropriate and reasonable. |
| 4. Sri Trang USA | Company with Directors: Mr. Veerasith Sinchareonkul is the Company's director. | 4.1 STA • Revenue from service information and maintenance of the SAP system | 2.86 | 2.13 | 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. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|--|--|---------------------|--|---|---|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | • 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 | 0.16 | 0.75 | 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 | 0.09 | 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. | |
| 5. Shidong Shanghai Medical Equipment | Company with directors: Dr. Viyavood Sincharoenkul is the Company's director. | 0.24 | 0.33 | STA had provided information system services and SAP maintenance work with Shidong 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. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|---|---|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 5.2 Sri Trang IBC • Revenue from providing information services | | | 0.50 | 0.72 | 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 | 0.40 | - | 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. |
| 5.3 Shi Dong Shanghai • Revenue from providing information services | | | 4.31 | 5.06 | 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 Sinchareonkul is the Company's director. | 6.1 STA • Purchase spare part | 7.65 | 9.95 | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|---|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Machine manufacturing and installation service fees | 40.97 | 267.65 | STA 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 gloves, STA, 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, STA 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"> Others Maintenance fees | 0.57 | 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 | 3.21 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|-----------------------|---------------------|--|---|--|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | • Other services fees | 0.86 | 0.87 | 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. | |
| | • 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 | 0.42 | <ul style="list-style-type: none"> 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. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--------------------------------|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • Advance payment | 12.19 | 30.20 | 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. |
| | | • Revenue from office services | 2.06 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Revenue from SAP information services and maintenance | 9.92 | 9.90 | <p>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 the market price of the service in a similar manner.</p> | |
| | | <ul style="list-style-type: none"> Other income | - | 0.31 | <p>STA collect Annual Fee from Premier System Engineering. It is the company's annual meeting.</p> | <p>It is the actual service charge rate. Therefore, the transaction was considered appropriate and reasonable.</p> |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|--------------------------|---|---------------------|--|---|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | • Accrued collateral | - | 0.08 | | It is the money to guarantee the works arising from the cost of production and installation of the above machines. | It is an outstanding balance according to the payment criteria which is normal commercial terms. Therefore, considered that the transaction was appropriate and reasonable. |
| | • Account receivable | 0.18 | 0.51 | | 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 | 35.15 | | 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 | 0.05 | 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. |
| 6.2 Sri Trang IBC | • Revenue from providing information services | 7.47 | 11.34 | 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 services rate was comparable to market price. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Necessity / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--------------------------|--|------------------------------|---|--|-----------------------------------|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | | |
| | | • Office service fees | 4.31 | 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 reviews 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. | |
| | | • Account receivable | 0.71 | 0.96 | 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. | |
| | | • Other Accounts 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. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-------------------------|--------------|---|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 6.3 PT Sri Trang Lingga | | <ul style="list-style-type: none"> • Machine manufacturing and installation service fees | 3.81 | 1.45 | 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. |
| | | <ul style="list-style-type: none"> • Factory material cost | 0.26 | 1.20 | 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. | It was an advance expense resulting from the above expenditure group items. |
| | | <ul style="list-style-type: none"> • Advance payment | 0.48 | 2.99 | | 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 / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|--------------------------------|--------------|---|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 6.4 Rubberland Products | | <ul style="list-style-type: none"> Purchase spare parts | 2.47 | 4.68 | 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. | 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. |
| | | <ul style="list-style-type: none"> Machine manufacturing and installation service fees | 27.19 | 77.49 | 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. | 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 | 0.03 | 0.02 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Calibration service fees | 0.81 | 0.71 | 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 | 0.09 | 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. | 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. |
| | | <ul style="list-style-type: none"> Advance payment | 5.03 | 23.13 | 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) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|---------------------------|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • 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. |
| | | • Account payable | 0.38 | 11.72 | 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 | | | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Necessity / Opinion(s) of the Audit Committee |
|-----------------|--------------|---|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | <ul style="list-style-type: none"> Machine manufacturing and installation service fees | 0.02 | 3.76 | <p>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.</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> |
| | | <ul style="list-style-type: none"> Other maintenance fees | 0.05 | 0.07 | <p>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.</p> | <p>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.</p> |
| | | <ul style="list-style-type: none"> Calibration service fees | 0.22 | 0.22 | <p>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.</p> | <p>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.</p> |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|-----------------------|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | • 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 | 0.10 | 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. |
| | | • Other expenses | - | 0.05 | Nam Hua Rubber 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. |
| | | • Sale of fresh latex | 0.01 | 0.03 | Nam Hua Rubber sells fresh latex to Premier System Engineering Co., Ltd. for use in research and development to reduce protein in natural latex. It is a purchase order, where the purchase price is comparable to the market price. | Such items it is a price that can be compared to the market price. Including general commercial terms. Therefore, the transaction was considered appropriate and reasonable. |
| | | • Account payable | 0.42 | 0.81 | 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 / Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|---------------------------|--------------|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 6.6 PT Star Rubber | | <ul style="list-style-type: none"> Purchase material | 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. |
| | | <ul style="list-style-type: none"> Machine manufacturing and installation service fees | - | 2.07 | PT Star 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, 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 Star Rubber 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 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, such transactions are considered appropriate and reasonable. |
| | | <ul style="list-style-type: none"> Advance payment | 1.75 | 1.20 | 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. |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | 6.7 Starlight Express Transport | | | <p>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.</p> <ul style="list-style-type: none"> Revenue from transportation costs | <p>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.</p> |
| | | 6.8 Thai Tech Rubber | | | <ul style="list-style-type: none"> Revenue from transportation costs | <p>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.</p> <ul style="list-style-type: none"> Calibration service fees |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Bant) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|-----------------|--------------|--|--|------------------------------|--|--|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| | | 6.9 Sri Trang Ayeyar • Calibration service fees | 0.17 | 0.12 | 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. |
| | | 7.1 SLI • Land Rental Income | 0.01 | 0.11 | 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. | 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. |
| | | STGT holds 100 percent of PT Sri Trang Gloves Indo shares. | | | It is the advance income generated from the above income group items. | It is an amount received according to the payment criteria which is normal commercial terms. Therefore, the transaction was considered appropriate and reasonable. |
| | | • Other Accounts Payable | 0.01 | 0.09 | | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|--|--|---|--|------------------------------|--|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 8. Dr. Viyavood Sincharoenkul , Mr. Kitichai Sincharoenkul | Chair man / Executive Chair man / Farther / 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 Phrai 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. |
| 9. Sri Trang Gloves Vietnam (STGV) | STGT holds 100 percent of shares in Sri Trang Gloves Vietnam. | 9.1 Sri Trang IBC <ul style="list-style-type: none"> • Revenue from providing information services | - | 0.09 | 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. | It was an outstanding balance based on payment criteria, which was general commercial term and list of normal trade account receivable. |
| | | • Accounts receivable | - | 0.09 | It was the account receivable resulting from the aforementioned item. | |

| Related Parties | Relationship | Type of Transaction | Value of Transaction (Million Baht) | | Reasonability of the Transaction | Opinion(s) of the Audit Committee |
|---|---|---|--|------------------------------|---|---|
| | | | Consolidated Jan-Dec 2021 | Consolidated Jan-Dec 2022 | | |
| 10. PT Sri Trang Gloves Indo (STGI) | STGT holds 100 percent of shares in 1/4 PT Sri Trang Gloves Indo | 10.1 Sri Trang IBC <ul style="list-style-type: none"> Revenue from providing information services | - | 0.02 | 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 services rate was comparable to market price. |
| | | <ul style="list-style-type: none"> Accounts receivable | - | 0.02 | 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. |
| 11. Sri Trang Gloves Philippines (STGP) | STGI holds 99.99 percent of shares in Sri Trang Gloves Philippine | 11.1 Sri Trang IBC <ul style="list-style-type: none"> Revenue from providing information services | - | 0.004 | 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 services rate was comparable to market price. |
| | | <ul style="list-style-type: none"> Accounts receivable | - | 0.004 | 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. |

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

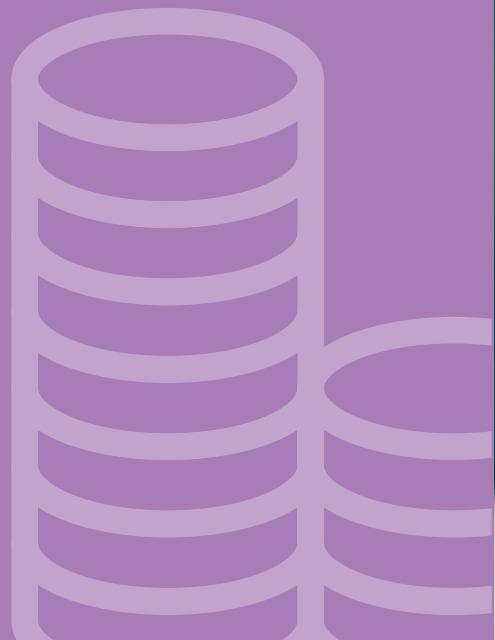
STA's future related transactions will be recurrently conducted as part of its normal course of business. Prices setting will be market-based and follows the rules and guidelines of normal business practices under appropriate and fair terms and conditions in a sensible and accountable manner for the 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's disclosure of related party transactions conforms to the notification of the SEC and SET and Thai Accounting Standard : Related party disclosure defined by Federation of Accounting Professions, and 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.

A photograph showing two stacks of gold-colored coins. A single green leaf with prominent veins is growing from the top of the taller stack. The background is a soft-focus green.

03

Financial Statements



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 2022 (Form 56-1 One Report). The financial statement ended on December 31, 2022 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 2022 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 2022, 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 2022, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional

Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 competition in the rubber glove market has a direct impact on selling prices of rubber glove 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 2023

Statement of financial position

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
As at 31 December 2022

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | | |
|--------------------------------------|------|-----------------------------------|------------------------|-------------------------------|-----------------------|--|
| | | 2022 | 2021 | 2022 | 2021 | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 7 | 22,500,428,361 | 22,809,650,413 | 5,373,978,382 | 272,036,452 | |
| Trade and other receivables | 8 | 8,191,993,894 | 8,946,114,385 | 4,655,399,761 | 4,550,919,850 | |
| Amounts due from future brokers | | 660,607,783 | 1,307,490,634 | - | 105,737,796 | |
| Inventories | 9 | 25,261,064,870 | 32,578,453,173 | 13,828,811,139 | 16,849,685,126 | |
| Short-term loan to subsidiary | 6 | - | - | 343,913,000 | 332,469,000 | |
| Derivative financial instruments | 36.1 | 1,003,874,851 | 215,294,913 | 641,646,085 | 111,626,440 | |
| Other current financial assets | 11 | - | 264,105,305 | - | - | |
| Other current assets | 10 | 1,545,934,547 | 1,665,458,806 | 71,564,748 | 71,700,484 | |
| Total current assets | | <u>59,163,904,306</u> | <u>67,786,567,629</u> | <u>24,915,313,115</u> | <u>22,294,175,148</u> | |
| Non-current assets | | | | | | |
| Derivative financial instruments | 36.1 | 1,997,355 | - | - | - | |
| Other non-current financial assets | 11 | 1,062,491,829 | 475,841,743 | 38,279,840 | 103,990,591 | |
| Investments in subsidiaries | 12 | - | - | 19,005,708,104 | 18,839,137,708 | |
| Investment in associate | 13 | 583,948,421 | 553,365,209 | 142,500,000 | 142,500,000 | |
| Investment in joint venture | 14 | 570,062,923 | 469,119,233 | 134,716,526 | 134,716,526 | |
| Investment properties | 15 | 235,340,906 | 215,174,171 | 89,643,125 | 75,663,125 | |
| Property, plant and equipment | 16 | 47,885,312,171 | 37,317,329,706 | 11,879,608,448 | 7,637,917,584 | |
| Right-of-use assets | 22 | 518,689,132 | 403,901,677 | 117,124,600 | 109,612,548 | |
| Economic tree plantations | 17 | 2,546,569,812 | 2,469,746,973 | 16,098,215 | 14,434,997 | |
| Intangible asset - Computer software | 18 | 457,291,395 | 461,176,066 | 253,119,447 | 283,911,559 | |
| Goodwill | 19 | 3,174,667,132 | 3,174,667,132 | - | - | |
| Withholding tax deducted at source | | 355,321,543 | 547,354,998 | 150,344,954 | 401,547,114 | |
| Deferred tax assets | 29 | 486,260,956 | 616,835,426 | - | - | |
| Other non-current assets | | <u>41,915,800</u> | <u>36,009,945</u> | <u>12,300,951</u> | <u>13,018,707</u> | |
| Total non-current assets | | <u>57,919,869,375</u> | <u>46,740,522,279</u> | <u>31,839,444,210</u> | <u>27,756,450,459</u> | |
| Total assets | | <u>117,083,773,681</u> | <u>114,527,089,908</u> | <u>56,754,757,325</u> | <u>50,050,625,607</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 2022

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | Note | 2022 | 2021 | 2022 | 2021 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 20 | 5,058,138,423 | 5,263,750,674 | 1,576,159,547 | 1,155,935,587 |
| Short-term borrowings from financial institutions | 21.1 | 5,889,871,582 | 21,639,969,479 | 347,335,000 | 11,817,781,000 |
| Current portions of: | | | | | |
| - Long-term borrowings from financial institutions | 21.2 | 1,715,714,709 | 2,140,100,708 | - | 807,279,000 |
| - Debentures | 21.3 | 1,233,004,519 | 58,206,575 | 1,219,051,096 | 58,206,575 |
| - Lease liabilities | 22 | 206,145,429 | 148,072,594 | 55,702,317 | 43,435,693 |
| Short-term loan from subsidiary | 6 | - | - | 145,000,000 | 145,000,000 |
| Income tax payable | | 145,231,321 | 702,429,814 | 49,439,703 | - |
| Derivative financial instruments | 36.1 | 95,261,047 | 552,736,881 | 9,889,569 | 333,273,161 |
| Other current liabilities | | 119,153,235 | 304,880,640 | 41,377,941 | 205,311,058 |
| Total current liabilities | | <u>14,462,520,265</u> | <u>30,810,147,365</u> | <u>3,443,955,173</u> | <u>14,566,222,074</u> |
| Non-current liabilities | | | | | |
| Derivative financial instruments | 36.1 | 1,126,858 | 21,332,231 | - | - |
| Non-current portions of: | | | | | |
| - Long-term borrowings from financial institutions | 21.2 | 5,411,982,152 | 7,127,733,907 | - | - |
| - Debentures | 21.3 | 25,818,975,999 | 10,000,000,000 | 24,320,710,920 | 10,000,000,000 |
| - Lease liabilities | 22 | 284,536,834 | 240,145,648 | 64,346,009 | 68,085,258 |
| Provision for retirement benefit obligations | 23 | 416,403,281 | 425,373,598 | 137,884,846 | 138,391,700 |
| Deferred tax liabilities | 29 | 1,468,901,008 | 820,385,826 | 726,513,330 | 311,247,628 |
| Other non-current liabilities | | 33,024,745 | 33,383,077 | - | - |
| Total non-current liabilities | | <u>33,434,950,877</u> | <u>18,668,354,287</u> | <u>25,249,455,105</u> | <u>10,517,724,586</u> |
| Total liabilities | | <u>47,897,471,142</u> | <u>49,478,501,652</u> | <u>28,693,410,278</u> | <u>25,083,946,660</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 2022

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | | (Unit: Baht) |
|--|-------------|--|------------------------|--------------------------------------|-----------------------|--------------|
| | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | |
| 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 on the change in the ownership interests in subsidiaries | 12.2 | 6,257,143,381 | 6,247,647,636 | - | - | |
| Retained earnings | | | | | | |
| Appropriated - statutory reserve | 24 | 153,600,000 | 153,600,000 | 153,600,000 | 153,600,000 | |
| Unappropriated | | 27,130,151,340 | 24,741,526,831 | 12,445,918,517 | 10,638,643,488 | |
| Other components of shareholders' equity | | | | | | |
| Surplus on revaluation of assets - net of income tax | 25 | 5,809,537,342 | 3,635,007,392 | 2,920,108,422 | 1,770,413,550 | |
| Surplus (deficit) on changes in fair value through other comprehensive income of investments | | | | | | |
| in equity - net of income tax | | (109,993,490) | 3,645,991 | 4,881,582 | 6,250,583 | |
| Cash flow hedge reserve - net of income tax | | 233,517,547 | (22,960,096) | 148,886,894 | 9,819,694 | |
| Exchange differences on translation of financial statements in foreign currencies | | <u>(473,567,808)</u> | <u>(494,288,125)</u> | - | - | |
| Equity attributable to equity holders of the Company | | 51,388,339,944 | 46,652,131,261 | 28,061,347,047 | 24,966,678,947 | |
| Non-controlling interests of the subsidiaries | 12.2 | <u>17,797,962,595</u> | <u>18,396,456,995</u> | - | - | |
| Total shareholders' equity | | <u>69,186,302,539</u> | <u>65,048,588,256</u> | <u>28,061,347,047</u> | <u>24,966,678,947</u> | |
| Total liabilities and shareholders' equity | | <u>117,083,773,681</u> | <u>114,527,089,908</u> | <u>56,754,757,325</u> | <u>50,050,625,607</u> | |

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | | | | (Unit: Baht) | |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | Note | 2022 | 2021 | 2022 | 2021 |
| Profit or loss: | | | | | |
| Revenues from sales of goods and services | 30 | 110,656,726,212 | 118,275,372,503 | 61,208,863,185 | 50,926,372,325 |
| Cost of sales and services | | (94,851,076,084) | (80,216,448,854) | (54,891,887,948) | (44,494,317,576) |
| Gross profit | | 15,805,650,128 | 38,058,923,649 | 6,316,975,237 | 6,432,054,749 |
| Other income | 26 | 292,662,869 | 420,579,507 | 176,546,585 | 137,448,398 |
| Dividend income | | 6,430,998 | 1,414,541 | 1,876,368,887 | 9,204,701,672 |
| Selling and distribution expenses | | (7,819,766,416) | (5,952,552,884) | (3,519,026,680) | (2,859,597,386) |
| Administrative expenses | | (2,428,081,802) | (1,974,619,744) | (765,684,193) | (605,497,174) |
| Gain (loss) on exchange rates | | 506,123,498 | 474,369,128 | 150,997,235 | (70,392,399) |
| Gain from disposal of non-current assets held for sale | | - | - | - | 957,865,596 |
| Other gain (loss) | 27 | 505,958,593 | (1,835,522,913) | 885,069,548 | (816,075,885) |
| Profit from operating activities | | 6,868,977,868 | 29,192,591,284 | 5,121,246,619 | 12,380,507,571 |
| Share of profit from investments in associate and joint venture | | 335,657,202 | 241,386,542 | - | - |
| Finance income | | 184,841,170 | 113,208,829 | 27,180,646 | 14,129,704 |
| Finance cost | | (1,222,063,180) | (828,733,698) | (637,977,825) | (315,813,666) |
| Profit before income tax | | 6,167,413,060 | 28,718,452,957 | 4,510,449,440 | 12,078,823,609 |
| Income tax | 29 | (649,582,977) | (2,541,576,681) | (236,890,732) | (209,386,108) |
| Profit for the year | | 5,517,830,083 | 26,176,876,276 | 4,273,558,708 | 11,869,437,501 |

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 2022

| | | | | (Unit: Baht) | |
|--|------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | Note | 2022 | 2021 | 2022 | 2021 |
| 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 currencies | | (9,338,170) | 785,403,262 | - | - |
| Gain on cash flow hedge - net of income tax | | 297,523,016 | 5,120,134 | 139,067,200 | 9,819,694 |
| Other comprehensive income to be reclassified to | | | | | |
| profit or loss in subsequent periods - net of income tax | | 288,184,846 | 790,523,396 | 139,067,200 | 9,819,694 |
| Other comprehensive income not to be reclassified | | | | | |
| to profit or loss in subsequent periods | | | | | |
| Changes in revaluation of assets | | | | | |
| - net of income tax | 25 | 2,484,689,724 | (10,816,551) | 1,232,568,646 | - |
| Actuarial gain - net of income tax | | 15,907,121 | 56,931,511 | 5,682,326 | 6,377,837 |
| Gain (loss) on changes in value of equity investments | | | | | |
| designated at fair value through other comprehensive | | | | | |
| income - net of income tax | | (218,948,510) | 1,578,316 | (21,808,783) | 6,335,250 |
| Other comprehensive income not to be reclassified to | | | | | |
| profit or loss in subsequent periods - net of income tax | | 2,281,648,335 | 47,693,276 | 1,216,442,189 | 12,713,087 |
| Other comprehensive income for the year | | 2,569,833,181 | 838,216,672 | 1,355,509,389 | 22,532,781 |
| Total comprehensive income for the year | | 8,087,663,264 | 27,015,092,948 | 5,629,068,097 | 11,891,970,282 |

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 2022

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------------------|-------------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Profit attributable to: | | | | |
| Equity holders of the Company | 4,794,868,438 | 15,846,701,459 | 4,273,558,708 | 11,869,437,501 |
| Non-controlling interests of the subsidiaries | 722,961,645 | 10,330,174,817 | | |
| | <u>5,517,830,083</u> | <u>26,176,876,276</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 7,261,244,070 | 16,543,432,394 | 5,629,068,097 | 11,891,970,282 |
| Non-controlling interests of the subsidiaries | 826,419,194 | 10,471,660,554 | | |
| | <u>8,087,663,264</u> | <u>27,015,092,948</u> | | |
| Earnings per share | | | | |
| Basic earnings per share | 31 | | | |
| Profit attributable to equity holders of the Company | 3.12 | 10.32 | 2.78 | 7.73 |

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 2022

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 2022

| Separate financial statements | | | | | | | | | | (Unit: Baht) | |
|--|----------------------------|--|--|---|---|--|--|--|----------------------------|----------------|--|
| Issued and paid-up share capital | Premium on ordinary shares | Retained earnings Appropriated - statutory reserve | Other components of shareholders' equity | | | Total other components of shareholders' equity | | | Total shareholders' equity | | |
| | | | Surplus on revaluation of assets - net of income tax | income of investments in equity - net of income tax | Cash flow hedge reserve - net of income tax | | | | | | |
| 1,535,999,998 | 10,851,951,634 | 153,600,000 | 6,702,074,215 | 1,895,167,475 | (84,667) | | | | 1,895,082,808 | 21,138,708,655 | |
| - | - | - | 11,869,437,501 | - | - | | | | - | 11,869,437,501 | |
| | | | 6,377,837 | - | 6,335,250 | | | | 16,154,944 | 22,532,781 | |
| | | | | | 9,819,694 | | | | | | |
| 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 33) | | | | | | | | | | | |
| Balance as at 31 December 2021 | | | | | | | | | | | |
| 1,535,999,998 | 10,851,951,634 | 153,600,000 | 10,638,643,488 | 1,770,413,550 | 6,250,583 | | | | 1,786,483,827 | 24,966,678,947 | |
| - | - | - | 4,273,558,708 | - | - | | | | - | 4,273,558,708 | |
| | | | 5,682,326 | 1,232,568,646 | (21,808,783) | | | | 1,349,827,063 | 1,355,509,389 | |
| | | | | | 139,067,200 | | | | | | |
| | | | | | | | | | | | |
| Balance as at 1 January 2022 | | | | | | | | | | | |
| 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 33) | | | | | | | | | | | |
| Refund of other financial assets (Note 11) | | | | | | | | | | | |
| Balance as at 31 December 2022 | | | | | | | | | | | |
| 1,535,999,998 | 10,851,951,634 | 153,600,000 | 12,445,918,517 | 2,920,108,422 | 4,881,582 | | | | 3,073,876,898 | 28,061,347,047 | |
| - | - | - | (20,439,782) | - | 20,439,782 | | | | - | 20,439,782 | |
| | | | | | | | | | | | |

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 2022

| | (Unit: Baht) | | | |
|---|--|----------------|--------------------------------------|-----------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from operating activities | | | | |
| Profit before income tax | 6,167,413,060 | 28,718,452,957 | 4,510,449,440 | 12,078,823,609 |
| Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities: | | | | |
| Unrealised loss on exchange rates | 165,442,021 | 6,997,206 | 17,954,515 | 7,587,088 |
| Unrealised loss (gain) on revaluation of derivative financial instruments | (354,665,902) | 62,521,448 | (224,875,986) | 76,914,555 |
| Loss on conversion of derivative instruments | | | | |
| to underlying equity instruments | 83,848,169 | - | - | - |
| Share-based payment expenses | 2,858,441 | 10,618,118 | - | - |
| Expected credit losses | 103,689,359 | 6,671,563 | 102,529 | 4,418,178 |
| Reduction of inventory cost to net realisable value (reversal) | 296,307,397 | 3,514,186 | 97,434,398 | (48,319,232) |
| Expenses for retirement benefit obligations | 17,865,535 | 61,860,764 | 11,895,440 | 11,761,108 |
| Depreciation | 3,069,968,157 | 2,909,791,117 | 791,056,553 | 816,093,056 |
| Amortisation - economic tree plantations | 27,761,942 | 17,168,916 | 356,254 | 409,263 |
| Amortisation - intangible asset | 88,394,742 | 79,484,243 | 63,903,286 | 65,342,773 |
| Loss on impairment of asset | - | 6,868,384 | - | - |
| Impairment loss from assets revaluation | 16,372,171 | - | 25,911,932 | - |
| Write-off for withholding tax | 71,900,958 | - | 71,900,958 | - |
| Finance income | (184,841,170) | (113,208,829) | (27,180,646) | (14,129,704) |
| Finance cost | 1,222,063,180 | 828,733,698 | 637,977,825 | 315,813,666 |
| Dividend income | (6,430,998) | (1,414,541) | (1,876,368,887) | (9,204,701,672) |
| Share of profit from investments in associate and joint venture | (335,657,202) | (241,386,542) | - | - |
| Write-off for machinery and assets under construction | | | | |
| from fire incident | - | 51,195,141 | - | - |
| Loss (gain) on disposal and write-off for property, plant and equipment, right-of-use assets, economic tree plantations | | | | |
| and intangible asset | 38,703,642 | 56,223,174 | 16,311,221 | (31,996,182) |
| Gain on change in fair value of investment properties | (15,820,031) | - | (13,980,000) | - |
| Gain from disposal of non-current assets held for sale | - | - | - | (957,865,596) |
| Profit from operating activities before changes in operating assets and liabilities | 10,475,173,471 | 32,464,091,003 | 4,102,848,832 | 3,120,150,910 |

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 2022

| | (Unit: Baht) | | | |
|--|--|-------------------------|--------------------------------------|------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 494,211,294 | 346,320,397 | (140,734,799) | (1,670,241,191) |
| Amounts due from future brokers | 646,882,851 | (505,946,583) | 105,737,796 | (105,737,796) |
| Inventories | 6,468,755,240 | (13,195,706,352) | 2,468,746,339 | (6,458,384,814) |
| Other current assets | 302,940,170 | (43,346,087) | 135,735 | 1,114,731 |
| Other non-current assets | (5,905,855) | (30,583) | 717,756 | (1,435,092) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (390,120,957) | (311,644,012) | 193,162,781 | 119,268,258 |
| Other current liabilities | (185,727,405) | 120,923,428 | (163,933,117) | 117,137,584 |
| Provision for retirement benefit obligations | (7,090,375) | (4,525,192) | (5,299,387) | (2,070,633) |
| Other non-current liabilities | (358,332) | 91,578 | - | - |
| Cash flows provided by (used in) operating activities | 17,798,760,102 | 18,870,227,597 | 6,561,381,936 | (4,880,198,043) |
| Cash received from interest income | 180,200,128 | 107,680,489 | 27,162,099 | 14,219,162 |
| Cash paid for interest expense | (1,133,744,830) | (884,091,965) | (495,145,109) | (266,027,032) |
| Cash refunded from income tax | 206,798,920 | 51,864,050 | 179,301,202 | - |
| Cash paid for income tax | (1,379,321,587) | (3,549,079,775) | (116,172,619) | (15,163,147) |
| Net cash flows provided by (used in) operating activities | 15,672,692,733 | 14,596,600,396 | 6,156,527,509 | (5,147,169,060) |
| Cash flows from investing activities | | | | |
| Cash paid for purchases of other financial assets | (664,831,679) | (639,673,615) | (500) | - |
| Cash paid for purchases of derivative financial instruments | (1,682,522) | - | - | - |
| Dividends received | 210,561,298 | 159,942,341 | 1,876,368,887 | 9,204,701,672 |
| Cash paid for long-term loan to subsidiary | - | - | (1,534,598,000) | (311,818,000) |
| Cash received from repayment of long-term loan to subsidiary | - | - | 1,532,469,000 | 597,348,000 |
| Cash paid for short-term loan to subsidiary | - | - | (145,000,000) | - |
| Cash received from repayment of short-term loan to subsidiary | - | - | 145,000,000 | - |
| Cash paid for investment in subsidiary | - | - | (166,570,396) | (133,499,895) |
| Cash received from disposal of property, plant and equipment | | | | |
| economic tree plantations and intangible assets | 27,455,718 | 47,608,589 | 11,390,912 | 165,978,677 |
| Cash paid for purchases of investment properties, property, plant and equipment, economic tree plantations | | | | |
| and intangible asset | (10,490,458,653) | (11,754,545,753) | (3,275,830,956) | (772,510,742) |
| Cash received from disposal of non-current assets held for sale | - | - | - | 1,265,268,566 |
| Cash refunded from other financial assets | 43,560,218 | - | 43,560,218 | - |
| Net cash flows provided by (used in) investing activities | (10,875,395,620) | (12,186,668,438) | (1,513,210,835) | 10,015,468,278 |

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 2022

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------------|-------------------------------|------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Cash flows from financing activities | | | | |
| Decrease in short-term borrowings from financial institutions | (15,796,771,717) | (906,898,034) | (11,484,981,000) | (4,072,013,000) |
| Cash received from long-term borrowings from financial institutions | - | 3,244,500,000 | - | 309,500,000 |
| Repayments of long-term borrowings from financial institutions | (2,140,829,000) | (2,329,136,000) | (807,279,000) | (1,554,136,000) |
| Proceeds from issuance of debentures | 16,838,000,000 | 10,000,000,000 | 15,338,000,000 | 10,000,000,000 |
| Cash paid for redemption of debentures | - | (1,455,000,000) | - | (1,455,000,000) |
| Repayments of lease liabilities | (191,433,545) | (167,520,402) | (52,538,996) | (59,512,672) |
| Dividend paid | (2,534,575,748) | (8,063,881,477) | (2,534,575,748) | (8,063,881,477) |
| Dividend paid by subsidiaries | (1,447,319,220) | (7,522,703,733) | - | - |
| Cash received from increase in share capital of subsidiary | 28,911,795 | 212,662,697 | - | - |
| Net cash flows provided by (used in) financing activities | (5,244,017,435) | (6,987,976,949) | 458,625,256 | (4,895,043,149) |
| Increase in translation adjustments | 137,498,270 | 941,011,868 | - | - |
| Net increase (decrease) in cash and cash equivalents | (309,222,052) | (3,637,033,123) | 5,101,941,930 | (26,743,931) |
| Cash and cash equivalents at beginning of the year | 22,809,650,413 | 26,446,683,536 | 272,036,452 | 298,780,383 |
| Cash and cash equivalents at end of the year | 22,500,428,361 | 22,809,650,413 | 5,373,978,382 | 272,036,452 |

Supplemental cash flows information

Non-cash transactions:

| | | | | |
|---|-------------|-------------|-------------|------------|
| Increase in payables from purchases of assets | - | 600,205,955 | 153,507,871 | 43,067,074 |
| Purchases of assets by entering into lease agreements | 299,495,494 | 290,810,392 | 61,588,118 | 58,548,248 |
| Increase in retention | 164,543,568 | 339,296,409 | 75,350,526 | 13,456,902 |
| Transfer advance payments for fixed assets | - | 181,195,804 | - | - |
| to be assets under construction and machinery | - | - | - | - |

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 2022

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>2022</u> | <u>2021</u> | (%) | (%) |
| <u>Subsidiaries directly owned by the Company</u> | | | | | |
| Rubberland Products Co., Ltd. | Manufacture of rubber products | Thailand | | 99.99 | 99.99 |
| Namhua Rubber Co., Ltd. | Manufacture of rubber products | Thailand | | 99.99 | 99.99 |
| PT Sri Trang Lingga Indonesia | Manufacture of block rubber products | Indonesia | | 90.00 | 90.00 |
| Shi Dong Shanghai Rubber Co., Ltd. | Distribution of rubber products | China | | 100.00 | 100.00 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--|---|--------------------------|----------------------------|-------|
| | | | 2022 | 2021 |
| | | | (%) | (%) |
| Sri Trang Africa SA. | Distribution of rubber products | Côte d'Ivoire | 100.00 | - |
| Sri Trang Gloves (Thailand) Plc. | Manufacture of medical gloves | Thailand | 56.03 | 56.07 |
| Anvar Parawood Co., Ltd. | Manufacture of processed rubber wood | Thailand | 99.94 | 99.94 |
| Startex Rubber Co., Ltd. | Investment holding | Thailand | 99.99 | 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 |
| 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. | | | | |
| Sri Trang Ayeyar Rubber Industry Co., Ltd. | Manufacture of block rubber products | Myanmar | 58.99 | 58.99 |
| Sri Trang Indochina (Vietnam) Co., Ltd. | Distribution of rubber products | Vietnam | 99.99 | 99.99 |
| Shi Dong Investments Pte Ltd. | Investment holding | Singapore | 99.99 | 99.99 |
| 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 | 56.03 | 56.07 |
| Sri Trang USA, Inc. | Distribution of gloves | USA | 56.03 | 56.07 |
| Sri Trang Gloves (Singapore) Pte. Ltd. | Distribution of gloves and research and development | Singapore | 56.03 | 56.07 |
| PT Sri Trang Gloves Indo | Distribution of gloves | Indonesia | 56.03 | 56.07 |
| Sri Trang Gloves Vietnam Co., Ltd. | Distribution of gloves | Vietnam | 56.03 | 56.07 |
| Sri Trang Responsible Gloves Supply Inc. | Distribution of gloves | USA | 56.03 | - |
| Sri Trang Gloves Philippines Inc. | Distribution of gloves | Philippines | 56.03 | - |
| Premier System Engineering Co., Ltd. | Providing engineering services | Thailand | 56.03 | 56.07 |
| Sadao P.S. Rubber Co., Ltd. | Providing rental services of real estate | Thailand | 56.03 | 56.07 |
| Sri Trang Gloves Global Pte. Ltd. | Financial asset management and financial investment | Singapore | 56.03 | 56.07 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

- 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, is 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).

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 2022. These financial reporting standards are 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.

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs 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 2023

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 2023. These financial reporting standards are 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 management of the Group believes that adoption of these amendments will 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 2022

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 Group, 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.

The recognised revenue which is not yet due per the contacts 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).

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.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

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 costs 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 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).

4.6 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

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.

4.7 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

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 | 3 - 50 years |
| Buildings and structures | 5 - 50 years |
| Machinery and equipment | 2 - 20 years |
| Furniture, fixtures and office equipment | 2 - 10 years |
| Motor vehicles | 2 - 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.

4.8 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
For the year ended 31 December 2022

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 has not yet been recognised a 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.

4.9 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.

4.10 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
For the year ended 31 December 2022

4.11 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 on the initial recognition date.

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.

4.12 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
For the year ended 31 December 2022

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 - 3 years |
| Buildings and building improvement | 3 years |
| Motor vehicles | 1 - 5 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.

4.13 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

4.14 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.

4.15 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, economic tree plantations and/or 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

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.

4.17 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.

4.18 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

4.19 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.

4.20 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be 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.

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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 36.1 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.

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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

4.21 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
- Equity accumulators to manage its investing activity 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.

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

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

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 case where the risk management objective has changed.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

4.22 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

6. Related party transactions

During the year, the Group has significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and are concluded on commercial terms and bases agreed upon between the Group and those related parties.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|-------------|-------------|
| | Consolidated | | Separate | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Transactions with subsidiaries | | | | |
| Sales of goods | - | - | 25,176,488 | 19,199,808 |
| Purchases of goods | - | - | 2,695,475 | 895,598 |
| Service income | - | - | 189,961 | 155,959 |
| Service expenses | - | - | 628,338 | 521,228 |
| Rental expenses | - | - | 799 | 854 |
| Dividend income | - | - | 1,691,585 | 9,060,411 |
| Interest income | - | - | 23,278 | 13,969 |
| Interest expenses | - | - | 1,434 | 1,450 |
| Sales of fixed assets | - | - | - | 333,285 |
| Sales of investments | - | - | - | 1,087,799 |
| Transactions with an associate | | | | |
| Sales of goods | 20,484 | 21,065 | - | - |
| Purchases of goods | 118 | 195 | 13 | - |
| Service income | 27,862 | 29,912 | 2,776 | 2,622 |
| Rental income | 400 | 400 | - | - |
| Dividend income | 178,628 | 133,025 | 157,613 | 117,375 |
| Transactions with a joint venture | | | | |
| Purchases of goods | 3,213,451 | 2,303,918 | - | - |
| Service income | 15,189 | 15,453 | 15,163 | 15,434 |
| Dividend income | 25,503 | 25,503 | 25,503 | 25,503 |
| Transactions with directors and related parties | | | | |
| Purchases of fixed assets | - | 27,366 | - | 14,046 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 or rates.
- 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 2022 and 2021, 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable (Note 8) | | | | |
| Subsidiaries | - | - | 1,314,507 | 1,448,813 |
| Associate | 3,004 | 5,129 | 388 | 223 |
| | <u>3,004</u> | <u>5,129</u> | <u>1,314,895</u> | <u>1,449,036</u> |
| Other receivables (Note 8) | | | | |
| Subsidiaries | - | - | 28,572 | 33,617 |
| Associate | 599 | 1,026 | - | - |
| Joint venture | 11 | - | - | - |
| | <u>610</u> | <u>1,026</u> | <u>28,572</u> | <u>33,617</u> |
| Advance payments for goods (Note 8) | | | | |
| Subsidiaries | - | - | 582,750 | 505,353 |
| Trade accounts payable (Note 20) | | | | |
| Subsidiaries | - | - | 82,311 | 130,434 |
| Associate | - | 26 | - | - |
| Joint venture | - | 62,360 | - | - |
| | <u>-</u> | <u>62,386</u> | <u>82,311</u> | <u>130,434</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | (Unit: Thousand Baht) | | | |
|---|--------------------------------------|----------------|----------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Other payables (Note 20) | | | | |
| Subsidiaries | - | - | 48,629 | 21,096 |
| Retention payables (Note 20) | | | | |
| Subsidiaries | - | - | 79 | - |
| Advance receipt for goods and others | | | | |
| (Note 20) | | | | |
| Associate | 463 | - | - | - |
| Short-term loans to subsidiaries | | | | |
| | Balance as at | | | |
| | 31 December | | Interest rates | |
| Subsidiaries | <u>2022</u> | <u>2021</u> | per annum (%) | Repayment |
| (Unit: Thousand Baht) | | | | |
| PT Star Rubber | 343,913 | 332,469 | 5.06 | Unsecured |
| Rubberland Products | | | | March 2023 |
| Co., Ltd. | - | - | 1.31 | Unsecured |
| Total | <u>343,913</u> | <u>332,469</u> | | On call |

Movements in the balance of short-term loans to subsidiaries during the year ended 31 December 2022 are as follows.

| | (Unit: Thousand Baht) |
|----------------------------------|--------------------------------------|
| | <u>Separate financial statements</u> |
| Balance as at 1 January 2022 | 332,469 |
| Increase | 1,534,598 |
| Decrease | (1,532,469) |
| Unrealised gain on exchange rate | 9,315 |
| Balance as at 31 December 2022 | <u>343,913</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

Short-term loan from a subsidiary

Short-term loan from Startex Rubber Co., Ltd. of Baht 145 million carried interests at the rates of 1.00 percent per annum and was repayable on call and unsecured.

Movements in the balance of short-term loan from the subsidiary during the year ended 31 December 2022 are as follows.

| | (Unit: Thousand Baht) |
|--------------------------------|--------------------------------------|
| | <u>Separate financial statements</u> |
| Balance as at 1 January 2022 | 145,000 |
| Increase | 145,000 |
| Decrease | (145,000) |
| Balance as at 31 December 2022 | <u>145,000</u> |

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses of its directors and management as below.

| | (Unit: Thousand Baht) | | | |
|------------------------------|-----------------------------|----------------|---------------|-----------------------------|
| | Consolidated | | Separate | |
| | <u>financial statements</u> | <u>2022</u> | <u>2021</u> | <u>financial statements</u> |
| Short-term employee benefits | 329,073 | 373,120 | 63,967 | 82,409 |
| Post-employment benefits | 10,977 | 10,167 | 3,234 | 2,956 |
| Share-based payment benefits | 1,643 | 6,104 | - | - |
| Total | <u>341,693</u> | <u>389,391</u> | <u>67,201</u> | <u>85,365</u> |

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 34 to the financial statements.

7. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|---------------|-----------------------------|-------------------|------------------|-----------------------------|
| | Consolidated | | Separate | |
| | <u>financial statements</u> | <u>2022</u> | <u>2021</u> | <u>financial statements</u> |
| Cash | 70,613 | 77,562 | 6,464 | 9,971 |
| Bank deposits | 22,429,815 | 22,732,088 | 5,367,514 | 262,065 |
| Total | <u>22,500,428</u> | <u>22,809,650</u> | <u>5,373,978</u> | <u>272,036</u> |

As at 31 December 2022, bank deposits carried interests between 0.05 and 8.50 percent per annum (2021: between 0.05 and 2.50 percent per annum).

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

8. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|---|--------------------------------------|------------------|----------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable - related parties (Note 6) | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 3,004 | 5,129 | 1,237,242 | 1,093,560 |
| Past due | | | | |
| Up to 30 days | - | - | 32,926 | 195,200 |
| 31 - 60 days | - | - | 44,727 | 101,287 |
| 61 - 90 days | - | - | - | 58,989 |
| Total trade accounts receivable - related parties | <u>3,004</u> | <u>5,129</u> | <u>1,314,895</u> | <u>1,449,036</u> |
| Trade accounts receivable - unrelated parties | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 6,207,688 | 7,573,069 | 2,185,422 | 2,126,886 |
| Past due | | | | |
| Up to 30 days | 603,272 | 626,515 | 369,582 | 300,366 |
| 31 - 60 days | 35,471 | 63,981 | 13,714 | 8,238 |
| 61 - 90 days | 48,497 | 15,983 | - | - |
| 91 - 120 days | 10,874 | 6,138 | - | - |
| 121 - 365 days | 168,135 | 57 | - | - |
| Over 365 days | 42,144 | 37,900 | 30,885 | 30,885 |
| Total | <u>7,116,081</u> | <u>8,323,643</u> | <u>2,599,603</u> | <u>2,466,375</u> |
| Less: Allowance for expected credit losses | <u>(145,635)</u> | <u>(41,946)</u> | <u>(31,218)</u> | <u>(31,115)</u> |
| Total trade accounts receivable - unrelated parties, net | <u>6,970,446</u> | <u>8,281,697</u> | <u>2,568,385</u> | <u>2,435,260</u> |
| Total trade accounts receivable - net | <u>6,973,450</u> | <u>8,286,826</u> | <u>3,883,280</u> | <u>3,884,296</u> |
| Other receivables | | | | |
| Other receivables - related parties (Note 6) | 610 | 1,026 | 28,572 | 33,617 |
| Other receivables - unrelated parties | 155,724 | 161,962 | 17,219 | 17,396 |
| Advance payments for goods | | | | |
| - related parties (Note 6) | - | - | 582,750 | 505,353 |
| Prepaid expenses and advance payments for goods | | | | |
| - unrelated parties | 1,062,210 | 496,300 | 143,579 | 110,258 |
| Total other receivables | <u>1,218,544</u> | <u>659,288</u> | <u>772,120</u> | <u>666,624</u> |
| Total trade and other receivables - net | <u>8,191,994</u> | <u>8,946,114</u> | <u>4,655,400</u> | <u>4,550,920</u> |

The normal credit term are 30 to 90 days.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

9. Inventories

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|--|-----------------------------------|------------|---|-----------|------------------|------------|
| | Cost | | Reduction of cost to net realisable value | | Inventories, net | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Finished goods | 7,916,207 | 10,015,802 | (256,053) | (14,157) | 7,660,154 | 10,001,645 |
| Work in process | 4,715,862 | 5,944,449 | (90,987) | (73,494) | 4,624,875 | 5,870,955 |
| Raw materials, packaging, and chemicals | 12,316,309 | 15,610,300 | (26,181) | (27,890) | 12,290,128 | 15,582,410 |
| Spare parts and supplies | 957,827 | 804,409 | (74,313) | (35,686) | 883,514 | 768,723 |
| Total | 25,906,205 | 32,374,960 | (447,534) | (151,227) | 25,458,671 | 32,223,733 |
| Fair value hedge adjustments | | | | | (197,606) | 354,720 |
| Total inventory - net | | | | | 25,261,065 | 32,578,453 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|--|-------------------------------|------------|---|-------|------------------|------------|
| | Cost | | Reduction of cost to net realisable value | | Inventories, net | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Finished goods | 3,267,330 | 4,052,851 | (84,811) | - | 3,182,519 | 4,052,851 |
| Work in process | 2,746,588 | 3,312,009 | (4,933) | - | 2,741,655 | 3,312,009 |
| Raw materials, packaging, and chemicals | 8,035,168 | 9,162,628 | (7,755) | - | 8,027,413 | 9,162,628 |
| Spare parts and supplies | 65,267 | 55,611 | (718) | (783) | 64,549 | 54,828 |
| Total | 14,114,353 | 16,583,099 | (98,217) | (783) | 14,016,136 | 16,582,316 |
| Fair value hedge adjustments | | | | | (187,325) | 267,369 |
| Total inventory - net | | | | | 13,828,811 | 16,849,685 |

For the year ended 31 December 2022 and 2021, reduction of cost to net realisable value is summarised as follows.

(Unit: Million Baht)

| | Consolidated | | Separate | |
|--|----------------------|------|----------------------|------|
| | financial statements | 2022 | financial statements | 2022 |
| | 2022 | 2021 | 2022 | 2021 |
| Recorded amount is included in cost of sales | 296 | 4 | 97 | - |
| Reversed and reduced the amount of inventories recognised as cost of sales | - | - | - | 48 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 2022 and 2021 are as follows.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Inventories at net realisable value (NRV)* | 10,717,031 | 15,293,209 | 5,224,003 | 7,416,257 |
| Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements | 10,495,690 | 14,063,664 | 5,160,061 | 6,756,718 |
| Differences | 221,341 | 1,229,545 | 63,942 | 659,539 |

* 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Refundable value-added tax | 1,296,404 | 1,544,504 | 56,661 | 62,572 |
| Prepaid withholding tax deducted at source | 217,216 | 33,800 | - | - |
| Input tax waiting for tax invoice or not yet due | 32,315 | 87,155 | 14,904 | 9,128 |
| Total other current assets | 1,545,935 | 1,665,459 | 71,565 | 71,700 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

11. Other financial assets

| | (Unit: Thousand Baht) | | | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Financial assets at amortised cost | | | | |
| Fixed deposits pledged as collateral | - | 701 | - | - |
| Equity instruments designated at fair value through other comprehensive income | | | | |
| Quoted equity instruments | 610,777 | 77,493 | 38,280 | 40,991 |
| Unquoted equity instruments | 451,715 | 397,648 | - | 63,000 |
| Financial assets at fair value through profit or loss | | | | |
| Equity linked notes | - | 264,105 | - | - |
| Total other financial assets | <u>1,062,492</u> | <u>739,947</u> | <u>38,280</u> | <u>103,991</u> |
| Current | - | 264,105 | - | - |
| Non-current | <u>1,062,492</u> | <u>475,842</u> | <u>38,280</u> | <u>103,991</u> |
| | <u>1,062,492</u> | <u>739,947</u> | <u>38,280</u> | <u>103,991</u> |

During the current year, the Company received a capital refund amounting to Baht 44 million from the entity, used to present as unquoted equity instruments, according to the Company's interest, after the entity completed its liquidation process. The Company recorded a difference amounting to Baht 20 million between the refund and the carrying amount in the retained earnings.

During the current year, a local subsidiary redeemed all fixed deposits pledged as collateral for electricity usage.

During the current year, an oversea subsidiary redeemed its equity linked notes with the carrying amount of USD 11 million (or approximately Baht 376 million) to equity instruments designated at fair value through other comprehensive income according to term and condition in the related agreement. The subsidiary recorded the fair value of the equity instruments on the redemption date of USD 9 million (or approximately Baht 320 million) in its account and loss of USD 2 million (or approximately Baht 56 million) in profit or loss.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements

| Company's name | (Unit: Million Baht) | | | | | | | |
|---|----------------------|-------|------------|--------|-------------------|--------|-----------------|-------|
| | Shareholding | | | | Dividend received | | | |
| | Paid-up capital | | percentage | | Cost | | during the year | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | (%) | | | | |
| Subsidiaries | | | | | | | | |
| Rubberland Products Co., Ltd. | 1,600 | 1,600 | 99.99 | 99.99 | 1,935 | 1,935 | - | 300 |
| Namhua Rubber Co., Ltd. | 500 | 500 | 99.99 | 99.99 | 560 | 560 | - | - |
| PT Sri Trang Lingga Indonesia | 359 | 359 | 90.00 | 90.00 | 330 | 330 | - | - |
| Shi Dong Shanghai Rubber Co., Ltd. | 155 | 155 | 100.00 | 100.00 | 155 | 155 | - | - |
| Sri Trang Africa SA. | 1 | - | 100.00 | - | 1 | - | - | - |
| Sri Trang Gloves (Thailand) Plc. | 1,432 | 1,432 | 50.61 | 50.64 | 6,551 | 6,551 | 1,668 | 8,700 |
| Anvar Parawood Co., Ltd. | 10 | 10 | 99.94 | 99.94 | 26 | 26 | - | 60 |
| Startex Rubber Co., Ltd. | 2,198 | 2,198 | 99.99 | 99.99 | 2,196 | 2,196 | - | - |
| Starlight Express Transport Co., Ltd. | 15 | 15 | 79.99 | 79.99 | 42 | 42 | 24 | - |
| Sri Trang Rubber & Plantation Co., Ltd. | 7,205 | 7,039 | 99.99 | 99.99 | 7,205 | 7,039 | - | - |
| Sri Trang IBC Co., Ltd. | 5 | 5 | 99.99 | 99.99 | 5 | 5 | - | - |
| Total | | | | | 19,006 | 18,839 | 1,692 | 9,060 |

12.1.1 Details of investments in subsidiaries that have material non-controlling interests.

| Company's name | (Unit: Million Baht) | | | | | | | |
|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Proportion of equity | | Accumulated balance of | | Profit allocated to | | Dividend paid to | |
| | interest held by | non-controlling interests |
| | non-controlling interests | | non-controlling interests | | during the year | | during the year | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (%) | (%) | | | | | | |
| Sri Trang Gloves | | | | | | | | |
| (Thailand) Plc. * | 43.97 | 43.93 | 17,448 | 18,115 | 662 | 10,394 | 1,447 | 7,523 |

* The consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

12.1.2 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 | |
|-------------------------|-------------------|--------|
| | 2022 | 2021 |
| Current assets | 20,343 | 29,546 |
| Non-current assets | 31,546 | 21,757 |
| Current liabilities | 4,407 | 5,646 |
| Non-current liabilities | 7,392 | 7,443 |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|--------|
| | 2022 | 2021 |
| Revenue | 23,305 | 47,551 |
| Profit | 1,507 | 23,704 |
| Other comprehensive income | 208 | 300 |
| Total comprehensive income | 1,715 | 24,004 |

Summarised information about cash flow

| | For the year ended 31 December | |
|---|--------------------------------|----------|
| | 2022 | 2021 |
| Cash flow provided by operating activities | 4,085 | 24,071 |
| Cash flow used in investing activities | (7,734) | (12,522) |
| Cash flow used in financing activities | (2,965) | (15,102) |
| Increase (decrease) in translation adjustment | (41) | 285 |
| Net decrease in cash and cash equivalents | (6,655) | (3,268) |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

12.2 Sri Trang Gloves (Thailand) Public Company Limited (“STGT”)

Dividend payment

On 7 April 2022, the Annual General Meeting of STGT passed resolutions approving the dividend payment for the year 2021 of Baht 4.65 per share, totaling Baht 13,305.61 million. The total interim dividend which STGT already paid is Baht 4.00 per share, totaling Baht 11,444.49 million.

During May 2022, STGT made payment of the remaining dividend at the rate of Baht 0.65 per share, totaling Baht 1,861.12 million.

On 10 August 2022, a meeting of STGT’s Board of Directors passed resolutions approving the interim dividend payment for the year 2022 of Baht 0.50 per share, totaling Baht 1,432.59 million to its shareholders. STGT already paid the dividend in September 2022.

On 17 February 2023, a meeting of STGT’s Board of Directors passed resolutions approving a dividend payment in respect of retained earnings and operating results of 2022 to shareholders of Baht 0.75 per share, totaling of Baht 2,148.88 million. STGT made the payment of interim dividend of Baht 0.50 per share, or approximately Baht 1,432.59 million. The payment of remaining dividend of Baht 0.25 per share, or approximately Baht 716.29 million. STGT will propose STGT’s Shareholder Annual General Meeting to approve the remaining dividend payment within second quarter of 2023.

Incorporation of new subsidiaries

Sri Trang Responsible Gloves Supply Inc. (“STRG”)

On 9 May 2022, a meeting of STGT’s Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Responsible Gloves Supply Inc., in the United States of America to sell and distribute rubber gloves. STGT plans to invest in STRG amounting to USD 1,000,000. The STRG’s registered share capital is USD 10,000 (10,000 ordinary shares with a par value of USD 1 per share). STGT holds 100% interest in STRG.

STRG already registered the incorporation in June 2022. STRG issued and called up 5,000 ordinary shares at USD 100 per share, totaling USD 500,000, or approximately Baht 18 million. STGT paid for the ordinary shares in June 2022.

Sri Trang Gloves Philippines Inc. (“STGP”)

On 19 July 2021, a meeting of STGT’s Board of Directors passed a resolution approving the incorporation of a new subsidiary, Sri Trang Gloves Philippines Inc., in the Philippines to sell and distribute rubber gloves. The STGP’s registered share capital is PHP 104,662,400 (1,046,624 ordinary shares with a par value of PHP 100 per share), or approximately Baht 249 million. STGT holds 99.99% interest in STGP.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

STGP already registered the incorporation in August 2022. STGP issued and called up 104,701 ordinary shares at PHP 100 per share, totaling PHP 10,470,100 or approximately Baht 7 million. STGT paid for the ordinary shares in August 2022.

Share-based payment under STGT ESOP

On 24 June 2022, a meeting of STGT's Board of Directors passed a resolution approving an offer of newly issued ordinary shares under the STGT ESOP for the third allocation of 6,000,000 new shares with a par value of Baht 0.5 each, at an offering price of Baht 15.07 per share, which is equivalent to 90 percent of the market price.

Subsequently, on 5 July 2022, there were 1,918,500 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 1,431,630,705 (2,863,261,410 ordinary shares with a par value of Baht 0.5 each) to Baht 1,432,589,955 (2,865,179,910 ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce in July 2022. In addition, the STGT ESOP expired for offering of the newly issued ordinary shares.

As a result, the shareholdings of the Company and Rubberland Products Co., Ltd. in STGT decreased from 50.64 percent and 5.43 percent to 50.61 percent and 5.42 percent, respectively, non-controlling interests of STGT increased by Baht 20 million, and surplus from the change in the ownership interests in STGT increased by Baht 9 million.

Share repurchase program

On 17 February 2022, a meeting of STGT's Board of Directors passed resolutions approving 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.

The share repurchase program for financial management purpose ended on 6 September 2022. The Company did not repurchase any shares from the program.

Increase of registered share capital of Sri Trang Gloves Global Pte. Ltd. ("STGG")

On 2 September 2022, a meeting of STGT's Board of Directors passed a resolution approving the increase in investment in STGG amounting to USD 80,000,000 in preferred shares. As a result of the increase in this investment, STGG has a registered share capital of USD 180,000,000, comprising of 20,000,000 ordinary shares and 160,000,000 preferred shares, with a par value of USD 1 per share.

STGT paid for the shares of USD 80,000,000, or approximately Baht 2,919 million and STGG already registered its share capital increase in September 2022.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

12.3 Sri Trang Rubber & Plantation Co., Ltd. (“SRP”)

During the current year, the Company paid the capital of SRP amounting to Baht 96 million. The Company fully made payment of the additional capital which was called up in 2021.

On 10 June 2022, the Extraordinary General Meeting of SRP passed resolutions approving the increase in its registered share capital amounting to Baht 80 million for use in its operation in 2022. During the current year, SRP called up the additional registered share capital amounting to Baht 70 million, for which the Company already paid. Therefore, in the separate financial statements as at 31 December 2022, the Company had investments in SRP of Baht 7,205 million.

Subsequently, on 17 February 2023, a meeting of the Company's Board of Directors passed resolutions approving the increase in SRP's registered share capital amounting to Baht 145 million for operation in 2023.

12.4 Sri Trang Africa SA. (“STF”)

On 25 July 2022, a meeting of the Company's Board of Directors passed a resolution approving the incorporation of Sri Trang Africa SA. (“STF”), a new subsidiary in Côte d'Ivoire to conduct the trading, distribution, and exporting of natural rubber products. The Company holds 100% ownership in STF.

STF had already incorporated in September 2022. The STF's initial registered and paid-up capital were F.CFA 10,000,000 or approximately Baht 571,000, divided into 1,000 ordinary shares with a par value of F.CFA 10,000 per share.

13. Investment in an associate

13.1 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 |
| | | | | 2022 | 2021 | | |
| | | | (%) | (%) | | | |
| Semperflex Asia Co., Ltd. | Manufacture of hydraulic hoses | Thailand | 42.50 | 42.50 | 583,948 | 553,365 | 142,500 |
| (Shareholding held by the Company 37.50% and by a subsidiary 5.00%) | | | | | | | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

13.2 Share of comprehensive income and dividend received

During the years, the Group has recognised its share of profit and dividend income from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows.

| Associate | (Unit: Thousand Baht) | | | | | |
|---------------------------|-----------------------|-------------|----------------------|-------------|-------------------|---------|
| | Consolidated | | Separate | | | |
| | financial statements | | financial statements | | | |
| Share of profit from | | | | | | |
| investments in associate | | | Dividend received | | Dividend received | |
| during the years | | | during the years | | during the years | |
| | <u>2022</u> | <u>2021</u> | | <u>2022</u> | <u>2021</u> | |
| Semperflex Asia Co., Ltd. | 209,210 | 178,649 | 178,627 | 133,025 | 157,612 | 117,375 |

13.3 Summarised financial information about Semperflex Asia Co., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

| | As at 31 December | |
|---|-------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Current assets | 1,395,015 | 1,372,362 |
| Non-current assets | 228,633 | 246,277 |
| Current liabilities | (210,755) | (279,082) |
| Non-current liabilities | (21,309) | (20,342) |
| Net assets | 1,391,584 | 1,319,215 |
| Shareholding percentage (%) | 42.50% | 42.50% |
| Share of net assets | 591,423 | 560,666 |
| Adjustments on equity method | (7,475) | (7,301) |
| Carrying amounts of the associate based on equity method | 583,948 | 553,365 |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue | 1,839,047 | 1,489,341 |
| Profit | 492,684 | 420,350 |
| Other comprehensive income | (424) | (845) |
| Total comprehensive income | 492,260 | 419,505 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

13.4 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.

14. Investment in a joint venture

14.1 Details of investment in a joint venture

Investment in a joint venture represents investment in the 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 | Cost |
| | | | | 2022 | 2021 | | |
| | | | (%) | (%) | | | |
| Thaitech Rubber Corp., Ltd. | Manufacture of rubber products | Thailand | 42.505 | 42.505 | 570,063 | 469,119 | 134,717 |
| | | | | | | | 134,717 |

14.2 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 | |
| 2022 | 2021 | 2022 | 2021 |
| 126,447 | 62,738 | 25,503 | 25,503 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

14.3 Summarised financial information about Thaitech Rubber Corp., Ltd. (Unit: Thousand Baht)

Summarised information about financial position

| | As at 31 December | |
|---|-------------------|-------------|
| | 2022 | 2021 |
| Current assets | 2,475,125 | 3,023,682 |
| Non-current assets | 1,081,005 | 1,051,189 |
| Current liabilities | (2,325,639) | (3,077,992) |
| Non-current liabilities | (36,375) | (18,095) |
| Net assets | 1,194,116 | 978,784 |
| Shareholding percentage (%) | 42.505% | 42.505% |
| Share of net assets | 507,559 | 416,032 |
| Adjustments on equity method | 62,504 | 53,087 |
| Carrying amounts of the joint venture based on equity method | 570,063 | 469,119 |

Summarised information about comprehensive income

| | For the year ended 31 December | |
|----------------------------|--------------------------------|-----------|
| | 2022 | 2021 |
| Revenue | 9,292,736 | 7,442,544 |
| Profit | 311,011 | 125,739 |
| Other comprehensive income | (29,195) | 43,029 |
| Total comprehensive income | 281,816 | 168,768 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

15. Investment properties

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

| | (Unit: Thousand Baht) | | | |
|---------------------------------------|-----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Net book value at beginning of year | 215,174 | 193,600 | 75,663 | 75,663 |
| Transfer from fixed assets (Note 16) | - | 8,650 | - | - |
| Net gain from a fair value adjustment | 15,820 | - | 13,980 | - |
| Translation adjustment | 4,347 | 12,924 | - | - |
| Net book value at end of year | <u>235,341</u> | <u>215,174</u> | <u>89,643</u> | <u>75,663</u> |

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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

16. 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 2021 | | | | | | |
| Cost / Revalued amount | 12,505,446 | 8,452,319 | 16,285,753 | 1,095,333 | 751,615 | 1,690,403 |
| <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) | - | - | (51,370) |
| Net book value | 10,956,501 | 6,650,356 | 7,619,172 | 201,986 | 124,914 | 1,690,403 |
| 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 | 1,690,403 |
| Additions | 26,864 | 6,947 | 108,356 | 148,299 | 38,162 | 12,393,690 |
| Transfers in (out) | 517,201 | 177,994 | 1,741,421 | 61,945 | 11,924 | (2,510,485) |
| Transfer to other assets, net (Notes 17, 18) | - | - | (95) | 1,402 | (1,392) | - |
| Transfer to investment properties (Note 15) | (8,650) | - | - | - | - | (218) |
| Disposals and write-off, net | (23,797) | (15,762) | (35,805) | (553) | (899) | (60,793) |
| Reductions of revaluation | (2,688) | (17,678) | (22) | - | - | (138,009) |
| Depreciation for the year | (230,115) | (497,982) | (1,850,528) | (82,112) | (74,576) | - |
| Depreciation capitalised to assets (Note 17) | (41,369) | (4,295) | (1,306) | (2,813) | - | (49,783) |
| Interest capitalized to assets | - | - | - | - | - | (2,735,313) |
| Translation adjustment, net | 51,244 | 106,453 | 29,289 | 5,831 | 2,389 | 98 |
| 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 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

| 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 31 December 2021 | | | | | | |
| Cost / Revalued amount | 13,063,261 | 8,729,330 | 17,973,252 | 1,267,566 | 756,062 | 11,621,517 |
| <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) | - | - | (58,239) |
| Net book value | 11,245,191 | 6,406,033 | 7,610,482 | 333,585 | 100,522 | 11,621,517 |
| For the year ended 31 December 2022 | | | | | | |
| Net book value at beginning of year | 11,245,191 | 6,406,033 | 7,610,482 | 333,585 | 100,522 | 11,621,517 |
| Additions | 80,405 | 27,309 | 115,037 | 202,747 | 49,447 | 10,022,902 |
| Additions of assets revaluation | 2,151,760 | 1,019,649 | - | - | - | - |
| Reductions of assets revaluation | (25,996) | (90,077) | - | - | - | - |
| Transfers in (out) | 272,671 | 868,997 | 3,339,396 | 155,756 | 35,687 | (4,672,507) |
| Transfer to other assets, net (Notes 18, 22) | - | - | - | 1,250 | - | (21,732) |
| Disposals and write-off, net | (2,145) | (16,903) | (39,921) | (63) | (437) | (1,704) |
| Depreciation for the year | (224,757) | (529,085) | (1,929,352) | (136,398) | (53,317) | - |
| Depreciation capitalised to assets (Note 17) | (28,644) | (4,058) | (1,337) | (452) | (8) | - |
| Interest capitalized to assets | - | - | - | - | - | 106,194 |
| Translation adjustment, net | (31,254) | (56,609) | (11,548) | (1,328) | (537) | (1,056) |
| Net book value at end of year | 13,437,231 | 7,625,256 | 9,082,757 | 555,097 | 131,357 | 17,053,614 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | |
|---|-----------------------------------|-------------------------|-------------------------|----------------|--|
| | Cost basis | | | | |
| | Revaluation basis | Building and structures | Machinery and equipment | Vehicles | Fixture and office equipment |
| Land and land improvement | | | | | Assets under construction and installation |
| As at 31 December 2022 | | | | | Total |
| Cost / Revalued amount | 14,761,176 | 8,906,053 | 21,073,972 | 1,557,514 | 805,589 |
| <u>Less</u> Accumulated depreciation | (1,272,430) | (1,275,765) | (11,989,523) | (1,002,417) | (674,232) |
| <u>Less</u> Allowance for impairment | (51,515) | (5,032) | (1,692) | - | - |
| Net book value | 13,437,231 | 7,625,256 | 9,082,757 | 555,097 | 131,357 |
| | | | | | 17,053,614 |
| | | | | | 47,885,312 |
| | | | | | |
| Depreciation for the year | | | | | |
| Included in manufacturing cost | | | | | 2022 |
| | | | | | 2,578,843 |
| Included in selling and administrative expenses | | | | | 2021 |
| | | | | | 2,594,900 |
| | | | | | 294,066 |
| | | | | | 140,414 |
| | | | | | 2,872,909 |
| | | | | | 2,735,314 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
 For the year ended 31 December 2022

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Thousand Baht)

| | Separate financial statements | | | | | (Unit: Thousand Baht) | |
|---|-------------------------------|-------------------------|-------------------------|----------------|------------------------------|-----------------------|--|
| | Revaluation basis | | Cost basis | | | | |
| | Land and land improvement | Building and structures | Machinery and equipment | Vehicles | Fixture and office equipment | | |
| For the year ended 31 December 2022 | | | | | | | |
| Net book value at beginning of year | 3,420,229 | 2,155,748 | 1,297,642 | 44,717 | 35,183 | 684,399 | |
| Additions | 59,008 | 12,187 | 47,172 | 72,818 | 8,578 | 3,269,956 | |
| Additions of assets revaluation | 906,633 | 675,294 | - | - | - | 3,469,719 | |
| Reductions of assets revaluation | (12,688) | (54,441) | - | - | - | 1,581,927 | |
| Transfers in (out) | 30,550 | 99,135 | 539,285 | 41,433 | 10,854 | (67,129) | |
| Disposals and write-off, net | (875) | (15,332) | (9,463) | (5) | (168) | - | |
| Depreciation for the year | (96,077) | (198,075) | (404,483) | (22,578) | (16,287) | (27,537) | |
| Depreciation capitalised to assets (Note 17) | (35) | (26) | (151) | (107) | (8) | (737,500) | |
| Interest capitalized to assets | - | - | - | - | - | (327) | |
| Net book value at end of year | 4,306,745 | 2,674,500 | 1,470,002 | 136,278 | 38,152 | 22,537 | |
| As at 31 December 2022 | | | | | | | |
| Cost / Revalued amount | 4,582,017 | 2,851,197 | 5,410,384 | 366,784 | 388,691 | 3,253,931 | |
| Less Accumulated depreciation | (275,272) | (176,697) | (3,938,712) | (230,506) | (350,539) | - | |
| Less Allowance for impairment | - | - | (1,670) | - | - | (4,971,726) | |
| Net book value | 4,306,745 | 2,674,500 | 1,470,002 | 136,278 | 38,152 | 3,253,931 | |
| Depreciation for the year | | | | | | | |
| Included in manufacturing cost | | | | | | 678,639 | |
| Included in selling and administrative expenses | | | | | | 58,861 | |
| | | | | | | 73,456 | |
| | | | | | | 737,500 | |
| | | | | | | 752,948 | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

The Group arranges to have its land and building revalued by independent professional appraisers (who were approved by The Securities and Exchange Commission). Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The methods of the asset revaluation are as follows.

- Land and land improvements are 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 are 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.

During the current year, in accordance with the Group's accounting policies, therefore the Group arranged to have its assets revaluation. Based on the reports of the independent professional appraisers, the Group already reflected the results of these revaluations into its financial statements for the year ended 31 December 2022. The details are as follows.

| | (Unit: Million Baht) | |
|--|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Asset revaluation surplus net of applicable deferred income tax recognised in other comprehensive income | 2,485 | 1,233 |
| Loss on asset revaluation recognised in profit or loss | (16) | (26) |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 2022 and 2021 would have been as follows.

| | (Unit: Thousand Baht) | | | |
|----------------------------|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land and land improvements | 6,226,485 | 7,649,362 | 1,782,315 | 1,770,216 |
| Buildings and structures | 3,124,486 | 5,035,581 | 1,471,096 | 1,511,194 |

As at 31 December 2022 and 2021, a domestic subsidiary's construction of new plants has been financed by loans from financial institutions. Borrowing costs were capitalised with details as follows.

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Outstanding balance of new plants under construction (Million Baht) | 17,025 | 10,601 | 3,104 | - |
| Borrowing costs included in costs of the project (Million Baht) | 106 | 109 | 23 | - |
| Capitalisation weighted average rates (percent per annum) | 2.36 - 3.97 | 2.36 - 3.47 | 2.83 - 3.40 | Nil |

As at 31 December 2022 and 2021, certain items of buildings and equipment had been fully depreciated but were still in use as follows.

| | (Unit: Million Baht) | | | |
|---|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss | 7,345 | 9,782 | 2,593 | 2,677 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

17. Economic tree plantations

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | Total |
|--|-----------------------------------|-----------|----------------------------|----------|-------------------------------------|-----------|
| | Rubber plantations | | Palm and other plantations | | Economic tree plantations- Immature | |
| | Mature | Immature | Mature | Immature | | |
| As at 1 January 2021 | | | | | | |
| Cost | 588,935 | 1,797,906 | 11,476 | 6,680 | 21,266 | 2,426,263 |
| <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 |
| 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 16) | 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 16) | - | 49,783 | - | - | - | 49,783 |
| Net book value at end of year | 1,002,479 | 1,423,440 | 3,662 | 7,366 | 32,800 | 2,469,747 |
| As at 31 December 2021 | | | | | | |
| Cost | 1,047,991 | 1,423,440 | 9,807 | 7,366 | 32,800 | 2,521,404 |
| <u>Less</u> Accumulated amortisation | (45,512) | - | (6,145) | - | - | (51,657) |
| Net book value | 1,002,479 | 1,423,440 | 3,662 | 7,366 | 32,800 | 2,469,747 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(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 2022 | | | | | | |
| Net book value at beginning of year | 1,002,479 | 1,423,440 | 3,662 | 7,366 | 32,800 | 2,469,747 |
| Acquisition | - | 64,099 | - | 1,362 | 7,924 | 73,385 |
| Transfer in (out) | 488,831 | (488,831) | - | - | - | - |
| Disposals and write-off, net | (3,713) | (1,239) | (169) | - | (8) | (5,129) |
| Amortisation | (27,227) | - | (535) | - | - | (27,762) |
| Depreciation capitalised to assets | - | 35,932 | - | 293 | 104 | 36,329 |
| (Note 16, 22) | 1,460,370 | 1,033,401 | 2,958 | 9,021 | 40,820 | 2,546,570 |
| Net book value at end of year | | | | | | |
| As at 31 December 2022 | | | | | | |
| Cost | 1,532,009 | 1,033,401 | 9,175 | 9,021 | 40,820 | 2,624,426 |
| Less Accumulated amortisation | (71,639) | - | (6,217) | - | - | (77,856) |
| Net book value | 1,460,370 | 1,033,401 | 2,958 | 9,021 | 40,820 | 2,546,570 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2022

| (Unit: Thousand Baht) | | | | | |
|--|-------------------------------|----------|----------------------------|--------|---------|
| | Separate financial statements | | | | |
| | Rubber plantations | | Palm and other plantations | | Total |
| | Mature | Immature | Immature | Mature | |
| As at 1 January 2021 | | | | | |
| 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 |
| | | | | | |
| 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 December 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 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|--|-------------------------------|----------|----------------------------|--------|---------|
| | Rubber plantations | | Palm and other plantations | | Total |
| | Mature | Immature | Immature | Mature | |
| For the year ended 31 December 2022 | | | | | |
| Net book value at beginning of year | 1,554 | 3,312 | 2,203 | 7,366 | 14,435 |
| Acquisition | - | 499 | - | 1,362 | 1,861 |
| Disposals and write-off, net | - | - | (169) | - | (169) |
| Amortisation | (109) | - | (247) | - | (356) |
| Depreciation capitalised to assets (Note 16) | - | 34 | - | 293 | 327 |
| Net book value at end of year | 1,445 | 3,845 | 1,787 | 9,021 | 16,098 |
| As at 31 December 2022 | | | | | |
| Cost | 4,044 | 3,845 | 3,648 | 9,021 | 20,558 |
| <u>Less</u> Accumulated amortisation | (2,599) | - | (1,861) | - | (4,460) |
| Net book value | 1,445 | 3,845 | 1,787 | 9,021 | 16,098 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

18. Intangible assets - computer software

| | (Unit: Thousand Baht) | |
|--|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| As at 1 January 2021 | | |
| 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 16) | 10 | - |
| Write-off, net | (31) | (2) |
| Amortisation | (79,484) | (65,343) |
| Translation adjustment | <u>902</u> | <u>-</u> |
| 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> |
| For the year ended 31 December 2022 | | |
| Net book value at beginning of year | 461,176 | 283,912 |
| Additions | 83,771 | 33,110 |
| Transfers from fixed assets (Note 16) | 627 | - |
| Amortisation | (88,395) | (63,903) |
| Translation adjustment | <u>112</u> | <u>-</u> |
| Net book value at end of year | <u>457,291</u> | <u>253,119</u> |
| As at 31 December 2022 | | |
| Cost | 1,002,701 | 703,982 |
| <u>Less</u> Accumulated amortisation | <u>(545,410)</u> | <u>(450,863)</u> |
| Net book value | <u>457,291</u> | <u>253,119</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

19. 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 | 10.15% 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.

20. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade payables - related parties (Note 6) | - | 62,386 | 82,311 | 130,434 |
| Trade payables - unrelated parties | 1,216,000 | 1,365,268 | 377,910 | 362,350 |
| Other payables - related parties (Note 6) | - | - | 48,629 | 21,096 |
| Other payables - unrelated parties | 1,547,138 | 2,174,019 | 579,613 | 375,938 |
| Retention payables | | | | |
| - related parties (Note 6) | - | - | 79 | - |
| Retention payables - unrelated parties | 422,642 | - | 98,050 | 22,699 |
| Advance receipt for goods and others | | | | |
| - related parties (Note 6) | 463 | - | - | - |
| Advance receipt for goods and others | | | | |
| - unrelated parties | 1,871,895 | 1,662,078 | 389,568 | 243,419 |
| Total trade and other payables | <u>5,058,138</u> | <u>5,263,751</u> | <u>1,576,160</u> | <u>1,155,936</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

21. Borrowings

21.1 Short-term borrowings from financial institutions

Movements in the short-term borrowing account for the years ended 31 December 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------------|----------------------|-------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Balance at beginning of year | 21,639,969 | 22,162,290 | 11,817,781 | 15,889,794 |
| Decrease, net | (15,796,772) | (906,898) | (11,484,981) | (4,072,013) |
| Unrealised loss (gain) on exchange rates | 9,265 | (1,276) | 14,535 | - |
| Translation adjustment | 37,410 | 385,853 | - | - |
| Balance at end of year | <u>5,889,872</u> | <u>21,639,969</u> | <u>347,335</u> | <u>11,817,781</u> |

As at 31 December 2022 and 2021, An overseas subsidiary had credit facilities with an overseas financial institution which were guaranteed by a domestic subsidiary as follows.

| | Consolidated financial statements | | | |
|----------------------------------|-----------------------------------|--------------|--------------|--------------|
| | 2022 | | 2021 | |
| | (Equivalent) | | (Equivalent) | |
| | Million USD | Million Baht | Million USD | Million Baht |
| Credit facilities | 10 | 346 | 10 | 334 |
| Balance of short-term borrowings | 5 | 173 | - | - |

21.2 Long-term loans from financial institutions

Movements in the long-term borrowing account for the years ended 31 December 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|-----------------------------------|-----------------------|------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Balance at beginning of year | 9,267,835 | 8,325,193 | 807,279 | 2,025,486 |
| Additional | - | 3,244,500 | - | 309,500 |
| Repayments | (2,140,829) | (2,329,136) | (807,279) | (1,554,136) |
| Amortisation of finance fee | 691 | 849 | - | - |
| Unrealised loss on exchange rates | - | 26,429 | - | 26,429 |
| Balance at end of year | <u>7,127,697</u> | <u>9,267,835</u> | <u>-</u> | <u>807,279</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

As at 31 December 2022 and 2021, 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 | (Unit: Thousand Baht) | | | |
|---------------------|------------------------------------|---------------------|--------------------------------------|---|--|------------|-------------------------------|---------|
| | | | | | Outstanding balances as at 31 December | | Separate financial statements | |
| | | | | | Consolidated | 2022 | 2021 | 2022 |
| 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 | - | 471,350 |
| 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 |
| 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. | 518,000 | 686,000 | - | - |
| 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. | 115,000 | 271,000 | - | - |
| 3 | Baht 1,623 million granted in 2018 | 7 years | 6M THB FIX plus fixed rate per annum | Principal is repayable quarterly from December 2019 and interest is repayable quarterly. | 883,000* | 1,153,000* | - | - |
| 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. | 905,000 | 1,145,000 | - | - |
| 5 | Baht 1,000 million granted in 2020 | 6 years | 6M THB FIX plus fixed rate per annum | Principal is repayable quarterly from March 2022 and interest is repayable quarterly. | 900,000 | 1,000,000 | - | - |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| No. | Credit facility | Borrowing periods | Interest rate (%) | Principal and interest repayment | Outstanding balances as at 31 December | |
|---|------------------------------------|---------------------|-------------------------------|--|--|-------------------------------|
| | | | | | Consolidated financial statements | Separate financial statements |
| | | | | | 2022 | 2021 |
| 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. | 1,725,000 | 1,925,000 |
| 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. | 1,320,000 | 1,500,000 |
| Total | | | | | 762,450 | 782,000 |
| <u>Less</u> Deferred financial service fee | | | | | 7,128,450 | 9,269,279 |
| Long-term borrowing - net | | | | | (753) | (1,444) |
| <u>Less</u> Current portion of long-term borrowings | | | | | 7,127,697 | 9,267,835 |
| Long-term borrowings - net of current portion | | | | | (1,715,715) | (2,140,101) |
| | | | | | 5,411,982 | 7,127,734 |

* The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

In addition, the borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

21.3 Debentures

Movements in the debenture account for the years ended 31 December 2022 and 2021 are summarised below.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 10,058,207 | 1,460,437 | 10,058,207 | 1,460,437 |
| Issuance | 16,838,000 | 10,000,000 | 15,338,000 | 10,000,000 |
| Redemption | - | (1,455,000) | - | (1,455,000) |
| Increase in accrued interest expenses | 584,051 | 117,820 | 569,645 | 117,820 |
| Interest paid | (404,191) | (65,050) | (404,191) | (65,050) |
| Increase in deferred expenses of issuing debentures | (26,349) | - | (24,044) | - |
| Amortisation of deferred expenses of issuing debentures | 2,263 | - | 2,145 | - |
| Balance at end of year | <u>27,051,981</u> | <u>10,058,207</u> | <u>25,539,762</u> | <u>10,058,207</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

The Group issues senior unsecured debentures and green debentures, interest is payable semi-annually. Details of debentures are summarised below:

| Debenture | Term (years) | Issue date | Maturity date | Quantity (Thousand Units) | Par value (Baht per unit) | Fixed interest rate (Percent per annum) | Consolidated financial statements | | Separate financial statements | |
|-----------|-----------------|-----------------|-----------------|---------------------------------|---------------------------------|--|---|-----------|----------------------------------|-----------|
| | | | | | | | 2022 | 2021 | 2022 | 2021 |
| STA234A | 2 | 1 April 2021 | 1 April 2023 | 1,000 | 1,000 | 2.15 | Starting from 1 October 2021 to 3 | | | |
| STA264A | 5 | 1 April 2021 | 1 April 2026 | 1,800 | 1,000 | 3.70 | April 2023 Starting from 1 October 2021 to 1 | 1,000,000 | 1,000,000 | 1,000,000 |
| STA314A | 10 | 1 April 2021 | 1 April 2031 | 700 | 1,000 | 4.40 | April 2026 Starting from 1 October 2021 to 1 | 1,800,000 | 1,800,000 | 1,800,000 |
| STA247A | 3 | 22 July 2021 | 22 July 2024 | 1,500 | 1,000 | 1.79 | April 2031 Starting from 24 January 2022 to 23 | 700,000 | 700,000 | 700,000 |
| STA257A | 4 | 22 July 2021 | 22 July 2025 | 500 | 1,000 | 2.75 | July 2024 Starting from 24 January 2022 to 22 | 1,500,000 | 1,500,000 | 1,500,000 |
| STA31DA | 10 | 3 December 2021 | 3 December 2031 | 1,250 | 1,000 | 3.56 | July 2025 Starting from 6 June 2022 to 3 December 2031 | 500,000 | 500,000 | 500,000 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| Debtenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | | Consolidated financial statements | | Separate financial statements | |
|------------|-----------------|-----------------|-----------------|----------|-----------|------------------------|--|-----------|--------------------------------------|-----------|----------------------------------|------|
| | | | | | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| STA25DA | 4 | 3 December 2021 | 3 December 2025 | 1,000 | 1,000 | 2.39 | Starting from 6 June 2022 to 3 December 2025 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| STA28DA | 7 | 3 December 2021 | 3 December 2028 | 1,250 | 1,000 | 3.12 | Starting from 6 June 2022 to 4 December 2028 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | |
| STA24DA | 3 | 3 December 2021 | 3 December 2024 | 1,000 | 1,000 | 1.98 | Starting from 6 June 2022 to 3 December 2024 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| STA253A | 3 | 31 March 2022 | 31 March 2025 | 2,000 | 1,000 | 2.08 | Starting from 30 September 2022 to 31 March 2025 | 2,000,000 | - | - | 2,000,000 | |
| STA273A | 5 | 31 March 2022 | 31 March 2027 | 500 | 1,000 | 2.85 | Starting from 30 September 2022 to 31 March 2027 | 500,000 | - | - | 500,000 | |
| STA293A | 7 | 31 March 2022 | 31 March 2029 | 1,000 | 1,000 | 3.56 | Starting from 30 September 2022 to 4 February 2029 | 1,000,000 | - | - | 1,000,000 | |
| STA323A | 10 | 31 March 2022 | 31 March 2032 | 2,000 | 1,000 | 3.94 | Starting from 30 September 2022 to 31 March 2032 | 2,000,000 | - | - | 2,000,000 | |
| STA343A | 12 | 31 March 2022 | 31 March 2034 | 1,500 | 1,000 | 4.17 | Starting from 30 September 2022 to 31 March 2034 | 1,500,000 | - | - | 1,500,000 | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| Debtenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | Consolidated financial statements | | Separate financial statements | |
|------------|-----------------|----------------------|----------------------|----------|-----------|------------------------|--|--------------------------------------|------|----------------------------------|-----------|
| | | | | | | | | 2022 | 2021 | 2022 | 2021 |
| STA324A | 10 | 21 April 2022 | 21 April 2032 | 1,180 | 1,000 | 3.94 | Starting from 21 October 2022 to 21 April 2032 | | | | |
| STA257B | 3 | 27 July 2022 | 27 July 2025 | 1,000 | 1,000 | 2.89 | Starting from 27 January 2023 to 27 July 2025 | 1,180,000 | | | 1,180,000 |
| STA277A | 5 | 27 July 2022 | 27 July 2027 | 2,400 | 1,000 | 3.69 | Starting from 27 January 2023 to 27 July 2027 | 1,000,000 | | | 1,000,000 |
| STA297A | 7 | 27 July 2022 | 27 July 2029 | 1,100 | 1,000 | 3.94 | Starting from 27 January 2023 to 27 July 2029 | 2,400,000 | | | 2,400,000 |
| STA327A | 10 | 27 July 2022 | 27 July 2032 | 1,000 | 1,000 | 4.16 | Starting from 27 January 2023 to 27 July 2032 | 1,100,000 | | | 1,100,000 |
| STG259A | 3 | 28 September 2022 | 28 September 2025 | 550 | 1,000 | 2.97 | Starting from 28 March 2023 to 28 September 2025 | 1,000,000 | | | 1,000,000 |
| STGT299A | 7 | 28 September 2022 | 28 September 2029 | 400 | 1,000 | 3.91 | Starting from 28 March 2023 to 28 September 2029 | 550,000 | | | 400,000 |
| STGT329A | 10 | 28 September 2022 | 28 September 2032 | 550 | 1,000 | 4.25 | Starting from 28 March 2023 to 28 September 2032 | 550,000 | | | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| Debenture | Term (years) | Issue date | Maturity date | Quantity | Par value | Fixed interest rate | Interest payment condition | | Consolidated financial statements | | (Unit: Thousand Baht) Separate financial statements | |
|---|-----------------|-----------------|-----------------|----------|-----------|------------------------|---|-------------|--------------------------------------|-------------|---|--|
| | | | | | | | | 2022 | 2021 | 2022 | 2021 | |
| STA26NA | 4 | 4 November 2022 | 4 November 2026 | 678 | 1,000 | 3.55 | Starting from 4 May 2023 to 4 November 2026 | - | 678,700 | - | 678,700 | |
| STA26NB | 4 | 4 November 2022 | 4 November 2026 | 979 | 1,000 | 3.55 | Starting from 4 May 2023 to 4 November 2026 | 979,300 | - | 979,300 | - | |
| Total | | | | | | | | 26,838,000 | 10,000,000 | 25,338,000 | 10,000,000 | |
| <u>Add</u> accrued interest expenses | | | | | | | | 238,067 | 58,207 | 223,661 | 58,207 | |
| <u>Less</u> deferred expenses of issuing debentures | | | | | | | | (24,087) | - | (21,899) | - | |
| Debentures - net | | | | | | | | 27,051,980 | 10,058,207 | 25,539,762 | 10,058,207 | |
| <u>Less</u> current portion | | | | | | | | (1,233,004) | (58,207) | (1,219,051) | (58,207) | |
| Debentures, net of current portion | | | | | | | | 25,818,976 | 10,000,000 | 24,320,711 | 10,000,000 | |
| Fair value | | | | | | | | 27,284,304 | 10,179,654 | 25,712,004 | 10,179,654 | |

The debenture agreements contain covenants and restrictions on the Group, pertaining to matters such as the maintenance of a certain debt to equity ratio.

On 17 February 2023, the Company's Board of Directors meeting passed resolutions to approve the additional issuance and offering of debentures in an amount of Baht 20,000 million, totaling not exceeding Baht 50,000 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the proposal in second quarter of 2023.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

22. 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 2022 and 2021 are summarised below:

| | Consolidated financial statements | | | | | (Unit: Thousand Baht) |
|---|-----------------------------------|--|-------------------|-----------|-----------|-----------------------|
| | Land and land improvement | Buildings and building improvement | Motor vehicles | Equipment | Total | |
| 1 January 2021 | 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 | |
| Additions | 3,456 | 56,937 | 152,158 | 86,944 | 299,495 | |
| Transfers from fixed assets (Note 16) | - | - | 19,855 | - | 19,855 | |
| Write-off, net | - | (1,813) | (1,323) | - | (3,136) | |
| Depreciation for the year | (7,603) | (68,522) | (90,609) | (30,325) | (197,059) | |
| Depreciation capitalised to assets (Note 17) | - | - | (1,830) | - | (1,830) | |
| Translation adjustment | (25) | (1,794) | (719) | - | (2,538) | |
| 31 December 2022 | 6,069 | 102,216 | 258,531 | 151,873 | 518,689 | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Thousand Baht)

| | Separate financial statements | | | | |
|---------------------------|-------------------------------|---------------|----------|-----------|----------|
| | Land and | Buildings and | Motor | Equipment | Total |
| | land | building | vehicles | | |
| 1 January 2021 | 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 |
| Additions | 3,113 | - | 58,475 | - | 61,588 |
| Write-off, net | - | - | (519) | - | (519) |
| Depreciation for the year | (3,444) | (13,062) | (36,843) | (208) | (53,557) |
| 31 December 2022 | 1,465 | 18,465 | 97,136 | 59 | 117,125 |

B) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Lease payments | 513,800 | 410,037 | 124,180 | 115,917 |
| Less: Deferred interest expenses | (23,118) | (21,819) | (4,132) | (4,396) |
| Total | 490,682 | 388,218 | 120,048 | 111,521 |
| Less: Portion due within one year | (206,145) | (148,072) | (55,702) | (43,436) |
| Lease liabilities - net of current portion | 284,537 | 240,146 | 64,346 | 68,085 |

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|------------------------------|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year | 388,218 | 252,852 | 111,521 | 113,304 |
| Additions | 299,495 | 290,810 | 61,588 | 58,548 |
| Write off | (3,278) | (1,714) | (522) | (818) |
| Repayments | (191,434) | (167,520) | (52,539) | (59,513) |
| Translation adjustment | (2,319) | 13,790 | - | - |
| Balance at end of year | 490,682 | 388,218 | 120,048 | 111,521 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

A maturity analysis of lease payments is disclosed in Note 36.2 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Depreciation of Right-of-use assets | 197,059 | 174,478 | 53,557 | 63,145 |
| Interest payments on lease liabilities | 9,366 | 10,005 | 2,696 | 3,001 |
| Expense relating to leases of low-value assets | 93,905 | 200,307 | 96,361 | 83,576 |

23. 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 2022 and 2021 are summarised below:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Provision for retirement benefit obligations | | | | |
| at beginning of year | 425,374 | 440,268 | 138,392 | 136,674 |
| Included in profit or loss: | | | | |
| Current service cost | 37,154 | 47,909 | 9,270 | 10,050 |
| Interest cost | 11,464 | 13,952 | 2,625 | 1,711 |
| Past service cost | (30,752) | - | - | - |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Demographic assumptions changes | (4,981) | - | (1,680) | - |
| Financial assumptions changes | (28,699) | (74,823) | (9,129) | (12,758) |
| Experience adjustments | 13,933 | 2,593 | 3,706 | 4,786 |
| Benefits paid during the year | (7,090) | (4,525) | (5,299) | (2,071) |
| Provision for retirement benefit obligations at end of year | <u>416,403</u> | <u>425,374</u> | <u>137,885</u> | <u>138,392</u> |

The Group expects to pay Baht 7 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2021: Baht 9 million, separate financial statements: Baht 4 million).

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit was 16 years (2021: 16 years).

Significant actuarial assumptions are summarised below:

| | (Unit: percent per annum) | |
|-----------------------------|--|-------------|
| | Consolidated and separate financial statements | |
| | <u>2022</u> | <u>2021</u> |
| Discount rate | 3.1 | 2.4 |
| Future salary increase rate | 3.0 - 4.0 | 3.0 - 4.0 |
| Turnover rate | 0.0 - 35.0 | 0.0 - 35.0 |

The results of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2022 and 2021 are summarised below:

| | (Unit: Thousand Baht) | | | |
|----------------------|------------------------|----------------------|----------------------|----------------------|
| | As at 31 December 2022 | | | |
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | <u>Increase 1%</u> | <u>Decrease 1%</u> | <u>Increase 1%</u> | <u>Decrease 1%</u> |
| Discount rate | (41,159) | 47,671 | (12,240) | 14,063 |
| Salary increase rate | 47,148 | (41,488) | 13,798 | (12,250) |
| | <u>Increase 20%</u> | <u>Decrease 20%</u> | <u>Increase 20%</u> | <u>Decrease 20%</u> |
| Turnover rate | (21,173) | 24,958 | (6,855) | 8,123 |

| | (Unit: Thousand Baht) | | | |
|----------------------|------------------------|----------------------|----------------------|----------------------|
| | As at 31 December 2021 | | | |
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | 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 |

24. 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

25. Revaluation surplus

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Balance at beginning of year - net of income tax | 3,635,007 | 3,815,836 | 1,770,414 | 1,895,167 |
| Increase from revaluation of assets | | | | |
| - net of income tax | 2,364,117 | - | 1,265,541 | - |
| Decrease from revaluation of assets | | | | |
| - net of income tax | (55,356) | (10,816) | (32,973) | - |
| Decrease from sale/write-off for assets | | | | |
| - net of income tax | (562) | (2,749) | (560) | (67,231) |
| <u>Less</u> depreciation on assets revaluation | | | | |
| - net of income tax | (133,617) | (109,073) | (82,314) | (57,522) |
| Increase in share capital of a subsidiary | (52) | (145) | - | - |
| Effect of restructuring of the subsidiaries | - | (58,046) | - | - |
| Balance at end of year - net of income tax | <u>5,809,537</u> | <u>3,635,007</u> | <u>2,920,108</u> | <u>1,770,414</u> |

26. Other income

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand | 91,980 | 149,599 | - | - |
| Income of production waste sales | 39,821 | 72,923 | 12,312 | 7,372 |
| Income of export incentive | - | 57,209 | - | - |
| Income from insurance claim compensation | 73,359 | 47,835 | 61,495 | 37,615 |
| Income from government subsidy | - | 32,039 | - | - |
| Income of management fee | 15,163 | 15,434 | 15,163 | 15,434 |
| Rental income | 14,869 | 14,458 | 880 | 1,316 |
| Income of factory supply sales | 2,465 | 4,804 | 431 | 574 |
| Income from computer software | 120 | 120 | 2,535 | 3,013 |
| Income from guaranteed loans | 97 | 1 | 22,344 | 29,872 |
| Office service income | 982 | - | 61,387 | 42,252 |
| Others | <u>53,807</u> | <u>26,158</u> | - | - |
| Total other income | <u>292,663</u> | <u>420,580</u> | <u>176,547</u> | <u>137,448</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

27. Other gain (loss)

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|--------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Gain (loss) from derivative financial instruments | 528,843 | (1,779,300) | 887,401 | (848,072) |
| Gain on change in fair value of investment properties | 15,820 | - | 13,980 | - |
| Gain (loss) from disposals and write-off for fixed assets | (38,704) | (56,223) | (16,311) | 31,996 |
| Total other gain (loss), net | <u>505,959</u> | <u>(1,835,523)</u> | <u>885,070</u> | <u>(816,076)</u> |

28. Expenses by nature

Significant expenses classified by nature are as follows.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Changes in inventories of finished goods and work in progress | 3,328,182 | (6,150,621) | 1,350,942 | (2,468,794) |
| Raw materials and consumables used | 81,679,872 | 75,196,113 | 43,680,031 | 38,382,423 |
| Reduction of inventory cost to net realisable value (reversal) | 296,307 | 3,514 | 97,434 | (48,319) |
| Salaries and wages and other employee benefits | 4,560,669 | 4,346,678 | 998,487 | 930,740 |
| Depreciation | 3,069,968 | 2,909,791 | 791,057 | 816,093 |
| Impairment loss from assets revaluation | 16,372 | - | 25,912 | - |
| Amortisation - economic tree plantations | 27,762 | 17,169 | 356 | 409 |
| Amortisation - intangible assets | 88,395 | 79,484 | 65,903 | 65,343 |
| Transportation and distribution expense | 5,113,728 | 3,793,218 | 1,630,186 | 1,289,902 |
| Energy expense | 4,011,155 | 3,631,319 | 987,468 | 751,036 |
| Cess expense* | 1,990,130 | 1,630,058 | 1,417,894 | 1,167,767 |

*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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

29. Income tax

Income tax for the years ended 31 December 2022 and 2021 are made up as follows.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current income tax: | | | | |
| Current income tax charge | 534,887 | 2,686,021 | 165,613 | - |
| Adjustment in respect of income tax of previous year | 440 | 19,530 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 114,256 | (163,974) | 71,278 | 209,386 |
| Income tax reported in profit or loss | 649,583 | 2,541,577 | 236,891 | 209,386 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|--------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deferred tax relating to | | | | |
| Gain (loss) on changes in value of equity investments designated at fair value | | | | |
| through other comprehensive income | (361) | 1,609 | (343) | 1,584 |
| Gain (loss) on revaluation of assets | 587,018 | (2,704) | 308,142 | - |
| Actuarial gain (loss) | 3,838 | 15,298 | 1,421 | 1,594 |
| Gain (loss) on cash flow hedges | 62,061 | 1,280 | 34,767 | 2,455 |
| | 652,556 | 15,483 | 343,987 | 5,633 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

The reconciliation between accounting profit and income tax is shown below.

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Accounting profit before tax | 6,167,413 | 28,718,453 | 4,510,449 | 12,078,824 |
| Applicable tax rate | 8 - 30% | 8 - 25% | 20% | 20% |
| Accounting profit before tax multiplied by | | | | |
| income tax rate | 1,294,284 | 5,924,308 | 902,090 | 2,415,765 |
| Share of profit from investments in an associate | | | | |
| and a joint venture | (67,131) | (48,277) | - | - |
| Unused tax losses and deductible temporary | | | | |
| difference were not recognised during the year | 12,805 | 99,177 | - | - |
| Utilisation of previously unused tax losses and | | | | |
| deductible temporary unrecognised difference | (144,632) | (186,826) | (93,273) | (215,497) |
| Adjustment in respect of income tax of previous year | 440 | 19,530 | - | - |
| Effects of: | | | | |
| Promotional privileges (Note 30) | (460,068) | (3,130,710) | (175,286) | (114,054) |
| Exemption of income | (11,351) | (31,338) | (375,274) | (1,840,941) |
| Non-deductible expenses | 99,561 | 47,936 | 31,915 | 23,012 |
| Additional expense deductions allowed | (60,034) | (118,858) | (53,360) | (56,490) |
| Tax at concessionary rate of 10% (a) | (13,977) | (20,886) | - | - |
| Corporate income tax exemption (b) | 5,739 | - | - | - |
| Others | (6,053) | (12,479) | 79 | (2,409) |
| Total | (446,183) | (3,266,335) | (571,926) | (1,990,882) |
| Income tax reported in the profit or loss | 649,583 | 2,541,577 | 236,891 | 209,386 |

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 13 December 2020, this status was extended from 1 January 2020 to 31 December 2024.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

- (b) A subsidiary is awarded the lifetime of Enhanced-Tier Fund Tax Incentive Scheme under section 13U from The Monetary Authority of Singapore (MAS). Under this scheme, upon specified terms and conditions, specific income derived by designated investments is exempted from corporate income tax in Singapore. Withholding tax on interest and dividend under the scheme paid by the subsidiary is also exempted. In addition, the Fund can obtain a remission of Goods and Services Tax ("GST") incurred on expenses.

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 | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deferred tax assets | | | | |
| Unused tax losses | 223,836 | 372,274 | - | 110,478 |
| Unrealised losses on derivative financial instruments | 26,782 | 7,317 | 1,726 | 3,732 |
| Allowance for diminution in value of inventories | 63,969 | 16,578 | 11,246 | 83 |
| Cumulative loss from assets revaluation | | | | |
| and allowance for asset impairment | 83,942 | 51,959 | 21,835 | 16,691 |
| Provision for retirement benefit obligations | 82,079 | 84,410 | 27,577 | 27,678 |
| Loss on cash flow hedge | 975 | 21,621 | 252 | 9,113 |
| Intercompany profit in inventories | 184,630 | 366,088 | - | - |
| Intercompany profit in fixed assets | 47,073 | 40,043 | - | - |
| Others | 52,866 | 28,846 | 1,526 | 46 |
| Total | 766,152 | 989,136 | 64,162 | 167,821 |
| Deferred tax liabilities | | | | |
| Asset revaluation surplus | 1,655,187 | 1,142,407 | 730,027 | 442,603 |
| Fair value estimation of investment properties | 15,742 | 12,577 | 15,374 | 12,578 |
| Unrealised gains on derivative financial instruments | 6,581 | 17,533 | 6,581 | 10,757 |
| Gains on cash flow hedge | 67,925 | 18,079 | 37,473 | 11,568 |
| Others | 3,357 | 2,091 | 1,220 | 1,563 |
| Total | 1,748,792 | 1,192,687 | 790,675 | 479,069 |
| Deferred tax liabilities,net | (982,640) | (203,551) | (726,513) | (311,248) |
| Deferred tax assets (liabilities) presented in | | | | |
| the statements of financial position: | | | | |
| Deferred tax assets | 486,261 | 616,835 | - | - |
| Deferred tax liabilities | (1,468,901) | (820,386) | (726,513) | (311,248) |
| | <u>(982,640)</u> | <u>(203,551)</u> | <u>(726,513)</u> | <u>(311,248)</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

Movements of deferred tax liabilities (net) during the years ended 31 December 2022 and 2021 are summarised below:

| | (Unit: Thousand Baht) | | | |
|------------------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Balance at beginning of year - net | 203,551 | 378,101 | 311,248 | 96,228 |
| Deferred tax recognised in | | | | |
| profit or loss | 114,256 | (163,974) | 71,278 | 209,387 |
| other comprehensive income | 652,556 | 15,483 | 343,987 | 5,633 |
| Translation adjustment | 12,277 | (26,059) | - | - |
| Balance at end of year - net | <u>982,640</u> | <u>203,551</u> | <u>726,513</u> | <u>311,248</u> |

As at 31 December 2022, the Group had deductible temporary differences and unused tax losses totaling Baht 589 million (the Company only: Nil) (2021: Baht 883 million, the Company only: Baht 36 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 539 million (the Company only: Nil) which will expire by 2024.

30. 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
- c) Reduction 50 percent from payment of income tax for investment in improve performance excluding the cost of land and working capital for a period of 3 years starting from the date of first income after obtaining the promotion certificates and applying for such privileges

As a promoted industry, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

The Group operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|-----------------------------------|-----------------------------------|-------------------|-------------------------|--------------------|--------------------|--------------------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and service income | | | | | | |
| Domestic sales and service income | 6,482,109 | 7,043,850 | 22,524,779 | 19,620,526 | 29,006,888 | 26,664,376 |
| Export sales and service income | 32,608,552 | 38,010,514 | 100,018,710 | 101,295,548 | 132,627,262 | 139,306,062 |
| Total sales and service income | <u>39,090,661</u> | <u>45,054,364</u> | <u>122,543,489</u> | <u>120,916,074</u> | <u>161,634,150</u> | <u>165,970,438</u> |
| Elimination | | | | | (50,977,424) | (47,695,065) |
| Total | | | | | <u>110,656,726</u> | <u>118,275,373</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|-----------------------------------|-------------------------------|-------------------|-------------------------|-------------------|-------------------|-------------------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and service income | | | | | | |
| Domestic sales and service income | 5,955,116 | 6,182,157 | 12,239,588 | 11,275,952 | 18,194,704 | 17,458,109 |
| Export sales and service income | 16,815,477 | 14,555,212 | 26,198,682 | 18,913,051 | 43,014,159 | 33,468,263 |
| Total sales and service income | <u>22,770,593</u> | <u>20,737,369</u> | <u>38,438,270</u> | <u>30,189,003</u> | <u>61,208,863</u> | <u>50,926,372</u> |

31. 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>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Profit attributable to owners of the Company | | | | |
| (Thousand Baht) | 4,794,868 | 15,846,701 | 4,273,559 | 11,869,438 |
| 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) | | | | |
| | 3.12 | 10.32 | 2.78 | 7.73 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

32. 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 2022 and 2021 is presented as follows.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

The Group's financial information by segments for the year ended 31 December 2022 and 2021

| | (Unit: Thousand Baht) | | | | | |
|---|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Consolidated financial statements | | | | | |
| | Natural rubbers | Gloves | Others | Elimination | 2022 | 2021 |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Revenues from external customers | 87,625,585 | 70,701,104 | 22,912,860 | 47,497,236 | 118,281 | 77,033 |
| Inter-segment revenues | 5,823,268 | 5,922,887 | 281 | - | 4,538,879 | 4,918,960 |
| Total revenues | 93,448,853 | 76,623,991 | 22,913,141 | 47,497,236 | 4,657,160 | 4,995,993 |
| Other income and expenses | | | | | | |
| Depreciation and amortisation | (1,449,586) | (1,478,634) | (1,581,835) | (1,416,383) | (154,704) | (112,325) |
| Finance income | 23,594 | 5,632 | 72,569 | 104,933 | 92,701 | 3,729 |
| Finance cost | (1,031,771) | (698,741) | (186,606) | (126,560) | (7,709) | (4,518) |
| Share of profit from investments in associate and joint venture | 126,446 | 62,738 | - | - | 209,211 | 178,649 |
| Segment profit | | | | | | |
| Profit before income tax | 6,151,295 | 13,706,078 | 1,718,645 | 25,769,562 | 460,967 | 463,662 |
| Income tax | (414,388) | (413,102) | (195,968) | (2,095,379) | (37,554) | (44,296) |
| Profit for the year | 5,736,907 | 13,292,976 | 1,522,687 | 23,674,183 | 423,413 | 419,366 |
| Total assets | 80,364,945 | 77,468,176 | 51,081,478 | 55,496,566 | 21,313,672 | 18,086,600 |
| | | | | | | |
| | | | | | | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

Geographic information

Revenue from external customers based on locations of the customers is as follows.

| | (Unit: Thousand Baht) | |
|---|-----------------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Revenue from external customers | | |
| Thailand | 13,384,984 | 14,530,235 |
| China | 51,490,973 | 37,843,635 |
| USA | 11,244,868 | 18,249,915 |
| Singapore | 3,479,089 | 4,888,716 |
| Japan | 4,487,201 | 4,049,432 |
| Others | 26,569,611 | 38,713,440 |
| Total | 110,656,726 | 118,275,373 |
| Non-current assets (other than financial instruments and deferred tax assets) | | |
| Thailand | 54,356,341 | 43,282,040 |
| Indonesia | 1,697,251 | 2,062,888 |
| Others | 297,955 | 302,917 |
| Total | 56,351,547 | 45,647,845 |

Major customers

The Group has no major customer with revenue of 10 percent or more of its revenues.

33. Dividends

| <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 | 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 | 1,920 | 1.25 |
| Total dividends for 2021 | | 8,064 | |
| Dividends for the year 2021 | The Company's Annual General Meeting on 7 April 2022 | 998 | 0.65 |
| Interim dividends from the operating for 2022 | The Company's Board of Directors meeting on 10 August 2022 | 1,536 | 1.00 |
| Total dividends for 2022 | | 2,534 | |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

On 17 February 2023, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2022 to shareholders of Baht 1.00 per share, totaling of Baht 1,536 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2023.

34. Commitments and contingent liabilities

(Unit: Million Baht)

| | As at 31 December | | | |
|---|--------------------------------------|-------------|----------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Sales and purchases commitments* | | | | |
| Purchases from | | | | |
| Joint venture | 911 | 1,335 | - | - |
| Third parties | 54 | 282 | - | - |
| Sales to | | | | |
| Subsidiaries | - | - | 4,279 | 6,015 |
| Third parties | 22,320 | 27,118 | 6,867 | 10,901 |
| Capital commitments relating to | | | | |
| the construction of factory buildings and | | | | |
| acquisition of machinery | 4,638 | 8,090 | 1,242 | 628 |
| the acquisition of computer software | 1 | - | - | 4 |
| Guarantees on borrowings of subsidiaries | | | | |
| (USD 5 million) (2021: USD 5 million) | 173 | 167 | - | - |
| (IDR 1,416 billion) (2021: IDR 1,031 billion) | 3,134 | 2,420 | 3,134 | 2,420 |
| (MMK 9 billion) (2021: Nil) | 149 | - | 149 | - |
| Guarantees and contingent liabilities | | | | |
| Bank guarantees for electricity usage and | | | | |
| sales of goods | 249 | 165 | 76 | 67 |
| Letters of credit with overseas suppliers | | | | |
| 2022: Nil (2021: USD 4 million) | - | 147 | - | - |
| The future aggregate minimum payments under non-cancellable lease and service agreements | | | | |
| Not later than 1 year | 41 | 33 | 15 | 17 |
| Later than 1 year but not later than 5 years | 16 | 30 | 7 | 20 |

* 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

35. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Equity instruments designated at fair value | | | | |
| through other comprehensive income | 1,062,493 | - | - | 1,062,493 |
| Financial assets at fair value through profit or loss | - | - | - | - |
| Derivative financial instruments | 27,221 | 743,957 | 234,694 | 1,005,872 |
| Property and plant | - | - | 21,062,487 | 21,062,487 |
| Investment properties | - | - | 235,341 | 235,341 |
| Liabilities measured at fair value | | | | |
| Derivative financial instruments | 6,472 | 79,948 | 9,968 | 96,388 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 27,284,304 | - | 27,284,304 |

| | (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 | 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 | 19,345 | 196,769 | 357,955 | 574,069 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 10,179,654 | - | 10,179,654 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | (Unit: Thousand Baht) | | | |
|---|-------------------------------|------------|-----------|------------|
| | Separate financial statements | | | |
| | As at 31 December 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Equity instruments designated at fair value | | | | |
| through other comprehensive income | 38,280 | - | - | 38,280 |
| Derivative financial instruments | 27,222 | 361,232 | 253,192 | 641,646 |
| Property and plant | - | - | 6,981,245 | 6,981,245 |
| Investment properties | - | - | 89,643 | 89,643 |
| Liabilities measured at fair value | | | | |
| Derivative financial instruments | 5,832 | 4,058 | - | 9,890 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 25,712,004 | - | 25,712,004 |

| | (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 | 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 | 13,702 | 50,522 | 269,049 | 333,273 |
| Liabilities for which fair value are disclosed | | | | |
| Debentures | - | 10,179,654 | - | 10,179,654 |

During the current year, there are no transfer 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 2022

36. Financial instruments

36.1 Derivatives and hedge accounting

| | (Unit: Thousand Baht) | | | |
|--|--------------------------------------|----------------|----------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Current derivative assets | | | | |
| <i>Derivative assets not designated as hedging instruments</i> | | | | |
| Rubber options | 1,963 | - | - | - |
| Rubber price swaps | 5,682 | 4,136 | 5,682 | 4,136 |
| Forward foreign exchange contracts | 21,053 | 58,201 | - | - |
| Rubber futures | 27,222 | 82,654 | 27,222 | 49,649 |
| Physical forward contracts | | 270 | | - |
| Others | 12 | - | - | - |
| <i>Derivative assets designated as hedging instruments</i> | | | | |
| Forward foreign exchange contracts | 713,249 | 70,034 | 355,550 | 57,841 |
| Open rubber sale contracts | 234,694 | - | 253,192 | - |
| Total current derivative assets | <u>1,003,875</u> | <u>215,295</u> | <u>641,646</u> | <u>111,626</u> |
| Non - current derivative assets | | | | |
| <i>Derivative assets designated as hedging instruments</i> | | | | |
| Interest rate swaps | 1,997 | - | - | - |
| Total non - current derivative assets | <u>1,997</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total derivative assets | <u>1,005,872</u> | <u>215,295</u> | <u>641,646</u> | <u>111,626</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | (Unit: Thousand Baht) | | | |
|---|--------------------------------------|----------------|----------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| Current derivative liabilities | | | | |
| <i>Derivative liabilities not designated as hedging instruments</i> | | | | |
| Rubber options | 2,800 | 6,085 | 2,800 | 2,108 |
| Rubber price swaps | - | 2,847 | - | 2,847 |
| Forward foreign exchange contracts | 58,935 | 77,829 | - | - |
| Rubber futures | 6,472 | 19,345 | 5,832 | 13,702 |
| Physical forward contracts | - | 1,482 | - | - |
| Equity accumulators | 15,511 | 420 | - | - |
| <i>Derivative liabilities designated as hedging instruments</i> | | | | |
| Forward foreign exchange contracts | 1,575 | 86,774 | 1,258 | 45,567 |
| Open rubber sale contracts | 9,968 | 357,955 | - | 269,049 |
| Total current derivative liabilities | <u>95,261</u> | <u>552,737</u> | <u>9,890</u> | <u>333,273</u> |
| Non - current derivative liabilities | | | | |
| <i>Derivative liabilities designated as hedging instruments</i> | | | | |
| Interest rate swaps | 1,127 | 21,332 | - | - |
| Total non - current derivative liabilities | <u>1,127</u> | <u>21,332</u> | <u>-</u> | <u>-</u> |
| Total derivative liabilities | <u>96,388</u> | <u>574,069</u> | <u>9,890</u> | <u>333,273</u> |

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 described in Note 4.21. The contracts are entered into for periods consistent with the underlying transactions, generally within 1 year.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

The Group has 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.

(Unit Million Baht)

| | Consolidated financial statements | |
|---|--------------------------------------|----------------------------|
| | <u>2022</u> | <u>2021</u> |
| Carrying liability amount of the interest rate swap | | |
| Assets | 2 | - |
| Liabilities | (1) | (21) |
| Notional amount | 883 | 1,153 |
| 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 | 22 | 24 |
| Cash flow hedge reserve | 1 | (17) |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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) | | | |
|---|--------------------------------------|------------------------------|----------------------------------|------------------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Carrying amount of the foreign exchange forward contracts | | | | |
| Assets | 713 | 70 | 356 | 58 |
| Liabilities | (2) | (87) | (1) | (46) |
| Notional amount (USD) | 516 | 458 | 296 | 321 |
| Hedge ratio | 1 : 1 | 1 : 1 | 1 : 1 | 1 : 1 |
| Maturity date | January 2023 to July 2023 | January 2022 to June 2022 | January 2023 to July 2023 | January 2022 to June 2022 |
| Changes in fair value of the hedging instruments used for measuring ineffectiveness | 321 | (17) | 186 | 12 |
| Cash flow hedge reserve | 226 | (13) | 149 | 10 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 2021 | (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 |
| Effective portion of changes in fair value arising from derivatives designated as hedging instruments for cash flow hedges | 737 | 343 |
| Amount reclassified to profit or loss | (378) | (169) |
| Tax effect | (62) | (35) |
| As at 31 December 2022 | 267 | 149 |

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 enters 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | As at 31 December | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Carrying amount of the open rubber sale contracts | 225 | (358) | 253 | (269) |
| Delivery period | January to May 2023 | January to May 2022 | January to March 2023 | January to May 2022 |
| Reference rubber price at end of year (USD per ton) | 1,296 - 1,350 | 1,738 - 1,830 | 1,296 - 1,326 | 1,738 - 1,830 |
| Hedge ratio | 1 : 1 | 1 : 1 | 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) | 225 | (358) | 253 | (269) |
| Changes in fair value of the hedged items used for measuring ineffectiveness (presented in profit or loss net of cost of sales) | (198) | 355 | (187) | 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) | (198) | 355 | (187) | 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 keeps monitoring and evaluating the effect of this matter. At present, the Group is in the process of transition to alternative benchmark rates.

As at 31 December 2022, the Group had interest rate swaps with nominal amounts of Baht 883 million, 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

36.2 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, short-term and long-term loans from financial institutions and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

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 based on past experience updated with future forecast information. The Group classifies customer into different segments by geography, product type, customer type and customer rating.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 2022 and 2021, 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.

((Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2022

| | Fixed interest rates | | | | | | |
|---------------------------------|----------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------|
| | Within | 1 - 5 | Over | Floating | Non- interest | Effective | |
| | 1 year | years | 5 years | interest rate | bearing | | |
| Financial Assets | | | | | | | |
| Cash and cash equivalent | 6,431,653 | - | - | 15,427,761 | 641,014 | 22,500,428 | 0.05 - 8.55 |
| Trade and other receivables* | - | - | - | - | 7,129,784 | 7,129,784 | - |
| Amounts due from future brokers | 660,608 | - | - | - | - | 660,608 | (1) |
| Other financial assets | - | - | - | - | 1,062,492 | 1,062,492 | - |
| Total | <u>7,092,261</u> | <u>-</u> | <u>-</u> | <u>15,427,761</u> | <u>8,833,290</u> | <u>31,353,312</u> | |
| Financial liabilities | | | | | | | |
| Trade and other payables* | - | - | - | - | - | 3,185,780 | 3,185,780 |
| Short-term borrowings from | | | | | | | |
| financial institutions | 5,487,549 | - | - | 402,323 | - | 5,889,872 | (1) |
| Debentures | 1,000,000 | 13,908,000 | 11,930,000 | - | 213,980 | 27,051,980 | (1) |
| Long-term borrowings from | | | | | | | |
| financial institutions* | - | - | - | 7,127,697 | - | 7,127,697 | (2), (3) |
| Total | <u>6,487,549</u> | <u>13,908,000</u> | <u>11,930,000</u> | <u>7,530,020</u> | <u>3,399,760</u> | <u>43,255,329</u> | |

* excluded from non-financial assets or liabilities

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

((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 | 2,292,786 | 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* | - | - | - | - | 3,601,673 | 3,601,673 | - |
| Short-term borrowings from financial institutions | 21,639,969 | - | - | - | - | 21,639,969 | (1) |
| Debentures | - | 6,800,000 | 3,200,000 | - | 58,207 | 10,058,207 | (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 | 3,659,880 | 44,569,128 | |

((Unit: Thousand Baht)

Separate financial statements as at 31 December 2022

| | 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 | - | - | - | 5,240,969 | 133,009 | 5,373,978 | 0.10 - 0.45 |
| Trade and other receivables* | - | - | - | - | 3,929,071 | 3,929,071 | - |
| Long-term loans to subsidiary | 343,913 | - | - | - | - | 343,913 | (1) |
| Other financial assets | - | - | - | - | 38,280 | 38,280 | - |
| Total | 343,913 | - | - | 5,240,969 | 4,100,359 | 9,685,241 | |
| Financial liabilities | | | | | | | |
| Trade and other payables* | - | - | - | - | 1,186,592 | 1,186,592 | - |
| Short-term borrowings from financial institutions | 347,335 | - | - | - | - | 347,335 | (1) |
| Short-term borrowings from subsidiary | 145,000 | - | - | - | - | 145,000 | (1) |
| Debentures | 1,000,000 | 13,358,000 | 10,980,000 | - | 201,762 | 25,539,762 | (1) |
| Long-term borrowings from financial institutions* | - | - | - | - | - | - | - |
| Total | 1,492,335 | 13,358,000 | 10,980,000 | - | 1,388,354 | 27,218,689 | |

* excluded from non-financial assets or liabilities

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Thousand Baht)

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 | <u>438,207</u> | <u>-</u> | <u>-</u> | <u>188,033</u> | <u>4,123,303</u> | <u>4,749,543</u> | |
| Financial liabilities | | | | | | | |
| Trade and other payables* | - | - | - | - | 912,517 | 912,517 | - |
| 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 | - | 58,207 | 10,058,207 | (1) |
| Long-term borrowings from financial institutions* | 335,929 | - | - | 471,350 | - | 807,279 | (1), (2) |
| Total | <u>12,298,710</u> | <u>6,800,000</u> | <u>3,200,000</u> | <u>471,350</u> | <u>970,724</u> | <u>23,740,784</u> | |

* excluded from non-financial assets or liabilities

(1) Fixed rate per annum

(2) MLR less fixed rate per annum

(3) THBFIIX6M plus fixed rate per annum

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 0.10% per annum (2021: 0.25% 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)

| For the year ended 31 December | | | |
|--------------------------------------|-------------|----------------------------------|-------------|
| Consolidated financial statements | | Separate financial statements | |
| <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |

Impact to profit before tax

in the statements of comprehensive income

| | | | | |
|--------------------------------------|---------|----------|---|---------|
| - Decrease in interest rate by 0.10% | | | | |
| Pre-tax profit increase | 6,245 | - | - | - |
| - Increase in interest rate by 0.10% | | | | |
| Pre-tax profit decrease | (6,245) | - | - | - |
| - 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 decrease | (7,994) | (11,879) | - | - |
| - Increase in interest rate by 0.75% | | | | |
| shareholders' equity increase | 7,903 | 11,613 | - | - |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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.

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 2022 and 2021, 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 | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 116.1 | 124.5 | 20.2 | 34.5 | 34.5624 | 33.4199 |
| Japan yen | 1,112.0 | 990.9 | - | - | 0.2609 | 0.2906 |
| Singapore dollar | 3.2 | 1.0 | 0.1 | 0.1 | 25.7206 | 24.7357 |
| China renminbi | 67.8 | 133.8 | - | - | 4.9664 | 5.2507 |
| Euro | - | - | 2.6 | - | 36.8274 | 37.8948 |

| Foreign currency | Separate financial statements | | | | | |
|------------------|-------------------------------|-----------|-----------------------|-----------|------------------------------------|---------|
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 70.5 | 56.5 | 16.1 | 14.9 | 34.5624 | 33.4199 |
| Singapore dollar | 0.1 | - | - | - | 25.7206 | 24.7357 |

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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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 1.93% (2021: 1.56%) against the US Dollar and by 1.01% (2021: 3.32%) against the Indonesian Rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows.

(Unit: Thousand Baht)

| For the year ended 31 December | | | | |
|--|--------------------------------------|----------------------------------|-------------|-------------|
| | Consolidated financial statements | Separate financial statements | | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Impact to profit before tax | | | | |
| in the statements of comprehensive income | | | | |
| THB against USD | | | | |
| - Weakened | (215,142) | 121,429 | (30,791) | 16,326 |
| - Strengthened | 215,142 | (121,429) | 30,791 | (16,326) |
| THB against IDR | | | | |
| - Weakened | 31,151 | (77,634) | - | - |
| - Strengthened | (31,151) | 77,634 | - | - |
| Impact to shareholders' equity | | | | |
| in the statements of financial position | | | | |
| THB against USD | | | | |
| - Weakened | 285,213 | (190,667) | - | - |
| - Strengthened | (285,213) | 190,667 | - | - |
| THB against IDR | | | | |
| - Weakened | 8,109 | 41,265 | - | - |
| - Strengthened | (8,109) | (41,265) | - | - |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

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

Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 3.90% (2021: 1.76%), with all other variables held constant, profit before tax for the years would be affected as follows.

(Unit: Thousand Baht)

| For the year ended 31 December | | | |
|--------------------------------|-------------|----------------------|-------------|
| Consolidated | | Separate | |
| financial statements | | financial statements | |
| <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |

Impact to profit before tax

in the statements of comprehensive income

| | | | |
|---------------------------------------|----------|----------|----------|
| - Decrease in price of natural rubber | | | |
| Pre-tax profit decrease | (62,648) | (51,998) | (58,887) |
| - Increase in price of natural rubber | | | (28,443) |
| Pre-tax profit increase | 62,648 | 51,998 | 58,887 |
| | | | 28,443 |

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 2022

The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

| | Consolidated financial statements as at 31 December 2022 | | | | |
|---|--|--------------|--------------|--------------|--------------|
| | Less than | | Between | | Over |
| | 1 year | 1 to 2 years | 2 to 5 years | 5 years | Total |
| Short-term borrowings | | | | | |
| from financial institutions | (5,952,560) | - | - | - | (5,952,560) |
| Trade accounts payable | (1,216,000) | - | - | - | (1,216,000) |
| Accrued expenses | (1,547,138) | - | - | - | (1,547,138) |
| Long-term borrowings | | | | | |
| from financial institutions | (1,932,975) | (2,050,317) | (3,657,613) | - | (7,640,905) |
| Debentures | (1,866,461) | (3,347,867) | (13,313,957) | (13,609,986) | (32,138,271) |
| Finance lease liabilities | (182,909) | (140,394) | (108,962) | - | (432,265) |
| Derivative financial instruments | | | | | |
| - Interest rate swaps | - | - | (883,000) | - | (883,000) |
| - Rubber futures (Buy) | (370,357) | - | - | - | (370,357) |
| - Rubber futures (Sell) | 1,733,285 | - | - | - | 1,733,285 |
| - Forward foreign exchange contracts (Buy) | (1,021,673) | - | - | - | (1,021,673) |
| - Forward foreign exchange contracts (Sell) | 18,706,977 | - | - | - | 18,706,977 |
| - Physical forward contracts | - | - | - | - | - |
| - Rubber price swaps (Buy) | (26,070) | - | - | - | (26,070) |
| - Rubber price swaps (Sell) | 155,523 | - | - | - | 155,523 |
| - Rubber options (Buy) | (19,217) | - | - | - | (19,217) |
| - Rubber options (Sell) | 131,830 | - | - | - | 131,830 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Thousand Baht)

| | Consolidated financial statements as at 31 December 2021 | | | | |
|---|--|--------------|--------------|-------------|--------------|
| | Less than | | Between | | Over |
| | 1 year | 1 to 2 years | 2 to 5 years | 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 | (2,174,019) | - | - | - | (2,174,019) |
| 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 2022

(Unit: Thousand Baht)

| | Separate financial statements as at 31 December 2022 | | | | |
|---|--|--------------|--------------|--------------|--------------|
| | Less than | Between | Between | Over | |
| | 1 year | 1 to 2 years | 2 to 5 years | 5 years | Total |
| Short-term borrowings | | | | | |
| from financial institutions | (350,919) | - | - | - | (350,919) |
| Trade accounts payable | (460,221) | - | - | - | (460,221) |
| Accrued expenses | (628,321) | - | - | - | (628,321) |
| Debentures | (1,811,111) | (3,292,517) | (12,634,740) | (12,521,600) | (30,259,968) |
| Finance lease liabilities | (58,102) | (37,193) | (28,885) | - | (124,180) |
| Derivative financial instruments | | | | | |
| - Rubber futures (Buy) | (365,539) | - | - | - | (365,539) |
| - Rubber futures (Sell) | 1,612,914 | - | - | - | 1,612,914 |
| - Forward foreign exchange contracts (Sell) | 10,222,700 | - | - | - | 10,222,700 |
| - Rubber price swaps (Buy) | (26,070) | - | - | - | (26,070) |
| - Rubber price swaps (Sell) | 155,523 | - | - | - | 155,523 |
| - Rubber options (Sell) | 131,830 | - | - | - | 131,830 |

(Unit: Thousand Baht)

| | 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 | (397,033) | - | - | - | (397,033) |
| 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 2022

36.3 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.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- The fair value of derivatives 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.
- The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of debentures with similar terms and conditions.
- The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there are no transfers within the fair value hierarchy.

37. Financial instruments by category

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|--|----------------|------------------|-------------------|-------------------|
| As at 31 December 2022 | | | | |
| Financial assets at fair value | | | | |
| | through other | | | |
| | through | comprehensive | | |
| | profit or loss | income | amortised cost | Total |
| Assets as per statement of financial position | | | | |
| Cash and cash equivalents | - | - | 22,500,428 | 22,500,428 |
| Derivatives not designated as hedging instruments | 55,932 | - | - | 55,932 |
| Trade accounts receivable, net | - | - | 7,129,784 | 7,129,784 |
| Amounts due from future brokers | - | - | 660,608 | 660,608 |
| Other financial assets | - | 1,062,492 | - | 1,062,492 |
| Total | 55,932 | 1,062,492 | 30,290,820 | 31,409,244 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | Financial liabilities at fair value | | | | |
|---|-------------------------------------|---------------|-------------------|-------------------|--|
| | through other | | | | |
| | through profit or loss | comprehensive | | | |
| | | income | amortised cost | Total | |
| Liabilities as per statement of financial position | | | | | |
| Trade accounts payable | - | - | 2,763,138 | 2,763,138 | |
| Short-term borrowings from financial institutions | - | - | 5,889,872 | 5,889,872 | |
| Derivatives not designated as hedging instruments | 83,718 | - | - | 83,718 | |
| Long-term borrowings from financial institutions | - | - | 7,127,697 | 7,127,697 | |
| Debentures | - | - | 27,051,980 | 27,051,980 | |
| Total | 83,718 | - | 42,832,687 | 42,916,405 | |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | |
|--|-----------------------------------|----------------|-------------------|-------------------|-------------------|
| | As at 31 December 2021 | | | | |
| | Financial assets at fair value | | | | |
| | through other | through | comprehensive | profit or loss | income |
| 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 | 701 | 739,947 |
| Total | 409,366 | 475,141 | 32,567,656 | 32,567,656 | 33,452,163 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | Financial liabilities at fair value | | | |
|---|-------------------------------------|---------------|-------------------|-------------------|
| | through other | | | |
| | through | comprehensive | | |
| | profit or loss | income | 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 | - | - | 10,058,207 | 10,058,207 |
| Total | 108,008 | - | 44,627,334 | 44,735,342 |

| (Unit: Thousand Baht) | | | | |
|---|--|---------------|------------------|------------------|
| Separate financial statements | | | | |
| As at 31 December 2022 | | | | |
| Financial assets at fair value | | | | |
| | through other | | | |
| | through | comprehensive | | |
| | profit or loss | income | amortised cost | Total |
| | Assets as per statement of financial position | | | |
| Cash and cash equivalents | - | - | 5,373,979 | 5,373,979 |
| Derivatives not designated as hedging instruments | 32,903 | - | - | 32,903 |
| Trade accounts receivable, net | - | - | 3,929,070 | 3,929,070 |
| Amounts due from future brokers | - | - | - | - |
| Long-term borrowings to subsidiary | - | - | 343,913 | 343,913 |
| Other financial assets | - | 38,280 | - | 38,280 |
| Total | 32,903 | 38,280 | 9,646,962 | 9,718,145 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | Financial liabilities at fair value | | |
|---|-------------------------------------|-------------------|-------------------|
| | through profit or loss | amortised cost | Total |
| Liabilities as per statement of financial position | | | |
| Trade accounts payable | | | |
| | - | 1,088,541 | 1,088,541 |
| Short-term borrowings from financial institutions | | | |
| | - | 347,335 | 347,335 |
| Short-term borrowings from subsidiary | | | |
| | - | 145,000 | 145,000 |
| Derivatives not designated as hedging instruments | | | |
| | 9,890 | - | 9,890 |
| Long-term borrowings from financial institutions | | | |
| | - | - | - |
| Debentures | - | 25,539,762 | 25,539,762 |
| Total | 9,890 | 27,120,638 | 27,130,528 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|--------------------------------|----------------|------------------|------------------|
| | As at 31 December 2021 | | | |
| | Financial assets at fair value | | | |
| | through other | comprehensive | 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 |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | 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 | - | 10,058,207 | 10,058,207 |
| Total | 18,657 | 23,776,291 | 23,794,948 |

38. 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.

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Deposits held at call with banks | | | | |
| Aa1 | 5,498,027 | 1,988,063 | - | - |
| Aa3 | 1,169,355 | 320,034 | - | - |
| A1 | 870,727 | 1,162,471 | 2,132 | 314 |
| A2 | - | 4 | - | - |
| A3 | 14,977 | 6,109 | - | - |
| Baa1 | 14,737,847 | 11,370,129 | 5,365,380 | 261,739 |
| Baa2 | 74,601 | 275,750 | 1 | 11 |
| No rating | <u>64,281</u> | <u>7,609,529</u> | <u>1</u> | <u>1</u> |
| Total deposits held at call with banks | <u>22,429,815</u> | <u>22,732,089</u> | <u>5,367,514</u> | <u>262,065</u> |

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Trade accounts receivable | | | | |
| Counterparties without external credit rating | | | | |
| Group 1 | 609,058 | 429,899 | 291,106 | 186,639 |
| Group 2 | 6,364,376 | 7,856,911 | 2,277,667 | 2,248,844 |
| Group 3 | <u>16</u> | <u>16</u> | <u>-</u> | <u>-</u> |
| Total unimpaired trade accounts receivable | <u>6,973,450</u> | <u>8,286,826</u> | <u>2,568,773</u> | <u>2,435,483</u> |

Notes to consolidated financial statements

Sri Trang Agro-Industry Public Company Limited and its subsidiaries
For the year ended 31 December 2022

| | (Unit: Thousand Baht) | | | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Derivative financial instruments | | | | |
| Counterparties with external credit rating | | | | |
| A1 | 18,284 | - | - | - |
| Aa1 | 29,197 | 84,158 | 27,222 | 49,649 |
| Aa2 | - | 11,407 | - | - |
| Aa3 | 2,769 | - | - | - |
| Baa1 | 715,246 | 115,230 | 355,550 | 57,841 |
| Counterparties without external credit rating | | | | |
| Group 2 | 240,376 | 4,500 | 258,874 | 4,136 |
| Total derivative financial instruments | <u>1,005,872</u> | <u>215,295</u> | <u>641,646</u> | <u>111,626</u> |

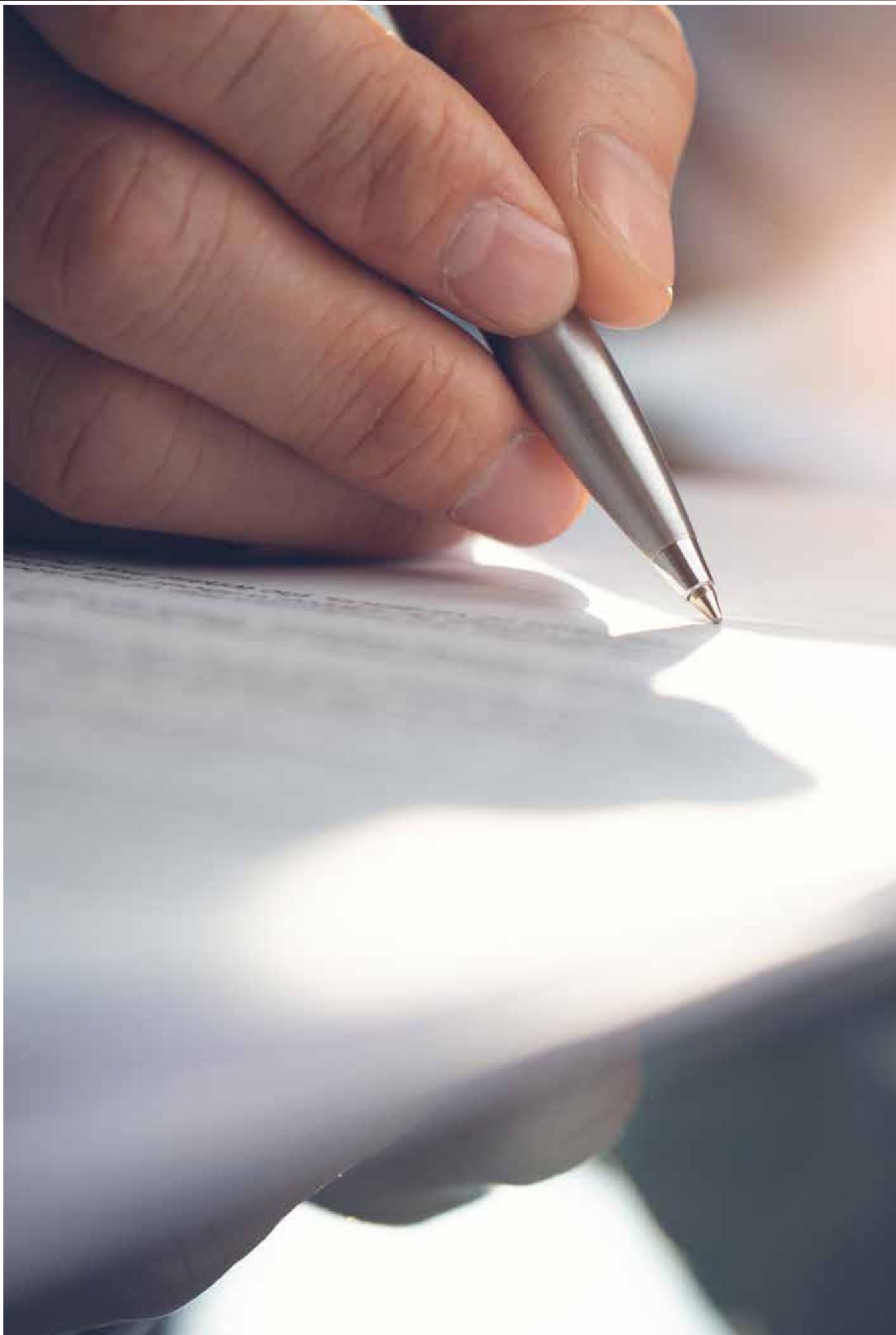
| | (Unit: Thousand Baht) | | | |
|---|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Fixed deposits pledged as collateral | | | | |
| Baa1 | - | 701 | - | - |
| Total fixed deposits pledged as collateral | <u>-</u> | <u>701</u> | <u>-</u> | <u>-</u> |

39. 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 and debenture agreements. The Group has complied with these covenants throughout the reporting periods.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2023.



04

Certification of Information and Data Accuracy for Submitting One Report



Certification of Information and Data Accuracy for Submitting One Report

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. Vitchaphol Sincharoenkul 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 |
|------------------------------|----------|
| 1. Mr. Chaiyos Sincharoenkul | Director |

| | |
|-------------------------------|----------|
| 2. Mr. Kitichai Sincharoenkul | Director |
|-------------------------------|----------|

| Name | Position |
|--|----------|
| Authorized person Mr. Vitchaphol Sincharoenkul | Director |



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 1 January 2023:



Mr. Viyavood Sincharoenkul

Chairman / Chairman of the Executive Committee (the authorized director pursuant to the Company's Articles of Association)

Age: 67 Years

Date of Appointment: 27 December 1993



Educational Qualifications and Training Courses

- 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 Executive⁽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

Position in Listed Company

2019 – Present

- Chairman of the Executive Committee and Director, Sri Trang Gloves (Thailand) PLC.

2010 – Present

- Chairman and Chairman of the Executive Committee, STA

1993 – 2021

- Managing Director, STA

Position in Non-Listed Company

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, Shidong 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

2015 – 2018

- Director, Sri Trang Ayeyar

2010 – 2012

- Director, Tai Yang Investment Pakta Pte Ltd.

2002 – 2020

- Director, Pattana Agro Futures

1999 – 2017

- Director, T.R.I Global Co., Ltd.

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

1987 – 1993

- Managing Director, Sri Trang Agro-Industry Co., Ltd.

1985 – 1987

- General Manager, Yang Thai Pakta Co., Ltd.



Ms. Anusra Chittmittrapap

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

Age: 68 Years

Date of Appointment: 21 September 2017



Educational Qualifications and Training Courses

Bachelor of Communication Arts (Honors),
Chulalongkorn University

Certified Degree by
King Prajadhipok's Institute (2005)

Thai Institute of Directors Association

- Chartered Director Class 2014
- Role of the Compensation Committee (RCC) 2014
- Director Certification Program (DCP) 2011

Program for Senior Executives on Justice Administration,

- Class 18, year 2014, Judicial Training Institute

Curriculum of Association of Capital Market Academy (ACMA) Class 11

Advanced Curriculum of Office of Insurance Commission (OIC), class 3



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2022 – Present

- Chairman of the Corporate Governance Committee, STA
- Chairman of the Audit Committee, STA
- Chairman of the Remuneration Committee, STA

2019 – Present

- Vice Chairman, STA

2017 – Present

- Independent Director, STA
- Advisor, Berli Jucker Plc.

2019 – 2022

- Member of the Audit Committee, STA
- Member of the Remuneration Committee, STA

2018 – 2021

- Chairman, CMO PLC

2016 – 2021

- Independent Director and Member of the Audit Committee, CMO PLC.

Position in Non-Listed Company

2018 – Present

- Advisor, Banpu Infinergy Co., Ltd

2015 – Present

- Managing Director, Me and Music Co., Ltd.

2020 – 2022

- Member of the Corporate Governance Sub-Committee, CAAT

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: 71 Years

Date of Appointment: 27 December 1993



Educational Qualifications and Training Courses

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 Executive⁽²⁾

- None

Work Experiences

Position in Listed Company

1993 – Present

- Director, STA

Position in Non-Listed Company

2021 – Present

- Committee of the Association of Agricultural Producers and Exporters, Board of Trade of Thailand
- Agricultural Plant Value Added Committee, Board of Trade of Thailand

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, Shidong Shanghai Medical Equipment
- Arbitration Committee, Thailand Futures Exchange (TFEX)

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

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
- Trade Environment Committee, Thai National Shippers' Council

- Business Development Committee, Board of Trade of Thailand
- Trade Association Committee, The Agricultural Producer & Export Group, Board of Trade of Thailand

2019 – 2021

- Executive Director, International Rubber Association (IRA)

2017 – 2021

- Sub-Committee, Committee for Standard Definition of Rubber odor in Rubber Factory, The Pollution Control Department

2017 – 2020

- Chairman, Asian Rubber Business Council (ARBC)

2016 – 2021

- Director, Sadao P.S. Rubber
- Director, Premier System Engineering

2016 – 2018

- Director, Cluster Committee of Natural rubber and Rubber Wood, Federation of Thai Industries

2015 – 2021

- Working Group, Working Group for Process Reduction in Government Sector, Rubber Product, Customs Department

2014 – 2016

- Member of Sub-Committee Considering and Studying Agricultural Productivity, Committee on Agriculture and Co-operatives, 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

2012 – 2021

- Director, R&D Supervisory Committee, Aiming to Support Country Development (Committee No.1), Natural Rubber Group, National Research Council of Thailand
- Vice Chairman of Economic Crops (Natural Rubber Group), Board of Trade of Thailand

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 / Member of the Nomination Committee (the authorized director pursuant to the Company's Articles of Association)

Age: 63 Years

Date of Appointment: 10 April 1995



Educational Qualifications and Training Courses

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⁾

- 1.20



Family Relationship Among Executive⁽²⁾

- Younger Brother of Mr.Viyavood Sincharoenkul and Mr. Paul Sumade Lee
- Uncle of Mr.Veerasith Sinchareonkul and Mr. Vitchaphol Sincharoenkul



Work Experiences

Position in Listed Company

2021 – Present

- Member of the Remuneration Committee,
Sri Trang Gloves (Thailand) Co., Ltd.

2019 – Present

- Vice Chairman, Executive Director,
Sri Trang Gloves (Thailand) PLC.
- Chairman of the Nomination Committee,
Sri Trang Gloves (Thailand) PLC.

2011 – Present

- Executive Director, STA
(Bangkok branch)

2010 – Present

- Member of the Nomination Committee,
STA
- Group Manager of Legal &
Administration, STA

1995 – Present

- Director, STA

1988 – 2006

- Branch Manager, STA (Bangkok branch)

Position in Non-Listed Company

2022 – Present

- Director, Sri Trang Gloves Philippines Inc.

2019 – Present

- Director, Sri Trang IBC

2016 – Present

- Director, PT Thaitech Rubber Indonesia

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

2021

- Director, Sri Trang Gloves Global Pte.Ltd.
- Director, Sri Trang Gloves (Singapore) Pte. Ltd.

2004 – 2020

- Director, Pattana Agro Futures

1989 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

1984 – 1987

- Credit Department, Citibank



Mr. Veerasith Sincharoenkul

Managing Director / Executive Director / Chairman of the Risk Management Committee / Chairman of the Sustainability Development Committee / Member of Corporate Governance Committee (the authorized director pursuant to the Company's Articles of Association)

Age: 38 Years

Date of Appointment: 28 April 2010



Educational Qualifications and Training Courses

Master of Business Administration

(Finance and Marketing),

Sasin Graduate Institute of

Business Administration,

Chulalongkorn University, Thailand

Bachelor of Computer Science and Cybernetics,

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 Executive⁽²⁾

- Son of Mr. Viyavood Sincharoenkul
- Nephew of Mr. Kitichai Sincharoenkul and Mr. Paul Sumade Lee
- Elder brother of Mr. Vitchaphol Sincharoenkul



Work Experiences

Position in Listed Company

2022 – Present

- Chairman of the Sustainability Development Committee, STA
- Member of the Corporate Governance Committee, STA

2021 – Present

- Managing Director, STA

2019 – Present

- Director, Sri Trang Gloves (Thailand) PLC.
- Chairman of the Risk Management Committee, Sri Trang Gloves (Thailand) PLC.

2013 – Present

- Chairman of the Risk Management Committee, STA

2010 – Present

- Director, STA

2020 – 2021

- Member of the Remuneration Committee, Sri Trang Gloves (Thailand) PLC.

2008 – 2011

- Corporate Credit Analyst, Kasikornbank PLC.

Position in Non-Listed Company

2022 – Present

- Director, Sri Trang Gloves Philippines INC.
- Chairman, Sri Trang Africa SA.

2021 – Present

- Director, Sri Trang Gloves (Singapore) Pte. Ltd.
- Director, Sri Trang Gloves Global Pte. Ltd.
- Director, Sadao P.S. Rubber

2019 – Present

- 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
- Director, PT Thailech Rubber Indonesia

2015 – Present

- Director, Sri Trang Rubber and Plantation
- Director, Semperflex Asia
- Director, Rubberland Products
- Director, Starlight Express Transport
- Director, Premier System Engineering

2018 – 2022

- Director, The Federation of Thai Industries

2017 – 2019

- Director, Sri Trang Gloves (Thailand) Co., Ltd.



Mr. Vitchaphol Sincharoenkul

Director / Executive Director / Member of the Sustainability Development Committee
(the authorized director pursuant to the Company's Articles of Association)

Age: 36 Years

Date of Appointment: 2 March 2020



Educational Qualifications and Training Courses

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 Executive⁽²⁾

- Son of Mr. Viyavood Sincharoenkul
- Nephew of Mr. Kitichai Sincharoenkul and Mr. Paul Sumade Lee
- Younger Brother of Mr. Veerasith Sinchareonkul



Work Experiences

Position in Listed Company

2022 – Present

- Member of the Sustainability Development Committee, STA

2020 – Present

- Director, STA

2019 – 2020

- Marketing Manager, STA

2017 – 2018

- Assistant Manager - Business Development and Investor Relations, STA

2016

- Marketing Development Division Head, STA

Position in Non-Listed Company

2022 – Present

- Director, Sri Trang AFRICA SA.

2021 – Present

- Deputy Secretary-General of the Thai Rubber Association

2018 – Present

- Director, Sri Trang USA Inc.

2017 – Present

- Director, Thai Rubber Joint Venture Limited

2015 – Present

- Director, Nam Hua Rubber Co., Ltd.

2021

- Director, Sri Trang Gloves Global Pte. Ltd.



Mr. Paul Sumade Lee

Director / Executive Director (the authorized director pursuant to the Company's Articles of Association)

Age: 68 Years

Date of Appointment: 28 June 2010



Educational Qualifications and Training Courses

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⁾

- 2.60



Family Relationship Among Executive⁽²⁾

- Elder brother of Mr. Viyavood Sincharoenkul And Mr. Kitichai Sincharoenkul
- Uncle of Mr. Veerasith Sinchareonkul and Mr. Vitchaphol Sincharoenkul



Work Experiences

Position in Listed Company

2010 – Present

- Director, STA

2010 – 2021

- Chief Marketing Officer, STA

Position in Non-Listed Company

2017 – Present

- Director, Shidong 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, PT Sri Trang Lingga

2004 – Present

- Director, Thai Tech Rubber

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 the Risk Management Committee / CFO (the authorized director pursuant to the Company's Articles of Association)

Age: 54 Years

Date of Appointment: 7 May 2014



Educational Qualifications and Training Courses

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

- TLCA CFO Professional Development Program (TLCA CFO CPD) 2019, Automation & RPA (Robot Process Automation) for Accounting topic

Federation of Accounting Professions

- Course "Information System Design for Decision"
- Course "Corporate Finance", class 2/65

Dharmniti Seminar and Training Co., Ltd.

- Course "Accounting Manager's Tax Management Techniques and Tax Privileges"
- Course "Transfer pricing : Impact on accounting records that accountants must perform correctly"



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2014 – Present

- Director, STA

2013 – Present

- Member of the Risk Management Committee, STA

2010 – Present

- Chief Financial Officer (CFO), STA

2001 – 2009

- Accounting Manager, STA

Position in Non-Listed Company

2022 – Present

- Director, Sri Trang AFRICA SA.

2019 – Present

- Director, Sri Trang IBC

2016 – Present

- Director, PT Sri Trang Lingga

2015 – Present

- Director, Rubberland Products

- Director, Nam Hua Rubber

- Anvar Parawood

- Startex Rubber

- Starlight Express Transport

2017

- Director, Sri Trang Gloves (Thailand) Co., Ltd.

2015 – 2021

- Director, Sadao P.S. Rubber

1992 – 2000

- Accounting Manager, Sri Trang Gloves (Thailand) Co., Ltd.



Mr. Chalermpop Khanjan

Director / Executive Director / Member of the Risk Management Committee / Member of the Sustainability Development Committee (the authorized director pursuant to the Company's Articles of Association)

Age: 52 Years

Date of Appointment: 29 October 2015



Educational Qualifications and Training Courses

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 Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2022 – Present

- Member of the Sustainability Development Committee, STA

2015 – Present

- Director, STA

2013 – Present

- Member of the Risk Management Committee, STA

2010 – Present

- Production Manager, STA

1994 – 1997

- Assistant to LTX Factory Manager, STA

Position in Non-Listed Company

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



Gen Thanasorn Pongarna

Independent Director / Member of the Audit Committee / Chairman of the Nomination Committee / Member of the Remuneration Committee

Age: 66 Years

Date of Appointment: 8 July 2019



Educational Qualifications and Training Courses

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 Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2022 – Present

- Member of the Audit Committee, STA
- Chairman of the Nomination Committee, STA
- Member of the Remuneration Committee, STA

2021 – Present

- Director, Star Sitthi Solution Public Company Limited.

2020 – Present

- Chairman of the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee, Star Sitthi Solution Public Company Limited.

2019 – Present

- Independent Director, STA

Position in Non-Listed Company

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 Upatising

Independent Director / Member of the
Corporate Governance Committee
Age: 62 Years
Date of Appointment: 2 April 2021



Educational Qualifications and Training Courses

- Master Of Art**
(History, Philosophy and Politics),
Macquarie University, Australia
- Bachelor of Arts (International Relations),**
Chulalongkorn University, Thailand
- Thai Institute of Directors Association**
- DCP 301/2021
- Fiscal Policy Research Institute**
- Foundation Collaboratuin 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
- National Defense College Course Academic**
- Year 2009
- Office of the Civil Service Commission (OCSC)**
- Civil Service Executive Program Class 38



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2022 – Present

- Member of the Corporate Governance Committee, STA
- Independent Director, Sri Trang Gloves (Thailand) PLC.

2021 – Present

- Independent Director, STA
- Chairman and Independent Director, Sky Power Public Company Limited.

Position in Non-Listed Company

2018 – 2020

- Ambassador of the Russian Federation in Moscow, Russia, Ministry of Foreign Affairs

2015 – 2018

- Ambassador, Manila, Philipines, Ministry of Foreign Affairs

2012 – 2015

- Ambassador, Tokyo, Japan, Ministry of Foreign Affairs

2010 – 2012

- Ambassador, Jarkarta, 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)



Ms. Nongram Laoхаарeedilok

Independent Director / Member of the Audit Committee / Member of the Nomination Committee, Member of the Remuneration Committee

Age: 68 Years

Date of Appointment: 7 April 2022



Educational Qualifications and Training Courses

Bachelor of Business Administration (Accounting),
Ramkhamhaeng University

Thai Institute of Directors Association
• DAP 30/2004



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.00036



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2022 – Present

- Independent Director, Member of the Audit Committee, Member of the Nomination Committee, Member of the Remuneration Committee, STA

2004 – 2017

- Independent Director and Member of the Audit Committee, Forth Corporation Public Company Limited.

Position in Non-Listed Company

Present

- Certified Public Accountant approved by the Office of the Securities and Exchange Commission.

2022 – Present

- Independent Director, Member of the Audit Committee and Member of the Risk Management Committee, Forth EMS Co., Ltd..

2020 – Present

- The Accounting Profession in Tax Accounting Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King (full term in 2023)

1993 – Present

- Senior partner, AST Master Company Limited.

1991 – Present

- Vice managing director, AST Master Company Limited.

2017 – 2018

- Independent Director and Audit Committee Member, Right Tunnelling Company Limited

2014 – 2017

- The Accounting Profession in Tax Accounting Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King



Mr. Chaidet Pruksanusak

Group Manager of Quality Assurance

Age: 54 Years



Educational Qualifications and Training Courses

- 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 Executive⁽²⁾

- Younger Brother of Mr. Udom Pruksanusak



Work Experiences

Position in Listed Company

2010 – Present

- Group Manager of Quality Assurance, STA

2007 – 2008

- Coordinated Officer, STA

1999 – 2006

- Factory Manager, STA

Position in Non-Listed Company

2000 – Present

- Director, Prueksa Rubber



Mr. Udom Pruksanusak

CEO – Plantation

Age: 61 Years



Educational Qualifications and Training Courses

- Master of Agriculture, Kasetsart University
- 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 Executive⁽²⁾

- Elder Brother of Mr. Chaidet Pruksanusak



Position in Listed Company

2015 – Present

- CEO – Plantation, STA

2000 – 2007

- Group Manager of Human Resources, STA

Position in Non-Listed Company

2015 – Present

- Director, Sri Trang Rubber & Plantation

- Director, Startex Rubber

2008 – Present

- Director, Prueksa Isarn Co., Ltd.

2003 – Present

- Director, Prueksa Rubber Co., Ltd.

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: 55 Years



Educational Qualifications and Training Courses

- Bachelor of Marketing Science, Prince of Songkhla University
- Executive Micro MBA, Thammasat University
- Human rights and non-discrimination by Office of the National Human Rights Commission of Thailand
- Sri Trang Group Provident Fund Investment Plan by SCB Asset Management Co., Ltd.



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.0016



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2010 – Present

- Group Manager of Human Resources, STA

2008 – 2009

- Human Resources Division Manager, STA

Position in Non-Listed Company

2015 – 2018

- Director, STH

2000 – 2007

- Purchasing Manager, Sri Trang Gloves (Thailand)



Mr. Nattee Thiraputbhokin

Group Manager of Marketing

Age: 41 Years



Educational Qualifications and Training Courses

- 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 Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2021 – Present

- Group Manager of Marketing, STA

2012 – 2021

- Marketing Manager, STA

2003 – 2005

- Marketing Officer, STA

Position in Non-Listed Company

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.



Mr. Rattapong Laparajkit

Group Manager of Engineering

Age: 49 Years



Educational Qualifications and Training Courses

- Bachelor of Civil Engineering Technology,
University of Southern Colorado at Pueblo, United States



Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None



Family Relationship Among Executive⁽²⁾

- None



Work Experiences

Position in Listed Company

2023 – Present

- Group Manager of Engineering, STA

2010 – 2019

- Group Manager of Engineering, STA

Position in Non-Listed Company

2015 – Present

- Director, Premier System Engineering

2009 – Present

- Engineering Manager, Premier System Engineering

2003 – 2009

- Factory Manager of Technical, Premier System Engineering

2001 – 2003

- Factory Manager, Premier System Engineering

2000 – 2001

- Assistant Factory Manager, Premier System Engineering

Remarks:

(1) The directors and executives of STA, who are in office as at 1 January 2023, including the shareholding of spouses and minor child had the shareholding portion in the ordinary STA shares as of 31 December 2022.

(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: 55 Years

Educational Qualifications and Training Courses

- 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
- Course on Personal Data Protection Act 2019: Processes and
Practices (PDPA), the Political Science Association of Kasetsart
University

Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- 0.0003

Family Relationship Among Executive⁽²⁾

- None

Work Experiences

Position in Listed Company

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.

Position in Non-Listed Company

1989 – 1991

- Auditor, Audit Firm, Sanan Ketudat and Friend

Details of Accountant of STA

Ms. Ruethai Wanathanasin
Accountant
Age: 45 Years

Educational Qualifications and Training Courses

- Bachelor of Business Administration in Accounting,
University of Technology Krungthep
- Course "Keep up with the transfer pricing law",
Sanpakornsarn
- Course "Intangible Assets (Accounting Standard No. 38)"
DBMT institute

Numbers of Shares held and Percentage of Shareholding Stake in STA (%)⁽¹⁾

- None

Family Relationship Among Executive⁽²⁾

- None

Work Experiences

Position in Listed Company

2016 – Present

- Accounting Manager, STA

Position in Non-Listed Company

2010 – 2016

- Accounting Manager, Bansuzuki Group

Notice: The CFO and Accountant of the Company have qualification as required by the Stock Exchange of Thailand.

Details of the Directors, Executives, and Authorized Persons of STA as of 1 January 2023

| No | Name of the Directors, Executives, and Authorized Person | Mr. Wiyawood Srichaoenkul | Mr. Chayos Srichaoenkul | Mr. Veerashit Srichaoenkul | Mr. Kittichai Srichaoenkul | Mr. Vitchaphol Srichaoenkul | Mr. Paul Sumadee Lee | Mr. Patrawut Panitkul | Mr. Chalempop Kianjan | Miss Anusa Chittimitrapiap | Gen Thansorn Pongana | Mr. Thanutip Upasitasing | Miss Nongram Laothareedilok | Mr. Udom Prukasusak | Mr. Chaidet Prukasusak | Miss Nuchanart Chayarat | Mr. Nattee Thirapatbhokin | Mr. Ratspong Uapaojikit |
|----|--|------------------------------|----------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|--------------------------|--------------------------|-------------------------------|-------------------------|-----------------------------|--------------------------------|------------------------|---------------------------|----------------------------|------------------------------|----------------------------|
| 1 | STA | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | X, // | |
| 2 | Subsidiaries | | | | | | | | | | | | | | | | | |
| | - Sri Trang Gloves (Thailand) | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | /, // | |
| | • Shidong Shanghai Medical Equipment | / | X, / | | | | | | | | | | | | | | | |
| | • Sri Trang USA | | X, / | | | | | | | | | | | | | | | / |
| | • Sadao P.S. Rubber | | | | | | | | | | | | | | | | | |
| | • Premier System Engineering | | | | | | | | | | | | | | | | | |
| | • Sri Trang Gloves Global | /, // | | | | | | | | | | | | | | | | |
| | • Sri Trang Glove (Singapore) | / | | | | | | | | | | | | | | | | |
| | • Sri Trang Gloves Philippines | | / | X, / | | | | | | | | | | | | | | |
| | - Rubberland Products | / | / | / | | | | | | | | | | | | | | |
| | - Nam Hua Rubber | / | | | / | | | | | | | | | | | | | |
| | - Anwar Parawood | / | | | | | | | | | | | | | | | | |
| | - Startex Rubber | / | | | | | | | | | | | | | | | | / |
| | - Starlight Express Transport | / | / | / | | | | | | | | | | | | | | |
| | - Sri Trang Rubber and Plantation | | | | | | | | | | | | | | | | | / |
| | - Sri Trang IBC | / | / | / | | | | | | | | | | | | | | |
| | - PT Sri Trang Lingga | | | | / | | | | | | | | | | | | | |
| | - Sri Trang Africa | | X, / | | | | | | | | | | | | | | | |
| | - PT Star Rubber | | | | | | | | | | | | X, / | | | | | |
| | - Sri Trang International | /, // | | | | | | | | | | | X, / | | | | | |
| | - Shi Dong Investments | X, / | | | | | | | | | | | / | | | | | |
| | - Shi Dong Shanghai | / | X, / | | | | | | | | | | / | | | | | |
| | - Sri Trang Ayeyar | | | | | | | | | | | | X, / | | | | | |
| 3 | Associated Companies and JVs | | | | | | | | | | | | | | | | | |
| | - Thai Tech Rubber | / | | | | | | | | | | | | | | | | |
| | - Semperfex Asia | / | | | | | | | | | | | | | | | | |
| 4 | Related Companies | | | | | | | | | | | | | | | | | |
| | - Prueksa Rubber | | | | | | | | | | | | | | | | | |

Remarks : X = Chairman / = Director, and // = Executive Director / Executive

Enclosure 2

Details of the Directors of the Subsidiaries

| Director | Subsidiary* | 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) | Education / Certification | Numbers Held and Percent- age of Sharehold- ing in STA (%) | Family Relations with Executives | Work Experiences | | |
|--------------------------------|---------------|--|--|---|---|--|--|
| | | | | | Period | Position | |
| Mr. Wittawas Krungtaenmuang | 57 | - Bachelor Degree in Accounting Ranakhamhaeng 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 | None | 2012 - Present 2004 - 2012 2001 - 2004 1993 – 2001 | - Chief Audit Executive - Internal Audit Manager - Financial and Accounting Manager - Accounting Manager | - STA - STA - Fortune Frozen Foods (Thailand) Co., Ltd. - Sanitiphab Trading Co., Ltd. |

Duties and Responsibilities of Head of Internal Audit

1. To prepare an annual internal audit plan based on a risk-based methodology to present to the Executives and the Audit Committee for approval;
2. To audit as specified plan and act on special requested/assigned projects from the Executives and the Audit Committee;
3. To report the audit result including the progress of operation comparing to specified plan;
4. To support the operation, including providing necessary information for the Audit Committee and the Executives' auditing processes;
5. To develop the staff of Internal Audit unit to have adequate knowledge, professional skill and business, as well as support the staff in pursuing related Professional Certification;
6. To perform other tasks as assigned.

Enclosure 4

Corporate Governance Policy and Practices, Code of Conduct, and Other Key Policies

| Policy | URL |
|--|--|
| 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/th/cg/important-policies |
| Risk Management Policy | www.sritranggroup.com/th/cg/important-policies |
| Whistleblowing Policy | www.sritranggroup.com/th/cg/good-cg/whistle-blowing |
| Conflict of Interest | www.sritranggroup.com/th/cg/important-policies |
| Non-infringement of Intellectual Property Policies and Practices | www.sritranggroup.com/th/cg/important-policies |
| Human Rights and Non-Discrimination Policy | www.sritranggroup.com/th/cg/important-policies |
| Research and Development Policy | www.sritranggroup.com/th/cg/important-policies |
| Other Policies | www.sritranggroup.com/th/cg/important-policies |

Enclosure 5

The Audit Committee Report

The Audit Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "Company"), consists of 3 independent directors who are qualified, one of whom must possess knowledge in accounting and finance. The Audit Committee comprises the following:

- | | |
|-------------------------------|---------------------------------|
| 1. Miss Anusra Chittmittrapap | Chairman of the Audit Committee |
| 2. Gen Thanasorn Pongarna | Audit Committee member |
| 3. Ms. Nongram Laohaareedilok | Audit Committee member |

Mr. Wittawas Krungtanmuang, Manager of the Internal Audit Group, served as the secretary of the Audit Committee. In 2022, the Audit Committee has the following terms of office:

1 January 2022 to 7 April 2022

- | | |
|---------------------------|---------------------------------|
| • Mr. Kriang Yanyongdilok | Chairman of the Audit Committee |
|---------------------------|---------------------------------|

1 January 2022 to 19 April 2022

- | | |
|------------------------|-------------------------------|
| • Mr. Samacha Potavorn | Member of the Audit Committee |
|------------------------|-------------------------------|

1 January 2022 to 25 April 2022

- | | |
|-----------------------------|-------------------------------|
| • Ms. Anusra Chittmittrapap | Member of the Audit Committee |
|-----------------------------|-------------------------------|

26 April 2022 to present

- | | |
|------------------------------|---------------------------------|
| • Ms. Anusra Chittmittrapap | Chairman of the Audit Committee |
| • Gen Thanasorn Pongarna | Member of the Audit Committee |
| • Ms. Nongram Laohaareedilok | Member of the Audit Committee |

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 in line with the regulation of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee reviewed and advocated good corporate governance, adequate risk management and internal control system, and enforcement of compliance, as well as emphasized on being a transparent organization with efficient and effective internal audit activity.

In 2022, the Audit Committee also convened a total of

8 meetings, with 100 percent attendance from the Audit Committee's members. Moreover, the Audit Committee had meetings with related executives, the Head of Internal Audit, and external auditors on related agenda items. The duties and responsibilities performed by the Audit Committee are summarized as follows:

- Reviewing the accuracy and completeness of financial information presented in quarterly financial statements and financial statements for the year 2022 in accordance with generally accepted accounting standards whereby the Committee

attended meetings with the auditors, Chief Financial Officer (CFO), and the Company's management to review the information, the accuracy of the financial statements of the Company and its subsidiaries with a focus on the main issues, listening to clarifications and asking questions and exchanging opinions on various matters before proposing financial statements to the Board of Directors for approval. In addition, the Audit Committee held a meeting with the auditor without the attendance of the management, namely the Audit Committee Meeting No. 2/2023 on 17 February 2023. In 2022, the auditor did not have any material remarks;

- Reviewing the internal audit plan and the results of the 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 the continuous development of our employees and applied technology to improve the auditing process;
- Ensuring the Company complies 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 SET and that the Company adequately and transparently disclosed the information;
- Reviewing the engagement and disclosure of related party transactions that may lead to conflicts of

interest between the stakeholders and the Company and its subsidiaries. The review concluded that the Company complied with the laws and regulations of SET regarding related party transactions;

- Considering and nominating auditors to be appointed as the Company's external auditors and proposing auditing fees for the year 2022 to the Board of Directors who then propose to the 2022 Annual General Meeting of Shareholders for approval. Whereby, the Audit Committee has considered the performance results, independence, and appropriateness of the remuneration;
- Encourage the management team to prioritize safety in various operations by providing suggestions for the management team to review the operational processes, oversee various work practices, and consider implementing technology to support the operations to enhance and promote safety in the workplace.

In conclusion, the Audit Committee agreed that the Company's operations, in 2022, had sufficient and appropriate internal control system and risk management, that the financial statements were prepared in accordance with the generally accepted accounting principles, and that the Company has complied with related laws and regulations of SEC and SET. The Audit Committee has performed its duties with full independence and discretion and there were no limitations on its access to information.

Ms. Anusra Chittmittrapap
Chairman of the Audit Committee
Sri Trang Agro-Industry Public Company Limited

Report of the Risk Management Committee

Sri Trang Agro-Industry Public Company Limited realizes the importance of Good Corporate Governance and Enterprise Risk Management throughout the organization, particularly managing the risks that may impact the achievement of business objectives and goals. Such risks included strategic risk, financial risk, operational risk, compliance risk, environmental and social impact risk, and emerging risk.

Therefore, the Company has established the Risk Management Committee, consisting of Executive Directors who have knowledge, experience, and understanding of the Company's business operation to be responsible for setting and reviewing policies, goals, and risk management frameworks to be suitable for business operation, as well as providing suggestions, direction and action plans according to the Company's risk management framework to ensure that the Company is able to manage risks effectively in accordance with the Company's vision, mission, and key objectives as pledged to the stakeholders. The members of the Risk Management Committee are as follows:

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

Performance of The Risk Management Committee in 2022

The Risk Management Committee has performed its duties within the scope of responsibility as assigned by the Board of Directors and as mandated by the Risk Management Committee Charter, which requires at least 4 meetings shall be held per year and special meetings can be held as appropriate. In 2022, the Risk Management Committee held 4 meetings with a quorum. The meeting results can be summarized as follows:

1. Consider and review the Company's risk management policies and charter by considering the risk management process and risk appetite level to be suitable for the current situation and business operations.
2. Consider and approve the governance structure of risk management by appointing the Risk Working Group to manage enterprise risk and department risk in business activities.
3. Consider and approve the results of Key Risk Indicators (KRIs) to monitor, control, and give a signal of risk factors related to the Company's business operations, as well as set plans to appropriately and timely manage or prevent risks.

4. Consider and approve the results of enterprise risk assessment at the organizational level to enable the Company to focus on systematically managing risks to be within the acceptable level or reduce the likelihood of risks that may in the future.
5. Consider and approve the Company's Risk Management Plan for 2023.
6. Supervise and continuously monitor the risk management process to ensure the risks are within the acceptable risk level, as well as, report the performance of risk management to the Board of Directors on a quarterly basis to ensure that the Company has effective risk management in compliance with the internal control system and good corporate governance guidelines.

In 2022, the Risk Management Committee concluded that the Company had systematically managed risks and closely followed up. The Company has continuously improved its risk management process under changing business environment to enhance the efficiency of the risk management process, as well as embedded enterprise risk management as the corporate culture.

In 2023, the Risk Management Committee still commits to managing the Company's risk management to be efficient and effective under the changing business strategies to ensure that the risk management is adequate, being implemented continuously, and able to control the risks within an acceptable level, enabling the Company to achieve the business goals and add value to the Company, as well as deliver the ultimate benefits to shareholders and stakeholders of the Company fairly and sustainably.

Mr.Veerasith Sinchareonkul
Chairman of the Risk Management Committee
Sri Trang Agro-Industry Public Company Limited

Report of the Remuneration Committee

Dear shareholders,

The Remuneration Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "Company"), consists of the following 3 Independent Directors:

- | | |
|-------------------------------|--|
| 1. Ms. Anusra Chittmittrapap | Chairman of the Remuneration Committee |
| 2. Gen Thanasorn Pongarna | Member of the Remuneration Committee |
| 3. Ms. Nongram Laohaareedilok | Member of the Remuneration Committee |

The Remuneration Committee has duties and responsibilities to establish the remuneration policy of the Company's senior management and to review the annual budget for the remuneration of the Board of Directors, which is then proposed to the Board of Directors before final approval by the meeting of shareholders.

In 2022, the Remuneration Committee convened 2 meetings, during which all committee members were present, to review the remuneration of senior management in accordance with the Company's policy, taking account of the financial results, industry competition, and budget, under the principles of good corporate governance.

The Remuneration Committee is of the opinion that the remuneration of the Board of Directors as detailed in the Annual Report 2022 is appropriate to the duties and responsibilities of the Board of Directors and in compliance with the Company's remuneration policy, taking into account the Company's financial results and overall industry competition.

Ms. Anusra Chittmittrapap
Chairman of the Remuneration Committee
Sri Trang Agro-Industry Public Company Limited

Report of the Nomination Committee

Dear shareholders,

The Nomination Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "Company"), comprises the following 3 Director and Independent Directors:

| | |
|-------------------------------|--------------------------------------|
| 1. Gen Thanasorn Pongarna | Chairman of the Nomination Committee |
| 2. Ms. Nongram Laohaareedilok | Member of the Nomination Committee |
| 3. Mr. Kitichai Sincharoenkul | Member of the Nomination Committee |

The Nomination Committee has duties and responsibilities to formulate the Company's policy on human resources and to select persons to become Directors based on their credentials, skills, knowledge, and experience to ensure the advancement of the Company's strategy and nominate such persons for approval by the Board of Directors before final approval by the meeting of shareholders.

In 2022, the Nomination Committee convened 2 meetings, during which all committee members were present, to select persons with the appropriate credentials and skill sets who will help advance the Company's strategy in accordance with the principles of good corporate governance.

- The Nomination Committee carefully selected persons with the appropriate qualifications to replace Directors who resigned or completed their term according to the meeting of shareholders, and nominated such persons for approval by the Board of Directors before final approval by the meeting of shareholders, in compliance with the principles of good corporate governance with regard to shareholders' rights.
- The Nomination Committee formulated the Board Skill Metrix to be used as guidance in selecting the persons with the appropriate qualifications to nominate to the Board of Directors to ensure the optimum composition of the Board.

Gen Thanasorn Pongarna
Chairman of the Nomination Committee
Sri Trang Agro-Industry Public Company Limited

Report of the Corporate Governance Committee

Dear Shareholders,

The Corporate Governance Committee, appointed by the Board of Directors of Sri Trang Agro-Industry Public Company Limited, consists of the following 3 Director and Independent Directors:

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

The Company Secretary serves as the secretary of the Corporate Governance Committee.

The Corporate Governance Committee has duties and responsibilities to establish the Company's corporate governance policy, rules, and guidelines in accordance with the internationally accepted standards and to give recommendations and ensure that the Company's practices are in accordance with the principles of good corporate governance. The Corporate Governance Committee also has responsibilities to promote communications on good corporate governance to directors, management, and employees and to review the Company's policy and practices to ensure that they remain effective and to ensure the appropriate disclosure of information.

In 2022, the Corporate Governance Committee discharged its duties as prescribed by the Board of Directors and convened 2 meetings. The summary of the activities of the Corporate Governance Committee is as follows:

1. The Corporate Governance Committee reviewed the Company's anti-corruption policy to ensure that it complies with the rules on self-assessment of the Thai Private Sector Collective Action against Corruption (CAC) and is in line with the anti-corruption policies of listed companies that have received the "Excellent" score in the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD).
2. The Corporate Governance Committee reviewed the Company's policy to comply with any changes regarding Corporate Governance Code (CG Code) announced by the Security and Exchange Commission (SEC) and other regulatory bodies in order to ensure that the Company's operations are conducted with integrity and suitable for the business environment, which will help drive the business to grow sustainably.
3. The Corporate Governance Committee supervised to ensure that the Company's operations conform to the regulations and guidelines on good corporate governance.
4. The Corporate Governance Committee promoted the communication of corporate governance matters among directors and employees to ensure an understanding of the principles of good corporate governance with regard to the roles of directors and employee ethics.

The Corporate Governance Committee is committed to the operations and management under the principles of good corporate governance together with an awareness of the social responsibility and environment to ensure sustainable growth of the Company.

Ms. Anusra Chittmittrapap
Chairman of the Corporate Governance Committee
Sri Trang Agro-Industry Public Company Limited

Report of the Sustainable Development Committee

The Board of Directors has appointed the Sustainable Development Committee to consider and determine sustainability-related policies, strategies, and targets covering the environmental dimension, social dimension, and governance and economic dimension. This leads to a corporate management system that is fair, transparent, and responsible to the environment and society throughout the value chain of the business to build trust among stakeholders, create added value and promote the Company's competitiveness for sustainable growth. The Sustainable Development Committee consists of 3 Directors as follows:

| | |
|---------------------------------|---|
| 1. Mr. Veerasith Sinchareonkul | Chairman of the Sustainable Development Committee |
| 2. Mr. Vitchaphol Sincharoenkul | Member of the Sustainable Development Committee |
| 3. Mr. Chalermpop Khanjan | Member of the Sustainable Development Committee |

In 2022, there were 3 Sustainable Development Committee meetings which were attended by all its Directors. The essence of the Sustainable Development Committee's performance can be summarized as follows:

- Considered and approved Corporate Sustainability Policy, which set sustainability guidelines for business operations covering governance and economic dimension, environmental dimension, and social dimension.
- Considered and approved the appointment of the Sustainable Development Working Group, which consists of 5 working groups, including Corporate Governance, Fair Operations, Human Rights and Labor Practices, Environments, and Community Inclusiveness and Development.
- Considered and approved stakeholder prioritization and materiality topics for the year 2022.
- Considered and approved the Sustainable Natural Rubber Procurement Policy, which set a good practice guideline for natural rubber suppliers of the Company for sustainable operations covering economic dimension, environmental dimension, and social dimension.
- Acknowledged the result of stakeholder engagement
- Acknowledged the results of ESG assessments and ratings of SET-Thailand Sustainability Investment (THSI), S&P Global's Corporate Sustainability Assessment, and Sustainalytics
- Acknowledged the result of the Floating Solar Project at Rubberland Products Co., Ltd. (Mukdahan Branch) and the registration progress of the project for the Thailand Voluntary Emission Reduction Program (T-VER)
- Acknowledged the result of T-VER registration of the Project of Carbon Sequestration and Reducing Emissions in Teaks Plantation, Pua district, Nan province of Sri Trang Rubber & Plantation Company Limited
- Monitored sustainability progresses and performance following environmental and social targets for the year 2022
- Considered and approved sustainability targets
- Reviewed the Sustainable Development Committee Charter. Following careful consideration and review, the Committee found that its Charter remains appropriate and consistent with good practice and in accordance with the regulations of the SEC and SET.
- Assessed the performance of the Sustainable Development Committee for the year 2022 and found that it was fully effective in the performance of its duties in accordance with its assignment, as well as being able to perform duties and exercise discretion independently.

Mr. Veerasith Sinchareonkul
Chairman of the Sustainable Development Committee
Sri Trang Agro-Industry Public Company Limited

Enclosure 6

Glossary

Unless the context otherwise requires, terms defined shall have the following meanings:

| WORD | MEAN |
|--|--|
| Group Companies | |
| Company or STA | : Sri Trang Agro-Industry Public Company Limited |
| Anvar Parawood | : Anvar Parawood Company Limited |
| Nam Hua Rubber | : Nam Hua Rubber Company Limited |
| 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 |
| Semperfex Asia or SAC | : Semperfex 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. |
| Shidong Shanghai Medical Equipment | : Shidong 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. |
| 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 |

| WORD | MEAN |
|------------------------------|---|
| Sri Trang Indochina | : Sri Trang Indochina (Vietnam) Co., Ltd. |
| STGS | : Sri Trang Gloves (Singapore) Pte. Ltd. |
| STGV | : Sri Trang Gloves Vietnam Co., Ltd. |
| Thai Tech Rubber | : Thai Tech 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 |
| NBR | : Nitrile Rubber |
| 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 |
| 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 | : Thailand Securities Depository Co., Ltd. |
| TSR | : Technically specified rubber, which includes STR and SIR |



www.sritranggroup.com