

Information Memorandum of Sri Trang Gloves (Thailand) Public Company Limited

Re: Acquisition of Ordinary Shares and Land with Buildings

which are Acquisition of Asset Transaction and Connected Transaction

1. The Information Memorandum Disclosed According to the Notification on Connected Transactions and the Notification on Acquisitions or Disposal of Assets

Please see details of the information memorandum disclosed according to the Notification on Connected Transactions and Notification on Acquisitions or Disposal of Assets in attachment 1 of this information memorandum.

2. Liability of the Company's Directors to the Information Memorandum Sent to the Shareholders

The Company's board of directors are the persons liable to the information stipulated in this information memorandum. The Company's board of directors has reviewed the information in proposed to the shareholders with care and confirms that the information in this information memorandum is correct, complete and true, no material information required or to be included were disregarded, as well as there are no information that will cause any material misunderstanding.

3. Qualities of the Asset Appraiser and the Independent Financial Advisor to Provide Opinion on the Company's Business Transactions

3.1 Asset Appraiser

3.1.1 Appraising the Share Price of PSE

The Company has appointed OptAsia Capital Company Limited as the asset appraiser of PSE's share price and has appointed First Star Consultant Co., Ltd. as the appraiser of the land, building and machineries of PSE for decision making in purchasing PSE shares.

3.1.2 The Appraisal of Assets from PS ANV and STA Transactions

The Company has appointed First Star Consultant Company Limited as the appraiser of assets in regards of the land and building that the Company will purchase from PS ANV and STA, for decision making in purchasing the assets for the Company to enter into transactions.

The aforementioned transactions is a connected transactions of the Company, and to be proposed to the shareholders of the Company.

In this regards, both asset appraisers do not hold shares in the Company and do not have any relationship with the Company, and the asset appraiser agree to disclose the asset appraisal report with the details of the appraised value of each of the appraised assets as follows:

Asset Transaction	Date of Appraisal	Appraised Value (THB Million)
Value of PSE's business	4 November 2020	865-1,255
Value of PS's business	10 November 2020	146.99

Asset Transaction	Date of Appraisal	Appraised Value (THB Million)
Land with building of ANV	29 October 2020	69.21
Land with building of STA	29 October 2020	177.47

3.2 Independent Financial Advisor

The Company has appointed Capital Advantage Company as its independent financial advisor (the “Independent Financial Advisor”) to show and produce opinion on the suitability and fairness of the price and the relevant conditions including opinion on the voting of the shareholders’ resolution and supporting reasons, which is related to the Company entering into the transactions classified as a connected transaction of the Company to propose to the shareholders of the Company to approve.

In this regard, the independent financial advisor is not a shareholder of the Company and has no relationship with the Company. The independent financial advisor agrees to disclose its opinion dated 16 November 2020 as appearing in Enclosure 2.

4. Current Total Liabilities of the Company and Liabilities the Liabilities Likely to be Realized in the Future

4.1 Total Amount of Debenture of the Company

- None -

4.2 Total Amount of Term Loan and the Obligation of Placing an Asset as Security for the Company

The total amount of term loan and liability of placing an asset as security for the Company on 30 September 2020.

Type of Loan	Liabilities (THB Million)	Security
Long term loan from financial institutions due within one year	662	None
Long term loan from financial institutions	4,119	None
Total	4,781	

4.3 Total Amount of Other Liabilities Including Overdraft Account and the Obligation of Placing an Asset as a Security of the Company

Total Amount of Other Liabilities Including Overdraft Account and the Undertaking of Placing an Asset as a Security of the Company at 30 September 2020.

Types of Liabilities	Total Liabilities (THB Million)	Security
Account payables and other payables	2,283	None
Current portions of:		
- Liabilities under the lease agreements	17	None
Income tax payable	461	None
Other current financial liabilities	96	None
Other current liabilities	37	None
Non-current portion of:		
- Liabilities under the lease agreements	17	None
Deferred tax liabilities	54	None
Estimated liabilities for employee retirement benefits	110	None
Other non-current financial liabilities	45	None
Total	3,119	

4.4 Contingent Liability

Contingent liability at 30 September 2020

Type of Liabilities	Total Liabilities (THB Million)	Security
Capital expenditure from purchase of fixed assets	146	None
Guarantee and contingent liability		
Guarantee for use of electricity	63	None
Letter of credit to foreign sellers (USD 9.3 million)	296	None
Guarantee for export	1	None
Minimum amount of money required to pay in the future according to the lease and service agreement that cannot be cancelled		
Within 1 year	20	None
More than 1 year but not more than 5 years	2	None
Total	528	

5. General Information of the Company

5.1 General Information and Business Operation of the Company

Name of the Company	Sri Trang Gloves (Thailand) Public Company Limited
Nature of Business	Manufacturing and distribution of latex gloves and nitrile gloves
Address	110 Kanjanavanit Road, Pahtong Sub-Disctrict, Hat Yai District, Songkhla Province
Registration Number	0107562000106
Date of Incorporation	1 April 2019
Registered Capital	1,434,780,000.00 Baht
Paid-up Capital	1,428,780,000.00 Baht

The Company operates a business of producing and distributing gloves for medical use and other industries. The main product is latex powdered gloves, latex powder-free gloves and nitrile gloves. In this regard, the latex gloves produced by the Company is mostly for medical usage, at 31 March 2020, the Company's factory has a production capacity of 32,619 million piece per year. The Company believes that it is the biggest gloves producer in Thailand and the third biggest gloves producer in the world¹, with details as follows:

Branch	Address	Installed Capacity (million pieces per annum)	Main Raw Material	Product
Factory in Hat Yai branch	Hat Yai District Songkhla Province	17,041	Concentrated Latex Nitrile latex	Powdered gloves, Powder-free gloves and Nitrile gloves
Factory in Surat Thani branch	Kanchanadit District Surat Thani Province	5,625	Latex Nitrile latex	Powder-free gloves and nitrile gloves
Factory in Trang branch	Kantang District Trang Province	9,953	Latex	Powdered gloves

¹ Compared with the installed production capacity of the top 5 latex gloves producer in the world which includes Top Glove, Hartalega, Supermax, Kossan and the Company, by considering the installed production capacity of each company at the date of the latest disclosed public information. The installed production capacity can be ranked as follows: (1) installed production capacity of Top Glove at around 90,000 million piece per year, is the installed production capacity at 30 October 2020 which is referenced from the quarterly report of the aforementioned company; (2) the installed production capacity of Hartalega at around 39,000 million piece per year, is the production capacity at 30 October 2020 which is referenced from the aforementioned company's website ; (3) installed production capacity of the Company at around 32,619 million piece per year, is the production capacity at 16 November 2020 which is referenced from the Company's information; (4) installed production capacity of Kossan at around 28,000 million piece per year, is the production capacity at 30 October 2020 which is referenced from the aforementioned company's website and (5) installed production capacity of Supermax at around 26,175 million piece per year, is the production capacity at 30 October 2020 which is referenced from the quarterly report of the aforementioned company.

Proportion of Income

Income	Consolidated Financial Statement only for the year, ending 31 December				Consolidated Financial Statement for the year, ending 31 December		Interim Consolidated Financial Statement for the period of nine months, ending 30 September			
	2017		2018		2019		2019		2020	
	THB Million	Per Cent	THB Million	Per Cent	THB Million	Per Cent	THB Million	Per Cent	THB Million	Per Cent
1. Income from producing and procuring for sale of gloves										
▪ Income from producing and procuring for sale of powdered gloves	1,837.59	15.6	3,384.91	30.6	4,270.27	34.9	3,141.50	35.2	6,478.68	38.3
▪ Income from producing and procuring for sale of powder-free gloves	2,297.08	19.5	3,012.07	27.2	3,204.76	26.2	2,449.45	27.5	4,183.83	24.7
▪ Income from producing and procuring for sale of nitrile gloves	4,769.26	40.5	4,404.13	39.7	4,519.11	37.0	3,265.41	36.6	6,096.93	36.0
Total income from the production and procuring for sale of gloves	8,903.93	75.7	10,801.11	97.5	11,994.15	98.1	8,856.37	99.4	16,759.44	99.0
2. Income from the sale of gloves ⁽¹⁾	2,342.97	19.9	187.49	1.7	-	-	-	-	-	-
Total income from sales	11,246.91	95.6	10,988.60	99.2	11,994.15	98.1	8,856.37	99.4	16,759.44	99.0
3. Other income ⁽²⁾	518.22	4.4	91.02	0.8	229.88	1.9	56.6 ⁽³⁾	0.6	167.9 ⁽³⁾	1.0
Total income	11,765.13	100.0	11,079.62	100.0	12,224.02	100.0	8,912.95	100.0	16,927.32	100.0

Remarks: ⁽¹⁾ Income from the sale of natural rubber products of STU in the year 2018, STA had a policy in sale of the natural rubber products directly to the customers in United States of America. In the third quarter of the year 2018, STU had restructured its business plan to focus solely on the sale of gloves.

⁽²⁾ Other income, financial income, profit from sale of investment in associates companies, profit (loss) from the exchange rate, profit from the sale of scrap, income from tax refund, income from insurance claim, and income from compensation of supporting loan to rubber product operators from the Rubber Authority of Thailand etc.

⁽³⁾ Not including unrealized profit gain (loss) from derivatives in the year 2017 – 2019. The Company has recorded the aforementioned income in the profit (loss) from exchange, which is considered to be part of the other income. However, the period of nine months ending 30 September 2020, the Company recorded such transaction as other loss. In this regard, as the Company uses the financial reporting standard, 9th edition re: financial instruments, as their practice since 2020.

5.2 Names of Directors, Executives and Top 10 Shareholders

Name of the Company's Directors at 6 November 2020

	Name and Surname	Position
1.	Mr. Viyavood Sincharoenkul	Director
2.	Mr. Kitichai Sincharoenkul	Director
3.	Ms. Jarinya Jirojkul	Director
4.	Mr. Veerasith Sinchareonkul	Director
5.	Ms. Thanawan Sa-ngiamsak	Director
6.	Mr. Vitanath Sincharoenkul	Director
7.	Mr. Anan Pruksanusak	Director
8.	Mr. Chia Chee Ping	Director
9.	Mr. Sarana Boonbaichaiyapruck	Independent director
10.	Mrs. Unakorn Phruithithada	Independent director
11.	Mr. Weerakorn Ongsakul	Independent director

Names of the Company's Executive at 6 November 2020

	Name and Surname	Position
1.	Ms. Jarinya Jirojkul	Chief Executive Officer / Acting Production Manager Trang Branch / Acting Quality Control and Research & Development Manager
2.	Ms. Thanawan Sa-ngiamsak	Chief Financial Officer
3.	Mr. Chia Chee Ping	Chief Marketing Officer
4.	Mr. Asom Aksornnam	Production Manager Hat Yai Branch / Acting Engineering Manager
5.	Mr. Chalermchai Norsakul	Production Manager Surat Thani Branch
6.	Mrs. Oralak Nakin	Finance and Account Manager / Accountant
7.	Mr. Somrat Thapnual	Human Resource Manager
8.	Ms. Amornrat Awato	Purchasing Manager
9.	Ms. Worasa Maijaidee	Logistics Manager

Names of the Company's Top 10 Shareholders at 6 November 2020

	Name of the Shareholder	Amount of Shares (shares)	Proportion of Shareholding (Percent)
1.	STA	725,037,300	50.75
2.	RBL	77,663,400	5.44
3.	THE BANK OF NEW YORK MELLON	71,931,600	5.03
4.	Thai NVDR Company Limited	69,977,253	4.90
5.	Mr. Viyavood Sincharoenkul	69,709,200	4.88
6.	Sri Trang Holdings Company Limited	53,376,900	3.74
7.	STATE STREET EUROPE LIMITED	16,045,700	1.12
8.	Mr. Vichai Vachirapong	11,031,000	0.77
9.	HSBC TRINKAUS & BURKHARDT AG	9,253,700	0.65
10.	N.C.B.TRUST LIMITED-NORGES BANK 5	8,726,200	0.61

5.3 Nature of the Business and the Business Trend for the Company, Subsidiaries and Associates

The Company operates a business of producing and distributing for natural rubber gloves and nitrile glove, and having its subsidiaries distribute the natural rubber gloves and nitrile gloves abroad. The Company and its subsidiaries have plans to continue to operate the aforementioned business, with plans of additional investments to increase production capacity and volume of the gloves as has been disclosed in the offering circular of the Company.

5.4 Table Summarizing the Financial Statements with Management Discussion and Analysis

5.4.1 Financial Information

Statement of Financial Position

(Unit : THB Million)	Consolidated Financial Statement			
	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Assets				
Current Assets				
Cash and cash equivalents	16,967.45	581.26	573.27	573.35
Trade receivables and other receivables	3,317.98	1,611.83	1,922.23	1,468.11
Inventories	2,064.38	1,611.75	1,681.38	1,314.02
Derivative and financial instruments	-	21.76	-	19.89
Other current financial assets	4.36	-	-	-
Other current assets	779.36	485.71	74.36	47.72
Total current assets	23,133.53	4,312.31	4,251.25	3,423.08

	Consolidated Financial Statement			
	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
(Unit : THB Million)				
Non-current assets				
Fixed deposits pledged as collateral	-	-	25.28	-
Investment in subsidiaries	-	-	-	-
Property, plant and equipment	9,239.91	8,562.27	6,038.10	3,227.33
Rights-of-use asset	38.41	-	-	-
Intangible assets	55.86	13.16	6.96	4.26
Goodwill	220.88	220.88	220.88	-
Deferred tax assets	132.91	106.92	103.33	64.24
Other non-current assets	59.93	0.56	6.00	1.89
Total non-current assets	9,747.90	8,903.79	6,400.56	3,297.72
Total assets	32,881.43	13,216.10	10,651.80	6,720.80
Liabilities and shareholder's equity				
Current liabilities				
Short-term borrowings from financial institutions	-	263.85	491.24	498.38
Trade and other payables	2,282.64	1,392.80	1,262.95	1,179.04
Current portions of:				
- Long-term borrowing from financial institutions	662.19	947.49	499.23	980.00
- Finance lease liabilities	-	6.32	5.62	-
- Lease liabilities	16.70	-	-	-
Income tax payable	461.03	119.17	90.79	19.04
Other current financial liabilities				
- Derivative financial instruments	-	29.39	2.01	8.84
Other current financial liabilities	95.92	-	-	-
Other current liabilities	36.74	14.00	13.74	6.14
Total current liabilities	3,555.22	2,773.01	2,365.59	2,691.44
Non-current liabilities				
Non-current portions of:				
- Long-term borrowings from financial institutions	4,119.31	5,845.92	4,248.59	2,020.00
- Finance lease liabilities	-	8.26	7.37	-
- Lease liabilities	16.56	-	-	-
Other non-current financial liabilities	45.44	-	-	-
Deferred tax liabilities	53.83	85.34	146.07	58.54
Estimated liabilities for				
Provision for retirement benefit obligations	109.73	101.54	94.82	81.15
Total non-current liabilities	4,344.87	6,041.06	4,496.85	2,159.68
Total liabilities	7,900.09	8,814.07	6,862.43	4,851.13

(Unit : THB Million)	Consolidated Financial Statement			
	30 Sep 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Shareholders' Equity				
Share capital				
Registered				
1,434,780,000 ordinary shares of Baht 1 each (2019: 990,000,000 ordinary shares) of Baht 1 each	1,434.78	1,434.78	200.00	200.00
Issued and fully paid-up				
1,428,780,000 ordinary shares of Baht 1 each (2019: 990,000,000 ordinary shares) of Baht 1 each	1,428.78	990.00	200.00	200.00
Premium on ordinary shares	14,243.22	-	-	-
Share-based payment reserve	4.33	-	-	-
Surplus from the amalgamation	483.69	483.69	-	-
Deficit from business combination under common control	(143.21)	(143.21)	-	-
Retained earnings				
Appropriated - statutory reserve	64.77	64.77	24.45	24.45
Unappropriated	8,586.21	2,664.10	1,843.64	1,269.10
Other components of the shareholders' equity				
Surplus on revaluation of assets - net of income tax	331.95	344.97	362.82	384.74
Exchange differences on translation of financial statements in foreign currency	17.94	(2.30)	-	-
Cash flow hedge reserve - net of income tax	(36.35)	-	-	-
Total shareholders' equity of the company	24,981.34	4,402.03	2,430.91	1,878.28
Original shareholders' equity prior to restructuring	-	-	1,358.46	(8.61)
Total shareholders' equity	24,981.34	4,402.03	3,789.37	1,869.67
Total liabilities and shareholders' equity	32,881.43	13,216.10	10,651.80	6,720.80

Statement of Comprehensive Income

(Unit : THB Million)	Consolidated Financial Statement			
	9-month year 2020	Year 2019	Year 2018	Year 2017
Profit Loss:				
Revenue from sales	16,759.44	11,994.15	10,988.60	11,246.91
Cost of sales	(9,727.79)	(10,555.48)	(9,179.70)	(10,448.56)
Gross profit	7,031.65	1,438.66	1,808.90	798.35
Other income	167.89	140.25	97.65	72.60
Profit from sale of investment in other associates companies	-	-	-	415.69
Selling and distribution expenses	(373.81)	(410.96)	(257.16)	(188.28)
Administrative expenses	(306.38)	(314.44)	(292.45)	(318.62)
Gain on exchange rates	171.72	84.34	(8.56)	20.81

(Unit : THB Million)	Consolidated Financial Statement			
	9-month year 2020	Year 2019	Year 2018	Year 2017
Other gain (loss)	(154.54)	(31.02)	(1.23)	(30.02)
Other expenses	-	-	-	(532.24)
Profit from operating activities	6,536.53	906.83	1,347.16	238.29
Share of profit from investment in joint venture companies	-	-	-	10.65
Profit before finance income, finance cost and income tax	6,536.53	906.83	1,347.16	248.94
Finance income	10.02	5.29	1.93	9.12
Finance cost	(109.52)	(194.27)	(161.66)	(38.25)
Profit before income tax	6,437.03	717.86	1,187.43	219.81
Income tax	(556.45)	(103.95)	(205.85)	(5.27)
Profit for period	5,880.58	613.91	981.58	214.54
Total profit	17,109.07	12,224.02	11,079.62	11,765.13
Profit (loss) attributable to:	-8.64%	-14.48%	0.00%	0.00%
Equity holders of the Company	5,880.58	634.30	1,053.07	300.22
Former interests before restructuring of the subsidiaries	-	(20.39)	(71.49)	(85.68)
Profit for period	5,880.58	613.91	981.58	214.54
Amount of shares				
Prior to offer for sale	1,428,780,000	990,000,000	990,000,000	-
After offer for sale (1)	1,428,780,000	1,428,780,000	1,428,780,000	-
After offer for sale (2)	1,434,780,000	1,434,780,000	1,434,780,000	-
Earnings per share				
Prior to offer for sale	4.12	0.64	1.06	-
After offer for sale (1)	4.12	0.44	0.74	-
After offer for sale (2)	4.10	0.44	0.73	-

Cash Flow Statement

(Unit THB Million)	Consolidated Financial Statement			
	9-month year 2020	Year 2019	Year 2018	Year 2017
Cash flow from operating activities				
Profit before income tax	6,437.03	717.86	1,187.43	219.81
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities	-	-	-	-
Unrealised loss (gain) on exchange rates	(43.43)	(5.70)	8.85	(16.30)
Unrealised loss (gain) on revaluation of derivative financial instruments	112.43	5.62	13.06	(23.10)
Share-based payment expenses	17.93	-	-	-
Allowance for expected credit losses/ doubtful debts (reversal)	2.69	(5.68)	(0.05)	0.99
Reversal of inventory cost to net realisable value	(48.84)	(3.01)	(68.84)	(89.94)
Expenses for retirement benefit obligations	8.28	36.26	13.29	7.02
Depreciation	778.74	789.21	628.25	524.77
Amortization - intangible assets	1.37	6.33	4.54	3.36
Share of profit from investment in joint venture companies	-	-	-	(10.65)
Profit from sale of investment in joint venture companies	-	-	-	(415.69)
Financial cost	109.52	194.27	161.66	38.25
Financial income	(10.02)	(5.29)	(1.93)	(9.12)
Loss on disposal and write-off of machinery and equipment and intangible assets	7.01	2.51	1.23	3.38
Profit from operations before changes in operating assets and liabilities	7,372.71	1,732.37	1,947.49	232.77
Operating assets (increase) decrease				
Trade receivables and other receivables	(1,654.45)	320.20	23.32	342.57
Inventories	(403.79)	72.64	(145.78)	515.18
Other current assets	(298.45)	(410.43)	(12.14)	(4.60)
Other non-current assets	(59.37)	5.44	(4.11)	(0.08)
Operating liabilities increase (decrease)				
Trade and other payables	877.04	36.63	(222.58)	257.79
Other current liabilities	22.75	0.26	(101.27)	2.61
Provision for retirement benefit obligations	(0.08)	(27.66)	(0.84)	-
Cash flows provided by operating activities	5,856.35	1,729.45	1,484.10	1,346.24
Cash paid for interest expenses	(152.51)	(244.93)	(160.51)	(37.63)
Cash received from interest income	2.07	5.26	2.11	22.60
Cash paid for income tax	(204.26)	(147.22)	(173.19)	(83.24)
Cash received from returning of corporate income tax	8.26	-	-	-
Net cash flows provided by operating activities	5,509.90	1,342.57	1,152.50	1,247.97

(Unit THB Million)	Consolidated Financial Statement			
	9-month year 2020	Year 2019	Year 2018	Year 2017
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	25.28	(0.28)	-
Cash receive from purchasing the business prior to restructuring	-	-	240.17	-
Cash paid for investments in subsidiaries	-	(163.07)	-	571.18
Cash received from disposal of machinery and equipment	2.71	3.22	3.04	5.73
Cash paid for purchases of property, plant and equipment and intangible assets	(1,461.64)	(3,180.45)	(1,536.22)	(711.24)
Net cash flows used in investing activities	(1,458.93)	(3,315.01)	(1,293.30)	(134.33)
Cash flows from financing activities				
Decrease in Short-term borrowings from financial institutions	(274.25)	(206.50)	(96.33)	(367.66)
Cash received from long term loan	680.00	3,068.00	1,650.00	3,000.00
Repayments of long-term borrowings	(2,694.00)	(1,020.00)	(1,050.00)	-
Repayments of lease liabilities	(13.40)	(6.62)	(2.06)	-
Cash received from issuing shares from capital increase	14,609.28	165.00	147.91	90.90
Payment of dividend	-	-	(500.00)	(7,167.49)
Net cash flows provided by financing activities	12,307.62	1,999.88	149.52	(4,444.25)
Increase (decrease) translation adjustments	27.60	(19.45)	(8.81)	(82.45)
Net increase (decrease) in cash and cash equivalents	16,386.19	7.99	0.08)	(3,413.06)
Cash and cash equivalents at beginning of period	581.26	573.27	573.35	3,986.41
Cash and cash equivalents at the end of the period	16,967.45	581.26	573.27	573.35

Financial Ratios

<u>Financial Ratios</u>		9-month Year 2020 (Compared with Whole Year)	Year 2019	Year 2018	Year 2017
Liquidity ratio					
Liquidity ratio	Times	6.51	1.56	1.80	1.27
Quick ratio	Times	5.68	0.75	0.90	0.72
Cash flow liquidity ratio	Times	2.32	0.52	0.46	0.71
Account receivable turnover ratio ¹	Times	9.47	7.85	7.54	7.80
Average collection period	Days	38.03	45.84	47.74	46.14
Inventory turnover ratio ²	Times	14.45	17.34	15.84	23.04
Average inventory period	Days	24.92	20.76	22.72	15.63
Account payable turnover ratio ³	Times	13.54	13.82	11.55	15.90
Account payable period	Days	26.59	26.05	31.16	22.64
Cash Cycle	Days	36.36	40.55	9.30	39.12

Financial Ratios		9-month Year 2020 (Compared with Whole Year)	Year 2019	Year 2018	Year 2017
Leverage ratio					
Gross profit margin	Percent	41.96	11.99	16.46	7.10
Operating profit margin	Percent	39.00	7.56	12.26	2.12
Other profit margin	Percent	0.06	0.04	0.02	0.08
Cash to profit ratio	Percent	84.29	148.05	85.55	523.73
Net profit margin	Percent	34.37	5.02	8.86	1.82
Return on equity ratio ⁴	Percent	53.37	18.57	48.88	5.88
Return on equity ratio (Total Equity)	Percent	53.37	14.99	34.69	4.21
Operational efficiency ratio					
Return on assets ⁵	Percent	34.02	5.14	11.30	2.69
Return on fixed assets ⁶	Percent	299.26	19.22	34.75	25.60
Asset turnover ⁷	Times	0.99	1.02	1.28	1.48
Financial policy ratio					
Debt to equity ratio	Times	0.32	2.00	1.81	2.59
Interest bearing debt to equity ratio	Times	0.19	1.61	1.39	1.87
Interest coverage ratio	Times	56.39	8.45	9.40	33.77
Interest coverage ratio (Cash basis)	Times	38.47	7.08	9.26	36.38
Liability coverage ratio (Cash basis)	Times	1.32	0.32	0.37	0.16
Dividend payout ratio	Percent	-	-	50.94	3,340.92

- Remarks:**
1. Calculated by the revenue from sales divided by the average trade receivables
 2. Calculated by the cost of sales divided by the average inventories
 3. Calculated by the cost of sales divided by the average trade payables
 4. Calculated by the profit for the year of the parent company divided by the average shareholders' equity
 5. Calculated by the profit for the year of the parent company divided by the average total assets
 6. Calculated by the profit for the year of the parent company and depreciation divided by average fixed assets
 7. Calculated by the revenue from sales divided by the average total assets

**5.4.2 Management Discussion and Analysis for the year 2019 and nine-month period ending
30 September 2020**

Operational Results Year 2020

Summary of operations

(Unit : THB Million)	Year 2019	Year 2018	% YoY
Revenues from sales	11,994.15	10,988.60	9.2%
Cost of sales and services	(10,555.48)	(9,179.70)	15.0%
Gross profit	1,438.66	1,808.90	(20.5)%
Selling and administrative expenses	(725.40)	(549.60)	32.0%
Other Income	140.25	97.65	43.6%
Gain (loss) on exchange rates	84.34	(8.56)	(1,085.5)%
Other loss	(31.02)	(1.23)	2,424.9%
Profit before finance income, finance cost and tax expense	906.83	1,347.16	(32.7)%
Share of profit of associates and joint ventures	-	-	
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	1,702.37	1,979.96	(14.0)%
Earnings Before Interest and Tax (EBIT)	906.83	1,347.16	(32.7)%
Financial cost (net)	(188.97)	(159.73)	18.3%
Tax expense	(103.95)	(205.85)	(49.5)%
Profit for the year/period	613.91	981.58	(37.5)%
Shareholders' equity	634.30	1,053.07	(39.8)%
Shareholders' equity before restructuring	(20.39)	(71.49)	(71.5)%

Performance Overview

For appropriate analysis and comparison of the past performance, the analysis of the performance and financial position of the Company will be referenced from (1) consolidated financial statement for specific purposes of the Company for the year ending 31 December 2018 (2) consolidated financial statement for the year ending 31 December 2019.

For the consolidated financial statement for specific purposes of the Company for the year ending 31 December 2018, as Dr. Viyavood, the major shareholder and director of STA, had invested in TK through shareholding of TKG from 16 August 2017, for accounting purposes after merging the companies, the Company has opted to use guidance on accounting practice for business combinations under common control to arrange the consolidated financial statement for specific purposes which stipulates the use of the method similar to pooling of interest. Therefore, the Company has arranged the consolidated financial statement for specific purposes as if Dr. Viyavood has invested in TK in accordance with the purchase method and that TK merged with Sri Trang Gloves (Thailand) Co., Ltd. from 16 August 2018.

With regards to the restructuring of the Company by investment purchase in SDME from Startech Rubber Co., Ltd. STC, which is a subsidiary of STA and the restructuring by purchase of shares in STU from STA, as the purchase of the two subsidiaries is under common control of STA, prior to and after the purchase of the business, the Company has arranged for a consolidated financial statement for specific purposes by consolidating the financial position, performance overview and cash flow of the aforementioned subsidiaries from the date of 1 January 2017, or from the date that such subsidiary began to be under common control of the Company, whichever date is shorter, regardless of the actual date that the merger of the business under common control.

Therefore, the consolidated financial statement for the specific purposes of the Company for the year ending 31 December 2018 has been prepared in accordance with the guidance on accounting practice for business combinations under common control, as if the merger between Sri Trang Gloves (Thailand) Co., Ltd. and TK occurred since 16 August 2018, which was the date that Dr. Viyavood invested in TK, and the business restructuring in SDME through purchase of investment occurred since 30 March 2017 which was the date of SDME establishment, and the investment in STU since 1 January 2017, respectively. Therefore, the consolidated financial statement for specific purposes of the Company includes the financial position, performance overview and cash flow of SDME since 30 March 2017 until 31 December 2018; financial position, performance overview and cash flow of STU since 1 January 2017 until 31 December 2018; and financial position, performance overview and cash flow of TK since 16 August 2018 until 31 December 2018 (**“Consolidated Financial Position and Performance Overview of TK”**)

Furthermore, the consolidated financial statement of the Company for the year ending 31 December 2019 shows the financial position, performance overview and cash flow of the Company as if the merger of the company occurred since 16 August 2018 which is the date that Dr. Viyavood invested in TK, and as if the two subsidiaries, namely SDME and STU, began its operations under the group of company since 1 January 2018. Therefore, the financial information on the consolidated financial position of the Company for the year ending 31 December 2019 has included the financial position, performance overview and cash flow of TK / factory in Trang branch, which is a result of merging the companies since 1 January 2019 until 31 December 2019. The financial information used to compare for the year ending 31 December 2017 has included the financial position, performance overview and cash flow of TK resulting from the merger of companies since 16 August 2018 until 31 December 2018 (**“Consolidated Financial Position and Performance Overview of TK from Merging of Companies”**). Furthermore, the consolidated financial statement of the Company for the year ending 31 December 2019 has included the financial position, performance overview, and cash flow of SDME and STU from 1 January 2019 until 31 December 2019. The financial information used in comparing the year ending 31 December 2018 will include the financial position, performance overview and cash flow of SDME and STU from 1 January 2018 until 31 December 2018.

Analysis of the financial position in the year 2019 compared with the year 2018

Revenue

In the year 2019, the Company has consolidated revenue from (1) revenue from sales and services; (2) income from profit of exchange rate and (3) other income increased in the amount of THB 1,018.4 million in the year 2018 from the amount of THB 11,085.0 million in the year 2018 to the amount of THB 12,103.4 million in the year 2019, an increase of 9.2 percent. The main factor for the increase in revenue was the increase in revenue from the sales arising from the increase in sale volume of gloves, realization of profit from exchange rate, as well as the financial income and other income despite offsetting with the decrease of income from STU's sale of natural rubber products as in the year 2018, STA had a sales policy regarding natural rubber products directly to customers in the United States of America. In the third quarter of the year 2018, STU had changed its business plan to only focus on the sales of gloves only.

Volume of Sales

The volume of sales for the year 2019 was equivalent to 19,892 million piece, increased 26.0 percent compared to the year 2018, largely as a result from the increase in the sales volume of powdered latex gloves as a result of the consolidation of TK, including the increased production capacity of the Company at Hat Yai branch with the additional of 6 production lines which had run in full in the year 2019.

Cost of Sales

Cost of sales and services in the year 2019 was equivalent to THB 10,555.5 million, increased 15.0 percent compared to year 2018 due to the increase in production and distribution of gloves as an increase in the production capacity and the consolidation of TK, which resulted to the consolidation of sales of TK / factory in Trang branch in the year 2019.

For the year ending 31 December 2018 compared with the year ending 31 December 2019, the cost of sales regarding the distribution of natural rubber products was equivalent to THB 197.85 million and THB 0.00 as in the year 2019, STU did not operate the business of distributing natural rubber products.

Gross Profit

In the year 2019, the gross profit of the Company was equivalent to THB 1,438.7 million, decreased 20.5 percent from the year 2018. The gross profit margin decreased from 16.5 percent in the year 2018 to 12.0 percent in the year 2019. The decrease of gross profit in the year 2019 was largely due to the strength in Thai Baht against the United States Dollar, whilst at the same time the Malaysian Ringgit (which is the currency of the country that is the main competitor of the Company in producing gloves) weakened against the United States Dollar, thus the Company was required to decrease the price of its gloves in order to compete with its competitor in Malaysia.

Operating Profit

The operating profits of the Company in the year 2019 was equivalent to THB 906.8 million, a decrease of 32.7 percent from the year 2018, the operating profit margin decreased from 12.3 percent in the year 2017 to

7.6 percent which was a result from the decreased gross profit, increased in management expenses largely due to an increase in (1) transfer of employees relating to sales and marketing department from STA (2) consolidation of financial position and performance of TK as a result of the merger which consolidated the expenses in sales of TK/factory in Trang branch for the whole year in 2019 and (3) increase in the expenses in logistics and human resources of SDME and STU as a result of the increase in sales volume.

Net Profit

The net profit was equivalent to THB 613.9 million, decreased 37.5 percent from THB 981.6 million in the year 2018. The net profit margin in the year 2019 was equivalent to 5.1 percent, compared to 8.9 percent in the year 2018, mainly due to the decrease in the gross profit, increase in the sales expenses, management expenses and financial expenses from the Company having a long term loan with financial institutions to be used in the factory expansion.

Total Assets

Total assets at 31 December 2019 increased from THB 2,564.3 million or 24.1 percent from 31 December 2018 to THB 13,216.1 million, mainly due to (1) increase in land, buildings and equipment from the expansion of factories in the Hat Yai branch and Trang branch and (2) increase in the current assets mainly due to revenue department receivables which was the refundable value added tax after the merger.

Total Liabilities

Total liabilities increased by THB 1,951.6 million or 28.4 percent from 31 December 2018 to THB 8,814.1 million at 31 December 2019, mainly due to the Company's loan of THB 3,068.0 million from financial institutions to be used in the expansion of factories in Hat Yai branch and Trang branch net with (1) repayment of short term borrowings from financial institutions in the amount of THB 206.5 million and (2) repayment of long term borrowings in the amount of THB 1,020.0 million.

Shareholders' Equity

The shareholders' equity increased by THB 612.7 million or 16.2 percent from 31 December 2018 to THB 4,402.0 million at 31 December 2019, mainly due to the retained earnings including the surplus from the merger at the amount of THB 483.7 million which is calculated from the fair value of the net assets received from the purchase method at 1 April 2019, net with the deficit from business combination under common control for the amount of THB 143.2 million.

Analysis of Cash Flow

For the year ending 31 December 2019, the Company had a cash flow from operations, prior to the change in assets and operating liabilities in the amount of THB 1,732.4 million, mainly consisted of the profit before tax at the amount of THB 717.9 million and addition of the depreciation and amortization of THB 795.5 million and financial costs of THB 194.3 million. However, the Company had used cash flow from change in assets and operating liabilities of THB 2.92 million, main consisted of the increase in the other current assets of THB 410.4 million,

interest payment of THB 244.9 million, income tax payment of THB 147.2 million, net with the increase in trade and other payables of THB 36.6 million, decrease of inventories to THB 72.6 million, causing the Company to have net cash flow from operating activities equivalent to THB 1,342.6 million.

The Company had a net cash flow used in investment activities of THB 3,315.0 million, mainly contributed to the purchase of land, buildings and equipment, and intangible assets of the Company for the amount of THB 3,180.5 million, due to expansion of the factory in Hat Yai branch with the increase the production line to 10 lines and the factory in Trang branch with the increase the production line by 12 lines, as well as the purchase of investment in subsidiaries, namely SDME and STU for the total amount of THB 163.1 million, net with cash received from sale of machineries, equipment and intangible assets of THB 3.2 million.

The Company had a net cash flow from financing activities of THB 1,999.9 million, mainly consisted of the cash received from long term borrowings from financial institutions of THB 3,068.0 million and cash received from issuance of shares for capital increase of 165.0 million net with the repayment of long-term borrowings from financial institutions of THB 1,020.0 million, repayment of short term borrowings from financial institutions of THB 206.5 million and repayment of finance lease liabilities of THB 6.6 million.

Interest Coverage Ratio

For the year ending 31 December 2019, the interest coverage ratio was equivalent to 7.08 times decreased from the year ending December 2018 which had the interest coverage ratio at 9.26 times, the main reason was due to the decrease in profit and the increase in interest from long term borrowings from financial institutions in the year 2019 as the loan was used for the expansion of the factories in Hat Yai branch and Trang branch.

Financial Ratios

Current ratios

The current ratio at 31 December 2019 was equivalent to 1.56 times, a decrease from 31 December 2018 at 1.80 times, the main reason was due to the current liabilities increase in a higher proportion is higher than the increase in current assets. Nevertheless, the current liabilities increased from the current portion of long-term loan to support the expansion of factories in Hat Yai branch and Trang branch, including the increase in trade payables and the prepaid income for goods whilst the current assets increased due to increase in trade receivables and other receivables, increase in inventories and increase in other current assets.

Cash cycle

Cash cycle for the year ending 31 December 2019 was equivalent to 40.55 days, an increase from 31 December 2018 at 39.9 days, the main reason the account receivable days decreased from 31.16 days to 26.05 days net with the decrease in the account payable days from 47.74 days to 45.84 days and the inventory days decreased 22.72 days to 20.76 days.

Return on Assets

The return on assets for the year ending 31 December 2019 was equivalent to 5.14 percent, a decrease from the year ending 31 December 2018 at 11.30 percent due to the decrease in profit for the year whilst the average total assets for the year 2019 (average of the year 2018 and 2019) increased when compared to the average total assets in the year 2018 (average of the year 2017 and 2018), resulting from the expansion of factory in Hat Yai branch by the increase of 10 production lines, as well as the expansion of factory in Trang branch by the increase of 12 production lines which commenced production of gloves in the fourth quarter of the year 2019, resulting in the Company to realize only parts of its profits from expansion of assets in the year 2019.

Return on Equity

The return on equity for the year ending 31 December 2019 was equivalent to 18.57 percent, a decrease from the year ending 31 December 2018 at 48.88 percent due to a decrease in the profit for the year whilst the average shareholders' equity for the year 2019 (average of the year 2018 and 2019) increased when compared to the average shareholders' equity for the year 2018 (average for the year 2017 and 2018) which was a result from the retained earnings of the operation in the year 2019 as well as the realization of surplus from amalgamation at the amount of THB 483.69 million which was calculated from the fair value of the net assets received according to the purchase method at 1 April 2019 net with the deficit from business combination under common control at the amount of THB 143.2 million.

Debt to Equity Ratio and Interest Bearing Debt to Equity Ratio

The debt to equity ratio for the year ending 31 December 2019 was equivalent to 2.00 times, an increase from the year ending 31 December 2018 at 1.81 times and the interest bearing debt to equity ratio increased from 1.39 in the year 2018 to 1.61 times in the year 2019, mainly due to the Company having increased long term loan to be used in the expansion of factories in Hat Yai branch and Trang branch which increased the in proportion more than the increase in shareholders' equity.

Analysis of the Nine-Month Period Ending 30 September 2020

Operating Results

	9-month Year	9-month Year	% YoY
	2020	2019	
(Unit: THB Million)			
Profit from the sales and services	16,759.44	8,856.37	89.2%
Cost of sales and services	(9,727.79)	(7,747.88)	25.6%
Gross profit	7,031.65	1,108.48	534.3%
Sales and management expenses	(680.19)	(523.58)	29.9%
Other income	167.89	56.58	196.7%
Profit from the exchange rate	171.72	19.52	779.9%
Other profits (net)	(154.54)	(5.51)	2703.5%
Operating profits	6,536.53	655.49	897.2%
Share of profit from investment in associate company and joint ventures	-	-	

(Unit: THB Million)	9-month Year 2020	9-month Year 2019	% YoY
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	7,316.64	1,246.47	487.0%
Earnings Before Interest and Tax (EBIT)	6,536.53	655.49	897.2%
Financial cost (net)	(99.50)	(145.84)	-31.8%
Income tax	(556.45)	(76.78)	624.7%
Net profit	5,880.58	432.86	1258.5%
Shareholders' equity	5,880.58	453.25	1197.4%
Shareholders' equity before restructuring	-	(20.39)	-100.0%

Income

For the period of nine months ending 30 September 2020, the Company has consolidated revenue from increase in (1) revenue from sales and services; (2) income from exchange rate and (3) other income, totaling THB 7,865.4 million from the amount of THB 8,907.4 million in the year 2019 and THB 16,772.8 million at the same period in the year 2019, or an increase in 88.3 percent. The main reason resulting in the increase in revenue was is from the increase in sales as a result from the increase in sales volume of gloves from expansion of the project that was completed in the first quarter of the year 2020 and the price of gloves that was increased due to high global demand, the realization of the exchange rate profits, as well as the financial income and other income mainly from the refund of the project on supporting loan to rubber product operators to use in the expansion of production capacity from the Rubber Authority of Thailand (RAT) that was received earlier than the previous year.

Sales Volume

The sales volume for the nine months period ending 30 September 2020 was equivalent to 20,802 million piece, an increase of 44.1 percent compared to the same period in the year 2019 as an increase in the production capacity that newly invested in the factory in Hat Yai branch by 10 production lines and in Trang branch by 12 production lines that has been completely installed and fully operate all the production line in February 2020.

Cost of Sales

Cost of sales and services for the nine months period ending 30 September 2020 was equivalent to THB 9,727.8 million, an increase of 25.6 percent compared to the same period in 2019 as a result from the increase in production and sale volume.

Gross Profit

For the nine month period ending 30 September 2020, the Company had gross profit equivalent to THB 7,031.7 million, an increase of 534.3 percent from the same period in the year 2019 as a result from an increase in revenue from the sales due to expansion in the production capacity and increase in average sales price due to the demand of the product from the COVID-19 situation, at 89.2 percent whilst the cost of sales only increased by

25.6 percent due to the reduction in price of raw materials and economies of scale due to the increase production capacity.

Operating Profits

Operating profits of the Company for the nine months period ending 30 September 2020 was equivalent to THB 6,536.5 million, an increase of 897.2 percent from the same period in the year 2019. The operating profits margin increased from 7.4 percent to 39.0 percent as a result from the gross profit, increased in other profits net with the sales and management expenses and other minimal losses that occurred.

Net Profit

Net profit for the nine months period ending 30 September 2020 was equivalent to THB 5,880.6 million, an increase of 1,258.5 percent from THB 432.9 million at the same period. Net profit margin was equivalent to 35.1 percent compared to 4.9 percent in the same period in 2019, mainly due to the increase in operating profits and decrease in income tax rate from the expansion of production capacity under the BOI benefits, decrease in financial costs from the prepayment of parts of the long term loan from the fund received from the initial public offering (IPO).

Financial Position at 30 September 2020

Total Assets

Total asset at 30 September 2020 increased from THB 19,665.3 million to THB 13,216.1 million or an increase of 148.8 percent at 31 December 2019, mainly due to (1) increase in cash and cash equivalents that is largely received from the IPO; (2) trade receivables and other receivables increased by THB 1,706.2 and (3) land, building and equipment increased by THB 677.6 million and (4) inventory increased by 452.6 million.

Total Liabilities

Total liabilities at 30 September 2020 is THB 7,900.1 million or a decrease of 10.4 percent from 31 December 2018, mainly due to the Company's prepayment of its long term loan in an amount of THB 2,093.0 million from financial institutions at the end of the second quarter net with (1) the increase in trade and other payables at 63.9 percent mainly from advance payment of goods purchase price according to the purchase order and (2) the increase in refundable value added tax at the amount of THB 341.9 million.

Shareholders' Equity

Shareholders' equity at 30 September 2020 increased by THB 20,579.3 million to THB 24,981.3 million, or an increase of 467.5 percent from 31 December 2019, mainly due to the proceeds from IPO and increased retained earnings operations in the nine months period in the year 2020.

Analysis of Cash Flow

For the nine months period ending 30 September 2020, the Company had operating cash flow prior to change in assets and operating liabilities at THB 7,372.7 million, mainly due to profit before tax at the amount of THB 6,437.0 million and the depreciation and amortization of THB 780.1 million and the financial costs of THB

109.5 million. However, the Company had cash flow used in change in assets and operating liabilities at the amount of THB 168.5 million mainly due to the increase in other current assets of THB 298.5 million, increase in inventories at THB 403.8 million, interest payment of THB 152.5 million, income tax payment of THB 204.3 million net with the increase in trade and other payables at THB 877.0 million, increase in the current assets at THB 22.8 million, resulting in the Company to have net cash flow from operating activities equivalent to THB 5,509.9 million.

The Company had cash flow used in investment activities at THB 1,458.9 million, mainly due to the purchase in land, building and equipment and intangible assets at the amount of THB 1,461.6 million mainly due to the expansion in the factory in Hat Yai branch by increase of 10 production lines, factory in Trang branch by increase of 12 production lines that was completed in the first quarter of the year 2020 and the expansion of factory in Surat Thani in the third quarter.

The Company had net cash flow from financing activities at the amount of THB 12,307.6 million, mainly due to cash received from issuance of shares for capital increase in the amount of THB 14,609.3 million, long term borrowings from financial institutions at THB 680.0 million net with the prepayment of long term borrowings from financial institutions that did not receive support from RAT at the amount of THB 2,694.0 million, repayment of short term borrowings from financial institutions and repayment of liabilities under the financial lease agreement at the amount of THB 13.4 million.

Financial Ratios

Interest Coverage Ratio

For the nine months period ending 30 September 2020, the Company had interest coverage ratio equivalent to 38.47 times, an increase from the year ending 30 September 2019 which had the interest coverage ratio at 6.44 times. The main reason was the increase in profit and decrease in interest from Company's long term loan with the financial institution in the nine months period for the year 2020 as there was prepayment of the loan prior to the due date.

Current ratios

Current ratio at 30 September 2020 was equivalent to 6.51 times, an increase from 31 December 2019 at 1.65 times, mainly due to the increase in current assets at a higher rate than the increase in current liabilities. In this regard, the current assets increased mainly due to the cash and cash equivalents received from the IPO whilst the current liabilities increased from trade payables and other payables, and increased refundable value added tax net with the a decrease current portion of long-term loan.

Cash cycle

Cash cycle for the year ending 30 September 2020 was equivalent to 36.36 days, a decrease from the nine months period ending 30 September 2020 at 44.70 days, mainly due to the increase in account receivable days from 24.45 days to 26.59 days and decrease in the account payable days from 48.64 days to 38.03 days net with the inventory days that increased from 20.51 days to 24.92 days.

Return on Assets

Return on assets for the nine months period ending 30 September 2020 was equivalent to 34.02 percent, an increase from the nine months period ending 30 September 2019 at 4.93 percent due to a material increase in the profits in the nine months period in the year 2020 as result of the high increase in production capacity and average sales price. Even though the average total assets in the year 2020 (average value of the year 2019 and nine months period of the year 2020) increased compared to the total average assets in the year 2019 (average value of the year 2018 and the nine months period of the year 2019) as a result of funding from IPO and growth of the business.

Return on Equity

The return on equity for the period of nine months ending 30 September 2020 was equivalent to 53.37 percent, an increase from the nine months period ending 30 September 2019 at 18.19 percent due to material increase in the profit for the nine months period in the year 2020, from the high increase in production capacity and average sales price although the average shareholders' equity for the year 2020 (average value of the year 2019 and nine months period of the year 2020) increased compared to the average shareholders' equity in the year 2019 (average value of the year 2018 and the nine months period of the year 2019) as a result from the funding by IPO and interim profits.

Debt to Equity ratio and Interest Bearing Debt to Equity Ratio

The debt to equity ratio for the year ending 30 September 2020 was equivalent to 0.32 times, a decrease from the year ending 31 December 2020 at 2.00 times. The interest bearing debt to equity ratio decreased from 1.61 times in the year 2019 to 0.19 times for the year ending 30 September 2020 mainly due to the Company repaying its long term loan prior to the due date and increase in the shareholders' equity from funding by IPO.

5.5 Risk Factors That May Affect the Company's Profit

5.5.1 Business Operation Risk

1) Risk from the fluctuation of raw material price, namely nature rubber latex and nitrile latex. The fluctuation in the price of the main raw materials of the Company may affect the cost of the Company's raw materials and necessity to use working capital of the Company materially increase, and the Company and its subsidiaries may not immediately adjust its price of products sold or other commercial terms with the Company's and its subsidiaries' customers. However, the Company has a risk management policy such as purchase of natural rubber latex method by basing its price to the change of price of the market indices and stipulating the method of product price that the Company sells to its customers to be consistent with the real cost of raw materials in the production of products to make it close to the period of delivering the product etc.

2) Risk of inability to procure main raw materials of sufficient quality and consistently. In this regard, the Company has entered into a sales purchase agreement for natural rubber latex with STA group. The sales purchase agreement for natural rubber latex stipulates that the STA group has the duty to procure natural rubber latex of the quality under the Company's requirement. Furthermore, the Company has experience and expertise in

operating business as well as long and good relationship with several producers and suppliers of important raw materials. The Company is prepared to procure natural rubber latex and nitrile latex from other suppliers as an option of the Company in the case that the existing Company's producer and supplier of natural rubber latex and nitrile latex cannot sufficiently and consistently procure natural rubber latex and nitrile latex of the standard stipulated for the Company.

3) Risk of the Company's business having high competition, including the competition of producers and distributors of the same product category, and producers and distributors of substitutable products.

4) Risk from reliability of STA which is the major shareholder of the Company in procuring natural rubber latex and woodchip which are the main raw materials of the Company and other services to the Company. However, the Company is able to procure natural rubber latex from other producers in the nearby area or other parts of Thailand. Currently, there are many producers in the area near the Company's production factory which has production capacity that can support the requirement of the Company. Furthermore, for other services from the STA group, the Company has consistently developed its own personnel to have understanding of the process to procure raw materials and other services from STA. The Company has consistently tasked the procurement department to follow and find other supplier or service providers in the same market. In this regard, the Company can accommodate events that may cause the STA group to be unable to supply or provide services to the Company as required.

5) Risk from procuring public utilities in the production process of the Company or material increase in the price of public utilities.

6) Risk from Company's agents and dealers no longer distributing the Company's products and the Company cannot find other alternative agent and dealers.

7) Risk of the debtor defaulting.

8) Risk from the Company's insurance not providing enough coverage.

9) Risk from operating the Company if the business of the Company or the business of the raw material supplier to the Company has business disruption due to external factors out of the Company's or the raw material supplier's control, the business of the Company and the raw material supplier will be effected which will result in materially negative impact.

10) Risk from the disruption of technological system and other systems of the Company and subsidiaries used in general operations, due to external factors out of the Company's and the subsidiaries' control.

11) Risk of not being able to perform in accordance with the conditions of the different licenses, including acting in accordance with the law and the relevant regulations.

12) Risk of having trade benefits and government enhancement policies in foreign countries reduced or revoked.

13) Risk from acting in accordance with the environmental and safety laws.

14) Risk from the law and regulations relating to anti-trust, including the new anti-trust law in Thailand.

15) Risk from the spread of contagious diseases, fear of the spread or other serious public health issues.

5.5.2 Management Risk

- 1) Risk in the Company having a major shareholder holding more than half of the shares which has the power to control the business and may have benefits that differs from the Company's benefits.
- 2) Risk from relying on main management and skilled employees.
- 3) Risk from the Company's ability to procure necessary labor to operate the Company.

5.5.3 Financial Risks

- 1) Risk from Company's ability to pay dividend.
- 2) Risk from the obligations arising from the liability in the loan borrowed from financial institutions and the fluctuations in the interest rate.
- 3) Risk in the fluctuation of foreign exchange rate.

5.5.4 Risk in Investment of New

- 1) Risk in the change in policy or revocation of policies in investment promotion for rubber business from the government
- 2) Risk in the return of investment not being in accordance with the forecast and/or the Company loses investment opportunity

5.5.5 Risk Relating to Ordinary Shares of the Company

- 1) Risk from the foreign shareholding restrictions which may result restriction in the ability of the investor to transfer the Company's share and affect the liquidity and market price of the Company's shares

5.5 Current Financial Projections

-None-

5.6 Other information that may materially affect the decision of investors

-None-

6. Opinion of the Board of Directors of the Company regarding liquidity sufficiency

The Board of Directors of the Company opines that it will use the Company's internal cash flow in payment for compensation of entering into transactions to purchase shares from PSE and the Company uses its cash received from the initial public offering (IPO) to use as compensation for the transaction to purchase PS shares, transaction to purchase land with building from ANV and transaction to purchase land with building from STA. On 30 September 2020, the Company has total cash remaining at the amount of THB 16,295 million, therefore, the payment of the transactions will not affect the liquidity and cash flow of the Company as the Company has sufficient cash and cash flow from its operations.

7. Ongoing Litigation or Material Claims

-None-

8. Benefits or related transactions including related transactions with the Company and the directors, management and shareholders, both direct and indirect, holding 10 percent or more of shareholding

The Company and subsidiaries entered into connected transactions with persons with conflicting interest for the period of 9 months ending 30 September 2020 and the period ending 31 December 2019, can be summarized as follows:

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
Sri Trang Agro- Industry PCL	Major shareholder of the Company and having the same directors	Company Revenue from sales of gloves	1,175.05	1,183.52	<p>The Company sold gloves to Sri Trang Agro-Industry PCL to distribute to certain foreign customers as Sri Trang Agro-Industry PCL is a licensed product seller in certain countries. All sales were transacted through purchase orders. The price of the sales of the gloves was the cost of the Company plus the appropriate profit, considered from the increase/decrease in the main raw material, cost of production, exchange rate, gloves situation in the global market. The price for the sales of gloves was set monthly. In this regards, the aforementioned sales price was the price considered with the appropriate profit that Sri Trang Agro-Industry PCL deserves for the business operation of distributing latex gloves.</p> <p>The Company is currently applying for license to sell gloves in such countries. Thus it was necessary to sell the latex gloves through Sri Trang Agro-Industry PCL until the license is granted. Further, Sri Trang Agro-Industry PCL had participated in the bidding to domestic and international distribution of gloves to the government sector and public sector which results in restriction in changing the name of the gloves seller. In addition, currently, the accounting system and the</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					inventory control system is not sufficient and appropriate to support distribution of retail customers domestically. The Company is in the process of installing SAP system to support the distribution of latex gloves to domestic retail customers. The Company is therefore required to sell gloves to domestic customers through Sri Trang Agro-Industry PCL until the SAP system is completely installed. In this regards, the Company expects that it can transfer the all of the sales of gloves from Sri Trang Agro Industry PCL to the Company by the end of 2020 to the beginning of 2021.
		Rental income received	3.99	2.99	The Company had arranged for an agreement with Sri Trang Agro-Industry PCL to lease the warehouse to store goods, the usable areas of 2,772 square meters located at no 209/2 Moo 2, Praeksa Sub-District, Mueng District, Samut Prakarn Province for Sri Trang Agro-Industry PCL to use as an area to store the gloves for distribution to domestic customers. The lease period is 1 year, starting from 1 February 2020 until 31 January 2021. The rent is THB 120 per square meter per month, calculated rent as THB 332,640 which is the rate equivalent to that collected by Denchai Pak Nahm Limited Partnership which is the original lessor to Sri Trang Agro-Industry PCL prior to the Company purchasing the aforementioned land and building from Denchai Pak Nahm Limited Partnership on 31 January 2018.
		Other services income		4.50	The Company had income from collection of marketing services from Sri Trang Agro-Industry PCL by reference from the Company's shareholders' meeting no. 9/2019 on 21 November 2019. The meeting

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					had a resolution acknowledging the Sri Trang Agro-Industry PCL's board of directors' meeting no 7/2019 re: guideline on the separation of the scope of business between Sri Trang Agro-Industry PCL and the Company. The income of the aforementioned services was calculated from the expenses relating to the sales of the Company's marketing staffs, by calculating the sales proportion between Sri Trang Agro-Industry PCL and the Company and began the calculations of services from the start of January 2020, which was the rate the Company considers to be appropriate and reflects the cost and the actual volume of sales proportion.
		Sales of factory materials	0.10	0.09	The Company had revenue from selling fuel to Sri Trang Agro-Industry PCL, Trang branch, which is used with forklifts used in the Rubberland Products Co., Ltd. area. As the Company had to use such raw materials in large quantities, it can purchase it in discounted price whilst Sri Trang Agro-Industry PCL uses such raw materials in small quantities, the Company thus sold such raw material to Sri Trang Agro-Industry PCL to efficiently reduce cost in the purchase order of fuels for the group of companies. The fuel price was referenced from the fuel price at the date of sale and reflects the appropriate related costs and profit.
		Trade receivables	106.35	264.35	The trade receivables resulting from the aforesaid transactions.
		Other receivables	0.38	1.95	Other receivables arising from the aforementioned transactions.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Advance payment	0.01	-	The Company made advance payment to the staffs working for Sri Trang Agro-Industry PCL and had collected the money after the work was completed.
		Concentrated latex purchase	1,783.55	2,125.86	<p>The Company purchased latex concentrate from Sri Trang Agro-Industry PCL and its subsidiaries which Sri Trang Agro-Industry PCL and its subsidiaries is the producer of such concentrate latex that can be produced at the specific quality according to the needs of the Company and the concentrate latex can be delivered in the volume and quality to the Company in accordance to the stipulated criteria.</p> <p>Furthermore, on 28 June 2019, the Company entered into a latex purchase agreement with Sri Trang Agro-Industry PCL and its subsidiaries with the price condition according to the market price and other factors namely the logistics cost, CESS and exchange rate.</p>
		IT Service Fee and Maintenance of SAP system	16.65	7.76	The Company used services relating to IT services and maintenance of SAP system from Sri Trang Agro-Industry PCL, namely computer lease fee, hardware services fee, software services fee etc. As Sri Trang Agro-Industry PCL had equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of communications can be compared with other service providers such as notebook lease that has a monthly service fee per notebook compared with the other service providers in charging the same fee, and the hardware service fee, examination fee, equipment repairmen fee, the service fee charged per machinery per month can be compared with other service providers that provides

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.
		Office Administrative Fee	11.27	19.08	The Company paid office administrative service fee and service fee to Sri Trang Agro-Industry PCL which covers the service for the server room, office area, warehouse area, legal, insurance, finance, human resource, branding and Corporate Social Responsibility. The calculations for the aforementioned service fees was a monthly basis, In this regards, the Company and Sri Trang Agro-Industry PCL had reviewed all the aforementioned services and agreed on the new service fee to reflect the appropriate and reasonable work and services in May 2020. In this regards, the policy has been stipulated to annual review of the price. The aforementioned rate was the rate that the Company considers to be reasonable if compared with procuring the staffs in such works or procuring such area, including performing the service work by itself.
		Factory material cost	10.76	5.70	Sri Trang Agro-Industry PCL, Kanchanadit branch, sold ammonia to the Company's Surat Thani branch as Sri Trang Agro-Industry PCL, Kanchanadit branch, regularly orders a large amount of ammonia to be used in the production of concentrate latex. In this regard, for to save costs for the size and to increase the price bargaining power and to save cost in purchase order of ammonia which is one of the chemicals used in producing latex gloves and for the efficient management of inventories of the group company. It has been

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					considered that it is reasonable if compared to the requirement to purchase and procure staffs for such works by itself.
		Weighing service fee	0.84	0.63	The Company, Surat Thani branch paid weighing service fee to Sri Trang Agro-Industry PCL as the Company does not have the equipment to weigh the truck carrying all types of goods that is imported and exported from the factory such as concentrate latex ingredients, chemicals, logs, and finished products etc. The service fee was fixed as a monthly service fee. The rate was the rate that the Company considers to be reasonable if compared to procuring equipment, maintenance and procuring staffs in such sector, including its own area.
		Other service fees – tank rental fees	18.01	15.24	The Company, Surat Thani branch paid for the service fee for the lease of latex tank from Sri Trang Agro-Industry PCL, Kachanadit branch to store nitrile latex in producing nitrile latex gloves by calculating the tank service fee at a monthly rate per tank. The service fee for tank lease also covered the related service, namely to load and offload latex, including the cleaning maintenance of the tank. The rate was compared to the market price of the tank of similar size or altered to be similar.
		Accrued expenses		2.59	The accrued communications service and maintenance of SAP system from the aforesaid transactions.
		Trade payables	175.77	269.28	Trade payables that resulting from the aforesaid expenses.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Other payables	0.04	0.00	Advance payment of Sri Trang Agro-Industry PCL staffs for performing the work for the Company which the expenses had been collected after the work was completed.
		Investment	1 USD = 30.82 Baht		The Company purchased 100% shares in Sri Trang USA, Inc. from Sri Trang Agro-Industry PCL for the restructuring of the group of company in arranging the gloves business to be under the shareholding of the Company. The purchase price of the share at USD 1 is the price that the purchaser and seller has agreed on by considering the book value price and fair market value of Sri Trang USA, Inc. that is considered together by the working committee of both the purchaser and seller.
Sri Trang Agro- Industry PCL	Major shareholder of the Company and having the same directors	Sri Trang USA, Inc. (Subsidiary of the Company)		After restructuring of the Company by the Company purchasing 100 % shares in Sri Trang USA, Inc. from Sri Trang Agro-Industry PCL on 30 September 2019 (the transaction between 1 October 2019 – 31 December 2019 and 1 January 2020 – 30 September 2020)	
		Accrued payments	0.00		Sri Trang Agro-Industry PCL collected telephone fee of the staffs in Sri Trang USA, Inc. that worked in Thailand, the collection will occur after the work was completed, the rate collected was the actual rate of the telephone service fee.
		IT Service Fee and Maintenance of SAP system	0.39	1.17	Sri Trang Agro-Industry PCL provided IT service and maintenance of SAP system to Sri Trang USA, Inc., namely License SAP, Server SAP, Maintenance License SAP etc. As Sri Trang Agro-Industry PCL has the equipment and personnel that was ready to perform such

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					services. The rate of the services was as stipulated by the type of communications which can be compared with other service providers that provides the service in a similar manner but may differ in the details of the area and type of equipment used in the service.
		Other service fees	0.04		Sri Trang Agro-Industry PCL collected the service in hosting the annual meeting 2019 with Sri Trang USA, Inc., the rate collected was the actual rate that occurred.
		Other payables	0.04		The transactions of other payables was the transaction that the fee in issuing new guarantee from Kasikorn Thai Bank and telephone fees of Sri Trang USA, Inc. staffs that worked in Thailand. Sri Trang Agro-Industry PCL had advanced the payment to Sri Trang USA, Inc. and collected the expenses afterwards.
Sri Trang Agro-Industry PCL	Major shareholder of the Company and having the same directors	Shi Dong Shanghai Medical Equipment Company Limited (Subsidiary of the Company)			After restructuring of the Company by the Company purchasing 100 shares in Shi Dong Shanghai Medical Equipment Company Limited from Sri Trang Agro-Industry PCL on 28 June 2019 (the transaction between 1 July 2019 – 31 December 2019 and 1 January 2020 – 30 September 2020)
		Other trade payables	0.01		Sri Trang Agro-Industry PCL made advance payment to the staffs that worked for Shi Dong Shanghai Medical Equipment Company Limited and collected the expenses after the work was completed.
Rubberland Products Co., Ltd.	Juristic person that the major shareholder has control over and	Company			
		Revenue from the sales of factory materials	0.23	0.14	The Company had revenue from selling fuel to Rubberland Products Co., Ltd. as the Company had to use a large quantity of such raw materials so it can purchase at a discounted price whilist

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
	has the same directors				Rubberland Products Co., Ltd. used the product at a small amount. The Company sold part of the raw material to Rubberland Products Co., Ltd. to efficiently reduce the cost of purchase order of fuel for the group company. The price of fuel was referenced from the price of oil on the transaction date, reflecting the related cost and appropriate profit and price of the chemical reflects the related cost and appropriate profits.
		Other trade receivables	0.01	0.01	Trade receivables resulting from the aforesaid expenses.
		Advanced payment	0.02	0.02	The Company made advance payment to the staffs working for Rubberland Products Co., Ltd. and collected the expenses after the work was completed.
		Concentrated latex purchase	420.97	457.36	<p>The Company purchased latex concentrate from Rubberland Products Co., Ltd. which Sri Trang Agro-Industry PCL and subsidiaries of Sri Trang Agro-Industry PCL is the producer of the latex concentrate which can produce concentrate latex of the quality specific to the Company's requirement and the concentrate latex can be delivered in the quantity and quality in accordance with the stipulated criteria to Sri Trang Gloves (Thailand) Public Company Limited.</p> <p>Further, on 28 June 2019, the Company entered into a sales purchase agreement for concentrate latex with Sri Trang Agro-Industry PCL and subsidiaries of Sri Trang Agro-Industry PCL with the trade conditions that the market price and the method to fix the</p>

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					referenced market price and different factors namely transportation fees, CESS and exchange rate.
		Rental fees	4.64	3.48	The Company paid rental fee for housing building to Rubberland Products Co., Ltd. to provide accommodation for the Company's staffs as the location of the Company's factory is located next to Rubberland Products Co., Ltd. The service fee fixed by the Company to pay to Rubberland Products Co., Ltd. was the monthly fee for all types of buildings for 645 rooms. Furthermore, Rubberland Products Co., Ltd. also directly collected from the Company's staffs who rents the room at the value similar. The two rent fees combined were equivalent to the rate comparable to the rental fees of rooms in nearby area.
		Land lease fee	1.08	0.81	The Company leased land to store wood logs to be used in producing energy in production of the gloves. The total area leased was 5.42 rai, title deed no. 250477 at an annual rental rate which can be compared to the service fee for rent in the nearby area of Baan Pru Sub-District, Hat Yai District, Songkhla Province.
		Accrued expenses	1.32	1.82	The fee from the rental of latex tank that was accrued expenses from the abovementioned transactions.
Nam Hua Rubber Co., Ltd.	Juristic person that the major shareholder has control over	Company			
		Revenue from sale of factory materials		0.01	The Company had income from sale of blue plastic barrels (second hand) which was an used container to Nam Hua Rubber Co., Ltd. The sales price was comparable to the market price.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Other service fees	0.35	0.09	The Company had a need to use increased labor for a short period of time such as the period where the Company had purchase order of gloves that had more varied packaging characteristics or during the period that some of the foreign workers were required to attend matters regarding foreign labor law with various government entities resulting in the Company to not have sufficient daily labor capacity etc. Therefore, the Company hired staffs from Nam Hua Rubber Co., Ltd. on a daily basis during such period. The wage of the Company paid to Nam Hua Rubber Co., Ltd. was equivalent to the actual wage that Nam Hua Rubber Co., Ltd. paid to the staffs.
		Trade payables	0.01	23.39	The trade payables resulting from the aforesaid expenses.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
			Startech Rubber Co., Ltd.	Juristic person that the major shareholder has control over	
Anvar Parawood Co., Ltd.	Juristic person that the major shareholder has control over	Company Wood logs purchase	836.71	832.98	The Company purchased all of its wood logs from Anvar Parawood Co., Ltd. as Anvar Parawood Co., Ltd. has expertise in the business of procuring and distribution of rubber wood, with a 30 years' experience and staffs that are ready to provide such service and has the ability to procure logs in the quantity required by the Company (which there is a necessity to use a large quantity of logs to produce energy to produce latex gloves). The transactions was done through a purchase order. The value of the log price was the purchase price of Anvar Parawood Co., Ltd. at the date of the transaction, together with the operational costs which the Company considers and finds to be appropriate if compared to the Company having to proceed by itself which will result in increased additional cost of the sector, as well as the ability to procure and collect logs by the Company which

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					is currently not in the capacity to procure sufficient amount of logs to use for the overall use by the Company. In this regards, on 2 September 2019, the Company entered into a long term sales and purchase agreement for logs with Anvar Parawood Co., Ltd. by determining the price of the logs sold at the cost of Anvar Parawood Co., Ltd. plus the operating fee of Anvar Parawood Co., Ltd.
		Pallet fee	0.37		The Company purchased pallet to be used as part of the container to be sent with the products as required by the customers from Anvar Parawood Co., Ltd, who operates the business of distributing rubber wood and palette, as well as having the staffs available to provide such services. The rate of the price of palette sold was comparable to the market price.
		Other service fees	0.00		The Company used pallet wood repair services from Anvar Parawood Co., Ltd. which operates the business of distributing rubber wood and pallet, as well as having the staffs available to provide such services. The rate of the service fee that Anvar Parawood Co., Ltd. collects was the collection of the actual cost of labor and material that occurred which post sales services.
		Other expenses		1.81	The Company purchased factory license (ror.ngor.4) issued by the Ministry of Industry for the production of chopped wood from rubber wood and the 13 types of wood that was specifically planted, and license to establish a wood processing factory by using machineries to produce chopped woods from rubber wood and the 13 types of wood that was specifically planted to distribute to Anvar

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					Parawood Co., Ltd. The collected expense fees was the price agreed in the wood processing factory sales and purchase agreement dated 12 May 2020 which the seller is the factory license holder (ror.ngor 4) and the license to establish wood processing factory by using machinery at Nor.Sor.3 No. 2073 Kanchanawich Road, Pawang Sub-District, Hat Yai District, Songkhla Province. The purchaser is the producer of gloves and uses woodchip as fuel to produce heat energy in the production process and the purchaser has the intention to own the chopped wood factory and hold rights over the license to produce the relevant chopped wood, it was considered that such transaction is required under the law to be in line with the business operations of the Company and the value was reasonable as it was a transaction calculated from actual cost in obtaining such license of Anvar Parawood Co., Ltd.
		Advance payment		10.00	The advance payment made for the transactions that occurred due from the abovementioned transaction to support the increased production capacity which has effect beginning from January 2020 onwards.
		Pallet fee	0.37		The Company purchased pallet to be used as part of the container to be sent with the products as required by the customers from Anvar Parawood Co., Ltd, who operates the business of distributing rubber wood and palette, as well as having the staffs available to provide such services. The rate of the price of palette sold was comparable to the market price

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
Starlight Express Transport Co., Ltd.	Juristic person that the major shareholder has control over and has the same directors	Company			
		Transportation fee	61.87	58.22	Starlight Express Transport Co., Ltd. provided transport services to the Company as Starlight Express Transport Co., Ltd. operates transportation services and import and export document arrangement services, and has equipment and personnel available to provide the aforementioned services and has more than 20 years' experience in the business. The service was through purchase order and the rate of service fee was determined by the market price and adjusted according to the change in the oil price at different periods.
		Import and export document arrangement service fee	7.08	7.50	Starlight Express Transport Co., Ltd. provided import and export document arrangement services to Sri Trang Gloves (Thailand) Public Company Limited as Starlight Express Transport Co., Ltd. has more than 20 years' experience in the business of arranging import and export documents service, and has the expertise and personnel available to provide such services. The service was provided through purchase order and the fee rate of the import and export of documents was per set of documents which was the rate comparable to the market price for the same characteristics of business.
		Other service fees	21.92	7.40	Starlight Express Transport Co., Ltd. provided transport services to the Company as Starlight Express Transport Co., Ltd. has expertise and personnel available to provide such service. The service was provided through purchase order by calculating the trailer service fee in the time surplus of the free time per day per trailer which was a

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					comparable market price of the car that provides overnight parking services. The Company paid transport service fee and management of car pool fee with Starlight Express Transport Co., Ltd. as Starlight Express Transport Co., Ltd. has expertise and personnel available for the aforementioned services and has the capability to support the goods to be couriered to the to meet the demand of the customers when compared with the increase in the volume of exports from the expansion of the organization and thus was considered as a service rate that was reasonable.
		Trade payables	9.83	8.34	Trade payables resulting from the aforesaid expenses.
		Other payables	0.32	0.35	Payables resulting from the aforesaid expenses.
		Accrued expenses	0.79	1.68	Accrued transport expenses resulting from the aforesaid transactions.
Premium System Engineering Co., Ltd.	Juristic person that the major shareholder has control over and has the same directors	Company			
		Revenue from the sale of factory materials	6.08	4.75	The Company had revenue from the sale of chemicals, fuels and former cleaning equipment to Premium System Engineering Co., Ltd. who is the machinery cleaner service provider of the Company. In this regards, as the Company regularly had a high purchase order of chemicals and equipment whilst Premium System Engineering Co., Ltd. has a minimal use of the aforementioned raw materials and equipment. In order to save costs in the purchase order of chemicals, equipment and sufficiently manage the inventory of the group

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					company, the Company sold parts of its raw materials and equipment to Premium System Engineering Co., Ltd. at the average cost price of the Company.
		Other service income		0.02	The Company collected internet service fee from Premium System Engineering Co., Ltd. due to the use of such service by the staffs. The rate was same rate that TOT Public Company Limited collects from the Company.
		Other receivables	0.51	0.44	Other receivables resulting from the aforesaid income.
		Production and installation of machinery	847.08	434.34	The Company had hired Premium System Engineering Co., Ltd. to design, produce and install as it has long term expertise in designing, producing, installing and maintaining machineries and for production of latex gloves for the Company. An agreement was entered into for each separate project that was outsourced. Additionally, the production and installation of machineries in gloves production is considered to be trade secret technology that the Company does not wish for outside parties to have knowledge of such production technology, the aforementioned rate was in line with that of the service providers in the same category.
		Purchase of equipment parts	154.15	99.35	The Company purchased equipment parts from Premium System Engineering Co., Ltd. such as motor, pump, valve, electrical equipment etc. Premium System Engineering Co., Ltd. has expertise in procuring machineries and equipment to produce gloves for group companies and has a higher purchase order volume as well as having a purchase order of equipment parts that is similar to that of Sri Trang

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					group companies. In this regards, the aforementioned rate was comparable to the market price.
		Maintenance service fee	595.51	128.31	The Company made payment for the maintenance service fee to Premium System Engineering Co., Ltd. who has a long term expertise in designing, installation and maintenance of machineries and equipment for the production of gloves for the Company. The service was through purchase orders, in addition the repair maintenance of the machineries used for glove production is considered to be access to trade secret technology that the Company does not wish for outside parties to have knowledge of. Furthermore, the hiring of Premium System Engineering Co., Ltd. means that the Company does not have to procure its own staffs which would increase the burden in personnel expenses. In this regard, the rate of service fee can be comparable to that of the market price.
		Cleaning service fee	81.07	79.03	The Company made cleaning service fee payment to Premium System Engineering Co., Ltd. as Premium System Engineering Co., Ltd. has expertise and knowledge in equipment and machineries in glove production. The service is provided through purchase order. Additionally, the cleaning of glove production machinery is considered to be access to trade secret technology which Sri Trang Gloves (Thailand) Public Company Limited does not intend for the outside persons to have access to. The rate of the service fee was comparable to that of the market price.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Calibrate fee	4.67	4.91	The Company made payment for the calibrate fee of various machineries to Premium System Engineering Co., Ltd. The service was provided through purchase order. As Premium System Engineering Co., Ltd. received the ISO IEC17025 certification for the calibration standard and has equipment and personnel available to provide service that is accessible in case of an emergency. The rate of the service fee was stipulated in accordance with the type of equipment which the rate of service fee was comparable to the market price of other calibrations of other outsiders.
		Other service fee	0.20	0.24	The Company made payment for equipment transportation service fee and asset certification service fee for crane, lift to Premium System Engineering Co., Ltd. as indicated in the purchase orders, the service was provided on a case by case basis.
		Factory material expenses	0.20	1.00	The Company purchases control valve saw dust and miscellaneous equipment such as nets, shelves etc. from Premium System Engineering Co., Ltd. The purchase price was comparable to the market price.
		Other expenses	0.08	0.02	The Company made payment to Premium System Engineering Co., Ltd. Premium System Engineering Co., Ltd. for the service fee in using the place to host training to sufficiently reduce the training cost of the group company. The service fee was collected at the average cost price was Premium System Engineering Co., Ltd. The aforementioned price is comparable to that of the service fee in procuring a training place.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Trade payables	118.54	39.10	The trade payables resulting from the aforesaid expenses.
		Other payables	0.00	0.00	The payables resulting from the aforesaid expenses.
Thai Kong Public Company Limited	Dr. Vivayood Sinchareonkul is the major shareholder and director	Company			<u>Prior to merger of the companies (transaction during 16 August 2018 – 31 March 2019)</u>
		Revenue from sale of factory material	0.34		The Company distributed gloves packaging and chemicals to Thai Kong Public Company Limited to package latex gloves. In the case that the latex gloves package was damaged during the transport or during the customer's storage and to be used in production process. The purchase price was the cost price of the Company plus the related operating expenses and appropriate profit.
		Glove purchase	76.82		The Company purchased latex gloves from Thai Kong Public Company Limited, which was one of the gloves producer that has the ability to produce the product that has specific quality as required by the Company's customers. This reduced the risk in procuring the product. All the purchases were done under the latex gloves sales purchase agreement with the purchase price in accordance with the EX Factory conditions and it was comparable to the price of similar products that the Company sells at the same time.
		Trade payables	17.10		Trade payables resulting from the aforesaid expenses.
Sadao P.S. Rubber Co., Ltd.	Juristic person that the major shareholder has control over	Company			
		Other expenses	0.11	1.16	The Company had a need to use increased labor for a short period of time such as the period where the Company has purchase order of latex gloves that has more varied packaging characteristics and during the period that some of the foreign workers are required

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					to attend matters regarding foreign labor law with various government entities resulting in the Company to not have sufficient daily labor capacity etc. Therefore, the Company hired staffs from Sadao P.S. Rubber Co., Ltd. on a daily basis during such period. The wage of the Company paid to Sadao P.S. Rubber Co., Ltd. was equivalent to the actual wage that Sadao P.S. Rubber Co., Ltd. paid to the staffs.
Sri Trang International Pte Ltd.	Juristic person that the major shareholder has control over and has the same directors	Company			
		Revenue from sales of gloves	236.03		The Company sold gloves to Sri Trang International Pte. Ltd to distribute to certain customers through purchase orders. The gloves price sold was the cost price of the Company plus the appropriate profit, considered by the change in price of the main raw material which is latex concentrate, production cost, exchange rate and global market situation of latex gloves. In setting the purchase price of latex gloves such price was set monthly. In this regard, the purchase price had taken in consideration the profit that Sri Trang International Pte.Ltd will suitably receive as the latex gloves distributor. The Company did not have any plans to bring Sri Trang International Pte.Ltd under the Company as Sri Trang International Pte.Ltd mainly operates the business of distributing natural rubber products. On 31 December 2019, the Company was able to completely transfer the sales of gloves from Sri Trang International Pte.Ltd to the Company.
		Revenue from the sales of factory materials	0.14		The Company sold latex gloves packaging container to Sri Trang International Pte.Ltd to be used in packaging gloves. In the case that the latex gloves packaging container was damaged during

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					transportation or storage by the customer. The purchase price was the cost price of the Company plus the related operating cost and appropriate profit.
		Other payables		0.23	The advanced payment for foreign CSR activities of the Company that Sri Trang International Pte.Ltd had paid for and has collected such expenses from the Company afterwards.
Sri Trang USA, Inc.	Juristic person that the major shareholder has control over and has the same directors	Company			Prior to restructuring of the Company (transactions during 1 January 2018 – 30 September 2019)
		Income from sales of gloves	237.86		The Company sold gloves to Sri Trang USA, Inc. to distribute to customers in the United States of America which was all done through sale through purchase orders. The gloves price sold was the cost price of the Company plus the appropriate profit, considered by the change in price of the main raw material which is concentrate latex, production cost, exchange rate and global market situation of gloves. In setting the purchase price of gloves such price was set monthly. In this regard, the purchase price had taken in consideration the profit that Sri Trang USA, Inc. suitably receive as the latex gloves distributor. In this regards, the Company purchased 100 % shares in Sri Trang USA, Inc. from Sri Trang Agro-Industry PCL to restructure the group company for the latex gloves business to be under the shareholding of the Company on 30 September 2019.
		Trade receivables	97.72		Trade receivables resulting from the aforesaid expenses.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
			Shi Dong Shanghai	Juristic person that the major shareholder has control over	
Shi Dong Shanghai	Juristic person that the major shareholder has control over and has the same director	Shi Dong Shanghai Medical Equipment Company Limited (subsidiary of the Company) Office Service Expenses	2.26	4.37	After the restructuring of the Company, it acquired 100% shares of Shi Dong Shanghai Medical Equipment Company Limited from the group of companies of Sri Trang Agro-Industry Public Company Limited on 28 June 2019 (transactions during 1 July 2019 to 31 December 2019 and on 1 January 2020 to 30 September 2020). Shi Dong Shanghai Medical Equipment Company Limited paid for the office service expenses to Shi Dong Shanghai, which provide human resource management service, accounting service, and branding service. The rates for such services were as agreed upon on 15 September 2019 and set out for a reconsideration every year, as set out in the terms of the contract, rates which Shi Dong Shanghai Medical Equipment Company Limited had considered and deemed to be appropriate when comparing with the efforts to find employees for such services or finding the location or carry out such service themselves.
		Other trade payables	1.70	-	Other trade payables resulting from the aforesaid expenses.
		The Company			

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
			Sri Trang Indochina (Vietnam) Company Limited	A juristic person with a controlling power by a major shareholder	
		Trade receivables	0.91	15.47	Trade receivables from the aforesaid sales.
		Commission fees	0.23	0.40	Sri Trang Gloves (Thailand) Public Company Limited paid for commission fees for contacting customers and coordinating the sale of gloves to Sri Trang Indochina (Vietnam) Company Limited in accordance with the quantity sold at the agreed upon rates, comparable to the commission fees that Sri Trang Gloves pays to other customers. Furthermore, Sri Trang Gloves (Thailand) Public

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					Company Limited had set a policy its commission fees, announced on 7 February 2020.
		Trade payables	0.12	0.26	Trade payables from the aforesaid costs and expenses.
Shi Dong Shanghai Medical Equipment Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	The Company			Prior to the restructuring of the Company (Transactions between 1 January 2018 to 30 June 2019)
		Revenue from selling latex gloves.	410.96		The Company sold gloves to Shi Dong Shanghai Medical Equipment Company Limited for distribution to the customers in China by a way of purchase orders. The gloves were all sold at the cost price of the Company and add profit appropriate profit rates by considering on the availability of the essential material that is the concentrated latex, costs of production, exchange rates, and the market situation of the latex gloves in the world market. The price of the gloves was set on a monthly basis. Furthermore, such sale price has considered on the profit ration that Shi Dong Shanghai Medical Equipment Company Limited received was at an appropriate rates of gloves manufacturer business model.
		Trade receivables	283.44		Trade receivables from the aforesaid revenue.
Semperflex Asia Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	The Company			
		Revenue from sale of factory material	1.08	0.61	The Company sold chemical and fuel to Semperflex Asia Company Limited since the Company order those material in a big lot while Semperflex Asia Company Limited consumes those material in small amounts. To save cost of those materials and to enhance inventory management of the Group, the Company therefore sells

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					chemical and fuel by referring to fuel price as at trading day in order to reflect related costs and generate proper profit of the Company.
		Other service income	6.98	3.71	The Company sold steam to Semperflex Asia Company Limited since Semperflex Asia Company Limited does not have a machine which product steam. The steam price was reference from the suitable related costs and profit of the Company.
		Other trade receivables	0.37	0.48	Other trade receivables from the aforesaid revenue.
		Other expenses	0.06		The Company purchased hydraulic hoses from Semperflex Asia Company Limited via purchase orders to maintain and repair machinery. The hydraulic hoses price was reference from the market price.
Sri Trang IBC Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	The Company			
		IT Service Fee and Maintenance of SAP system	7.24	31.97	The Company used services relating to communications and maintenance of SAP system from Sri Trang IBC Company Limited, namely computer lease fee, hardware services fee, software services fee etc. As Sri Trang IBC Company Limited has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of communications can be compared with other service providers such as notebook lease that has a monthly service fee per notebook compared with the other service providers in charging the same fee, and the hardware service fee, examination fee, equipment repairmen fee, the service fee charged per machinery per month can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
		Service Fees		10.98	The Company paid for service fees to Sri Trang IBC Company Limited, which was expenses for the services of 2 personnel under the secondment agreement to the Company and the marketing team and product research and development. It includes the setting of goal, vision and strategy in marketing and product research and development to be in line with the business objective of the Company. If taking into consideration of the knowledge, capabilities, experiences and qualities, the aforesaid service fees were suitable.
		Trade payables	1.86	6.91	Trade payables from the aforesaid expenses.
		Accrued expenses	2.23		Unpaid expenses for the aforesaid services relating to IT and maintenance of SAP system.
		Other payables	0.01	0.01	Advanced payments to the employees of Sri Trang IBC Company Limited for carrying out their work, which collected after such work was completed.
Sri Trang IBC Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	Sri Trang USA, Inc. (A subsidiary of the Company)			After the restructuring of the Company, it acquires 100% shares of Sri Trang USA, Inc., from Sri Trang Agro-Industry Public Company Limited on 30 September 2019 (transactions between 1 October 2019 to 31 December 2019 and on 1 January 2020 to 30 September 2020).
		IT Service Fee and Maintenance of SAP system	0.03	0.10	Sri Trang USA, Inc. used services relating to the maintenance of SAP system from Sri Trang IBC Company Limited, as Sri Trang IBC Company Limited has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of communications can be compared with other service providers that

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
					provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.
		Accrued expenses	0.00		Accrued expenses for the aforesaid services.
		Trade payables	0.01	0.01	Trade payables from the aforesaid expenses.
Sri Trang IBC Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	Shi Dong Shanghai Medical Equipment Company Limited (A subsidiary of the Company)			After the restructuring of the Company, it acquires 100% shares of Shi Dong Shanghai Medical Equipment Company Limited on 28 June 2019 (transactions between 1 July 2019 to 31 December 2019 and on 1 January 2020 to 30 September 2020).
		IT Service Fee and Maintenance of SAP system		0.08	Shi Dong Shanghai Medical Equipment Company Limited used services relating to the maintenance of SAP system from Sri Trang IBC Company Limited, as Sri Trang IBC Company Limited has equipment and staffs that are ready to perform the aforementioned services. The service fee according to type of communications can be compared with other service providers that provides service in similar characteristics which may differ in detail of the space, type and equipment used to provide the service.
		Trade payables		0.08	Trade payables from the aforesaid expenses.
Sri Trang Rubber & Plantation Company Limited	A juristic person with a controlling power by a major shareholder and joint directors	The Company			
		Other services income		0.10	The Company had income from the sale of obsolete second-hand blue buckets to Sri Trang Rubber & Plantation Company Limited, the price was comparable to the market price.
		Advance payment	0.00		The Company made advance payment for the employees who carried out work for Sri Trang Rubber & Plantation Company Limited, which shall be collected after the work is completed.

Ordinary Person / Juristic Person that may have conflicting interest	Relationship	Characteristics of the Connected Transactions	Value of the transaction in the consolidated financial statements (THB Million)		Necessity / Reasons for the Transaction
			Jan – Dec 2019	Jan – Sep 2020	
Alek-Tech Engineering Company Limited	The juristic person's director is a spouse of an executive, Mrs. Oralak Nakin, who is the finance and account manager	The Company			
		Equipment and spare parts expenses	0.00		The Company purchased smoke detectors from Alek-Tech Engineering Company Limited, in which the proposal and the price of the purchase went through the price comparison process from the procurement team, comparable with the market price.
		Maintenance service expenses	0.00		The Company paid for the repair of fiber optic service to Alek-Tech Engineering Company Limited, in which the proposal and the price went through the price comparison process from the procurement team, comparable with the market price.
Provincial Electricity Authority	A juristic person in which a director, Prof.Dr. Weerakorn Ongsakul, is also a director there.	The Company			
		High voltage system installation expenses	10.63	2.69	The Company paid for the installation of high voltage system to the Provincial Electricity Authority to expand on the electricity distribution area to be utilized in the production of products, at the same rate that the Provincial Electricity Authority collect from other operators.
		Electricity expenses	617.43	460.68	The Company paid for electricity to the Provincial Electricity Authority, used in the production process and business operation of the Company at the same rate that the Provincial Electricity Authority collect from other operators.
		Electricity system repair expenses	0.03	0.06	The Company paid for the services in the detection of hot spots or electrical fault spots, at the same rate that the Provincial Electricity Authority collect from other operators.

9. Summary of Significant Contracts During the Last 2 years

9.1 Concentrated Latex Sale and Purchase Contract (included the amendment in the Revised Agreement dated 31 January 2020)

Counterparties	(1) The Company (The Purchaser) (2) STA (3) RBL (4) NHR (The Seller)
Execution Date	28 June 2019
Amendment Date	31 January 2020 (Effective from 1 February 2020)
Effective Period	The contract is effective for a period of 3 years from the execution date and upon the end of the effective period of 3 years, this contract shall be automatically renewed for a period of 1 year, which shall continue at the end of every effective period unless terminated by one of the counterparties, or terminated by the conditions of the contract.
Sale and Purchase Price	- The counterparties agreed to set the price of the concentrated latex with the conditions to deliver them at each of the purchaser's factories on each purchase while the price must be as calculated for the concentrated latex calculation formula. - The purchaser has the right to purchase the concentrated latex at the spot price agreed upon between the purchaser and the seller and in the quantity that the purchaser shall inform the seller in advance of at least 1 month.
Significant Rights and Duties of the Counterparties	- The purchaser agreed to purchase and the seller agreed to sell the concentrated latex with the agreed upon qualification in the concentrated latex sale contract. - The purchaser must inform in advance to the seller regarding the estimated quantity of concentrated latex that the purchaser demands every quarter and must also inform in advance on the quantity by at least 1 month. If the quantity that the purchaser input in the purchaser order exceeds the set-out percentage that the purchaser has informed 1 month in advance, then the seller is within its rights to deny the delivery of such increased amount of concentrated latex.
Termination	This contract will be terminated if: (A) the counterparties jointly agreed to terminate in writing; or (B) the counterparties use their rights to terminate the contract in the following cases: (1) If either party breached the contract and did not remedy within the period of the contract; or (2) There is an announcement of the law, regulation, rule or interpretation by a governmental agency which materially affect the contract.

9.2 Firewood Sale and Purchase Contract

Counterparties	(1) The Company (The Purchaser) (2) ANV (The Seller)
Execution Date	2 September 2019
Effective Period	The contract is effective for a period of 3 years from the execution date and upon the end of the effective period, if no parties terminate the contract, it shall be renewed for a period of 1 year.
Sale and Purchase Price	The counterparties agreed to set the sale and purchase price as the price that the seller could manage to purchase firewood from various sources, after adding the agreed upon procedure fees.
Significant Rights and Duties of Counterparties	The purchaser agreed to purchase, and the seller agreed to sell the firewood which are not prohibited under the law. The seller shall find the firewood at the quantity requested by the purchaser and deliver them to the firewood storage at each of the factories of the purchaser in Thailand.
Termination	This contract will be terminated if: (A) the counterparties jointly agreed to terminate in writing; or (B) the counterparties use their rights to terminate the contract in the following cases: (1) If either party breached the contract and did not remedy within the period of the contract; or (2) There is an announcement of the law, regulation, rule or interpretation by a governmental agency which materially affect the contract.

10. Related Person and/or Shareholders with Interest

The related persons and/or shareholders with interest in the Company's Transactions have interests and may not vote in the Extraordinary General Meeting of Shareholders No. 1/2020 in Agendas 1 - 4, which shall consider and vote on the transactions to acquire the ordinary shares and land and buildings from connected persons, details as below.

	Name of Shareholders	Amount of Shares (shares)	Proportion of Shareholding (Percent)
1.	STA	725,037,300	50.75
2.	RBL	77,663,400	5.44

	Name of Shareholders	Amount of Shares (shares)	Proportion of Shareholding (Percent)
3.	Sri Trang Holdings Company Limited	53,376,900	3.74
4.	Dr. Viyavood Sincharoenkul	69,709,200	4.88
5.	Mr. Kitichai Sincharoenkul	6,236,900	0.44
6.	Mr. Paul Sumade Lee	6,370,000	0.45
7.	Mrs. Voradi Sincharoenkul	6,270,000	0.44
8.	Mr. Veerasith Sinchareonkul	208,900	0.02
9.	Mr. Somwang Sincharoenkul	88,900	0.006
10.	Mrs. Duangjai Sincharoenkul	70,000	0.005
11.	Mr. Vitanath Sincharoenkul	70,000	0.005
12.	Ms. Vannisa Sincharoenkul	260,000	0.02
13.	Mr. Patrawut Panitkul	40,000	0.003
14.	Mr. Chaiyos Sincharoenkul	1,742,300	0.12
15.	Ms. Anusra Chittmittrapap	23,000	0.002
16.	Gen Thanasorn Pongarna	2,000	0.0001
17.	Mr. Phanlert Wangsuphadilok	607,000	0.04
18.	Mr. Udom Pruksanusak	33,000	0.002
19.	Mr. Rattapong Laparojkit	605,000	0.04
20.	Ms. Nuchanart Chaiyarat	41,500	0.003

Source: The Thailand Securities Depository Company Limited as at 6 November 2020

11. Opinions of the Board of Directors on entering into Connected Transactions which specified the rationality and benefits to the Company in comparison with entering into transactions with an independent third party

The Board of Directors (excluding directors with interests) have considered and opined that entering into this transaction is reasonable and beneficial for the Company. The Acquisition of PSE Shares will allow the Company to manage and strategize the expansion of production capacity with PSE, a company who have been in this business for a long time and expertise in design, production, installation, and maintenance of relevant latex gloves production machinery. This is better than having the Company acquire shares in other machinery companies which are third parties and do not have as much expertise in latex gloves production machinery as PSE. Moreover, the Acquisition of PS Shares, Acquisition of Land with Buildings from ANV, and Acquisition of Land with Buildings

from STA, will allow the Company to benefit from land located in Sadao District, Songkhla Province and Pathio District, Chumphon Province by constructing and operating the Company's new production factory. The aforesaid land are located in strategic location, close to source of raw materials and convenient for transportation, especially the land located in Songkhla Special Economic Development Zone which is granted the exemption of corporate income tax and more privileges from the BOI comparing to other areas. The Company has surveyed land of others located in Sadao District, Songkhla Province and Pathio District, Chumphon Province and was not able to find land of a large size and located as appropriately to construction the Company's factory as that of the property of the related party. The Board of Director has considered and opined that the said value for the sale of shares and land with buildings are reasonable. The value of the ordinary shares is the value calculated according to the method that the financial advisor had proposed and is within the range of a suitable price according to the aforementioned calculation and value of the land and buildings are comparable to the market value assessed by an independent valuator. The independent financial advisor also opined that the prices of the ordinary shares and the land and buildings are appropriate and reasonable.

12. Opinions of the Audit Committee and/or the directors of the Company which are different from the Board of Directors

-None-

13. Proxy Form, which shareholders may cast their votes, and the name of at least 1 member of the Audit Committee as a proxy of the shareholders

The member of Audit Committee who shall be the proxies of the shareholders is Prof.Dr. Weerakorn Ongsakul or Mrs. Unakorn Phruithithada. The information of the aforesaid members of Audit Committee are as Enclosure 4 in the invitation to the Extraordinary General Meeting of Shareholders No. 1/2020.

Information Memorandum of Sri Trang Gloves (Thailand) Public Company Limited

Re: Acquisition of Ordinary Shares and Land with Buildings from Related Parties

The Board of Director's Meeting No. 6/2020 of Sri Trang Gloves (Thailand) Public Company Limited (the "**Company**") which was held on 13 November 2020 at 10.00 has passed a resolution to enter into connected transactions to acquire ordinary shares and land with buildings from related parties and propose to the Extraordinary Shareholders' Meeting No. 1/2020 to be held on 25 December 2020 to consider and approve the Company entering into connected transactions regarding the purchase of ordinary shares and land with buildings from related parties, the details are as follows:

- (1) Investment in Premier System Engineering Company Limited ("**PSE**") by acquiring ordinary shares of PSE (1) in the amount of 419,996 shares, a proportion of 83.9992 percent of the total shares with voting rights of PSE from Sri Trang Agro-Industry Public Company Limited ("**STA**"), who is a major shareholder of the Company and (2) in the amount of 80,000 shares, a proportion of 16.0000 percent of the total shares with voting rights of PSE from Rubberland Products Company Limited ("**RBL**"), which is a subsidiary of STA, totaling amount of 499,996 shares at a par value of THB 100 which is in total 99.9992 percent of the total shares with voting rights of PSE. Total purchase price is THB1,120,000,000 ("**Acquisition of PSE Shares**").

The Acquisition of PSE Shares is classified as an acquisition of the Company's assets transactions under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. (2004) (including any amendment thereto) (together as "**Notification on the Acquisition or Disposal of Assets**"). The calculation size of the transaction is equivalent to 3.41 percent according to the value consideration basis on the calculation criteria of the transaction size from the Company's consolidated financial statements for the nine-month period ending 30 September 2020 which has been reviewed by a certified auditor ("**Financial Statements**").

Furthermore, the Acquisition of PSE Shares is classified as connected transactions in the category of assets and services under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions (including any amendments) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) (including any amendment thereto) (collectively, "**Notifications on Connected Transactions**") as entering into a transaction with STA, who is a major shareholder of the Company and RBL, which is a company having the same major shareholding with the Company, has a transaction size equivalent to 4.57 percent of the net tangible assets of the Company.

- (2) Investment in Sadao P.S. Rubber Company Limited (“**PS**”) by acquiring ordinary shares of PS from STA in the amount of 399,994 shares, at a par value of THB 100, a proportion of 99.9985 percent of the total shares with voting rights of PS. Total purchase price is THB 147,000,000 (“**Acquisition of PS Shares**”).

The Acquisition of PS Shares is classified as an acquisition of the Company’s assets transactions under the Notification of the Acquisition and Disposal of Assets. The calculation size of the transaction is equivalent to 0.45 percent according to the value consideration basis on the calculation criteria of the Financial Statements.

Furthermore, the Acquisition of PS Shares is classified as a connected transaction under the Notifications on the Connected Transactions as entering into a transaction with STA, who is a major shareholder of the Company, has a transaction size equivalent to 0.60 percent of the net tangible assets of the Company.

- (3) The acquisition of land with buildings from Anvar Parawood Company Limited (“**ANV**”) which is a subsidiary of STA, which STA holds 99.99 percent of the total shares with voting rights of ANV, is a total of 3 plots of land which are connected area in a total of 34 rai, 1 ngan, 0.7 square wah, located at Sumnakkham Sub-District, Sadao District, Songkhla Province, at a total purchase price of THB 69,210,000 (“**Acquisition of Land with Buildings from ANV**”).

The Board of Director’s Meeting No. 3/2020 which was held on 7 May 2020 passed a resolution to approve the 5 projects investment to expand the production capacity during the year 2020 – 2026 with the total investment budget of approx. THB 19,846 million of which included the production capacity expansion of Sadao Factory in Songkhla Province with the investment budget of approx. THB 5,781 million to support the technical capacity expansion of approx. 9,450 million pieces per annum, by entering into the Acquisition of Land with Buildings from ANV as to support the production capacity expansion of the factory in Sadao District which is a future project of the Company. According to the disclosed information in the Company’s prospectus, the Acquisition of Land with Buildings from ANV to be used for maintenance and as dormitories for the workers in Sadao District, Songkhla Province is the operation of the aforementioned project which has been approved by the Company’s Board of Director prior to the offering circular of the Company’s prospectus became effective and disclosure of information in the Company’s prospectus. Thus, the Company does not have the duty to disclose under the Notification on the Acquisition or Disposal of Assets.

However, the Board of Director’s Meeting No. 3/2020 on 7 May 2020 did not indicate the seller. As the Company is purchasing the land from ANV, who is a related party of the Company, the Company has to comply with the Notification on Connected Transactions. The Acquisition of Land with Buildings from ANV is classified as assets or service transaction under the Notification on Connected Transactions as it is entering into the transaction with ANV, which is a company having the same major shareholder with the Company, with a transaction size equivalent to 0.28 percent of the net tangible assets of the Company.

- (4) Acquisition of land with buildings from STA for a total of 12 adjacent plots of land area in totaling of 334 rai 6.2 square wah, located at Khao Chairat Sub-District, Pathio District, Chumphon Province, at a total purchase price of THB 177,470,000 (“**Acquisition of Land with Buildings from STA**”).

The Board of Director's Meeting No. 3/2020 which was held on 7 May 2020 passed a resolution to approve the 5 projects investment to expand the production capacity during the year 2020 – 2026 with the total investment budget of approx. THB 19,846 million of which included the production capacity expansion of Chumporn Factory with the investment budget of approx. THB 4,380 million, which will support the technical capacity expansion of 8,100 million pieces per annum, by entering into the Acquisition of Land with Buildings from STA as a part of production capacity expansion of the factory in Chumphon Province which is a future project of the Company. According to the disclosed information in the Company's prospectus, the Acquisition of Land with Buildings from STA to be used as the factory to produce latex gloves in Pathio District, Chumphon Province is the operation of the aforementioned project which has been approved by the Company's Board of Director prior to the offering circular of the Company's prospectus became effective and disclosure of information in the Company's prospectus. Thus, the Company does not have the duty to disclose under the Notification on the Acquisition or Disposal of Assets.

However, the Board of Director's Meeting No. 3/2020 on 7 May 2020 did not indicate the seller. As the Company is purchasing the land from STA, who is a related party of the Company, the Company has to comply with the Notification on Connected Transactions. The Acquisition of Land with Buildings from STA is a classified as an assets or service transaction under the Notification on Connected Transactions as it is entering into the transaction with STA, which is a company having the same major shareholder with the Company, with a transaction size equivalent to 0.72 percent of the net tangible assets of the Company.

The Acquisition of PSE Shares and Acquisition of PS Shares (collectively the "**Shares Purchasing Transaction**") is classified as the purchase or transfer of business from a company limited to the Company under Section 107 (2) (b) of the Public Limited Company Act B.E. 2535 (1992) (including any amendment thereto) which the Company has to propose to the shareholders' meeting to consider and approve with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote, and is an acquisition of assets transaction with a highest total transaction size calculated by the value consideration basis which is equivalent to 3.86 percent from the Financial Statements. Including with the transaction that occurred since the offering circular and the Company's prospectus became effective, the acquisition of assets transactions is equivalent to 4.35 percent. Therefore, entering into the Shares Transaction is classified as an acquisition of assets that is less than 15 percent, thus the Company does not have the duty to comply with the Notification of the Acquisition or Disposal of Assets. However, the Company will propose the Share Purchasing Transaction to the shareholders for consideration and approval. The Company has already disclosed the Share Purchasing Transaction in accordance to the Notification on the Acquisition or Disposal of Asset.

Furthermore, the Acquisition of PSE Shares, Acquisition of PS Shares, Acquisition of Land with Buildings from ANV and the Acquisition of Land with Buildings from STA (collectively the "**Company's Transactions**") has a connected transaction size equivalent to THB 1,513,680,000, or equivalent to 6.17 percent of the Company's net tangible assets. Including with the transactions that occurred previously since the date that the offering circular and the Company's prospectus became effective, the Company's Transactions has a transaction size of 2.98 percent of the Company's net tangible assets. Resulting in the highest total transaction size to be

equivalent to 9.15 percent, which is more than 3 percent of the Company's net tangible assets. Therefore, the Company has to obtain approval from the shareholders' meeting prior to entering into the Company's Transactions and has the duty to proceed as stipulated under the Notification on Connected Transactions.

In this regards, the Company has to propose to the shareholders' meeting to consider and approve the Company's Transactions, and consider and authorize the Chief Executive Officer to conduct any actions necessary and related, as well as to stipulate or amend any terms, conditions or any details in relation and in the interests of the above transactions for the success of the Company's Transactions in order for the Company's Transactions to be successful.

The Company would like to report the material details of the Company's Transactions as follows:

1. Date, Month, Year when the Transaction Occurred

1.1. Acquisition of PSE Shares

The Company will enter into the share purchase agreement for ordinary shares with STA and RBL. The transaction will be made after it is approved by the Company's shareholders' meeting. The Company expects that the Acquisition of PSE Shares will be completed by the end of January 2021.

1.2. Acquisition of PS Shares

The Company will enter into the share purchase agreement for ordinary shares with STA. The transaction will be made after it is approved by the Company's shareholders' meeting. The Company expects that the Acquisition of PS Shares will be completed by the end of January 2021.

1.3. Acquisition of Land with Buildings from ANV

The Company will enter into an Agreement to sell and buy land with buildings with ANV. The transaction will be made after it is approved by the Company's shareholders' meeting. The Company expects that the Acquisition of Land with Buildings from ANV will be completed by the end of January 2021.

1.4. Acquisition of Land with Buildings from STA

The Company will enter into an Agreement to sell and buy land with buildings with STA. The transaction will be made after it is approved by the Company's shareholders' meeting. The Company expects that the Acquisition of Land with Buildings from STA will be completed by the end of January 2021.

2. Related Counterparties and the Relationship with the Listed Company

2.1. Acquisition of PSE Shares

Purchaser: The Company

Seller: STA and RBL

Relationship between the Parties

STA is the major shareholder of the Company, holding directly and indirectly shares of the Company in a proportion of 56.18 percent of the Company's total shares with voting rights, and is the major shareholder of RBL, directly holding a proportion of 99.99 percent of the total shares with voting rights of RBL.

2.2. Acquisition of PS Shares

Purchaser: The Company

Seller: STA

Relationship between the Parties

STA is the major shareholder of the Company, holding directly and indirectly shares of the Company in a proportion of 56.18 percent of the Company's total shares with voting rights.

2.3. Acquisition of Land with Buildings from ANV

Purchaser: The Company

Seller: ANV

Relationship between the Parties

STA is the major shareholder of the Company, holding directly and indirectly shares of the Company in a proportion of 56.18 percent of the Company's total shares with voting rights, and is the major shareholder of ANV, directly holding a proportion of 99.99 percent of the total shares with voting rights of ANV.

2.4. Acquisition of Land with Buildings from STA

Purchaser: The Company

Seller: STA

Relationship between the Parties

STA is the major shareholder of the Company, holding directly and indirectly shares of the Company in a proportion of 56.18 percent of the Company's total shares with voting rights.

Remark: A major shareholder of STA is Sri Trang Holdings Company Limited (STH), as of 18 September 2020, STH held 22.38% of STA's total shares. The names of STH's major shareholders as of 28 April 2020 are as follows:

Names	Shareholding Proportion (percent)
1. Mr. Viyavood Sincharoenkul	20.75
2. Bradshaw Equities Holdings Limited	18.70
3. Mr. Sumeth Sincharoenkul	11.00
4. Ms. Sukuman Sirisuwat	7.64
5. Mrs. Promsuk Sincharoenkul	6.82
6. Mr. Chaiyos Sincharoenkul	6.17
7. Paktai Rubber Industries Limited Partnership	6.00
8. The Nguan Chiang Company Limited	5.09
9. Mr. Kitichai Sincharoenkul	3.96

Names	Shareholding Proportion (percent)
10. Mrs. Voradi Sincharoenkul	2.58
11. Other Shareholders	11.29
Total	100.00

3. General Characteristics, Transaction Type, and Transaction Value

In calculating the transaction size of the Company's transactions, the details of the numbers for calculation are as follows:

(Unit: THB)

Financial Information ¹	The Company	PSE	SPS	ANV ²
Total Assets	32,881,427,716	1,020,411,885	109,353,272	-
<u>Less: Rights of Use for Assets</u>	38,407,041	2,982,185	115,677	
<u>Less: Intangible Assets</u>	55,859,911	7,305,622	93,448	-
<u>Less: Goodwill</u>	220,884,790	-	-	-
<u>Less: Deferred Tax Assets</u>	132,905,170	8,694,044	395,308	-
<u>Less: Total Liabilities</u>	7,900,088,822	463,429,168	13,575,472	-
<u>Less: Non-Controlling Interest</u>	-	-	-	-
Net Tangible Assets (NTA)	24,533,281,982	538,000,866	95,173,367	-
Gross Profit (Loss) 12 Months Before (Shareholders' Equity) (Quarter 4 Year 2019 until 9 months Year 2020) ³	6,061,628,463	7,849,989	(48,956,872)	-

Remark: ¹ The financial statements of each company for the nine-month period ending 30 September 2020.

² No use of the information from the financial statements as it is a direct acquisition of assets i.e. land with buildings

³ The financial statements of each company for the three-month period ending 31 December 2019 to nine-month period ending 30 September 2020.

3.1. Acquisition of PSE Shares

General characteristics of the transaction

The Company will acquire ordinary shares in PSE (1) for 419,996 shares, equivalent to 83.9992 percent of the total shares with voting rights in PSE from STA and (2) for 80,000 shares, equivalent to 16.0000 percent of the total shares with voting rights in PSE from RBL, totaling to 499,996 shares, calculated as a total of 99.9992 percent of shares with voting rights in PSE. The purchase price is THB 1,120,000,000.

Types and size of the transaction

A. Acquisition of Assets

Acquisition of PSE Shares is an acquisition of the Company's assets transactions under the Notification on the Acquisition and Disposal of Assets. Once calculated in accordance with the various criteria stipulated by using the highest value calculated under all the criteria based on the Financial Statements for the nine-month period ending 30 September 2020, the Acquisition of PSE Shares has a transaction size equivalent to 3.41 percent according to the value consideration basis. Therefore, the Acquisition in PSE Shares is classified as an acquisition of assets, with a transaction size of less than 15 percent.

The transaction size calculation of the assets acquisition based on aforementioned Financial Statements has the calculation details as follows:

1. Compared with the value of the Net Tangible Assets

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{NTA of PSE} \times \text{Proportion acquired or disposed}}{\text{NTA of the Company}} \\ &= \frac{538,000,866 \times 99.9992\%}{24,533,281,982} \\ &= 2.19\% \end{aligned}$$

2. Compared with the value of net profit of the operation

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net profit in the operation of PSE} \times \text{Proportion sold or purchased}}{\text{Net profit of the Company's Operation}} \\ &= \frac{7,849,989 \times 99.9992\%}{6,061,628,463} \\ &= 0.13\% \end{aligned}$$

3. Compared with the value of the consideration basis

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Value of the consideration paid or received}}{\text{Total assets of the Company}} \\ &= \frac{1,120,000,000}{32,881,427,716} \\ &= 3.41\% \end{aligned}$$

4. Compared with the value of shares issued by the Company as consideration for the value of assets

Not applicable as the Company did not issue securities as consideration for the acquisition of assets.

B. Connected Transaction

Acquisition of PSE Shares is classified as a connected transaction in the category of assets and services under the Notification on Connected Transactions as it is entering into a transaction with STA, who is a major shareholder of the Company and RBL, which is a company having the same major shareholding with the Company. The transaction size is equivalent to 4.57 percent of the net tangible assets of the Company as appearing on the Financial Statements which is more than 3 percent of the Company's net tangible assets.

The calculation of the connected transactions based on the Financial Statements has the calculation details as follows:

Calculation of the Company's Net Tangible Assets

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Total value of consideration}}{\text{Total net tangible assets of the Company}} \\ &= \frac{1,120,000,000}{24,533,281,982} \\ &= 4.57\% \end{aligned}$$

3.2. Acquisition of PS Shares

General characteristics of the transaction

The Company will acquire ordinary shares in PS from STA in the amount of 399,994 shares, equivalent to a proportion of 99.9985 percent of the total shares with voting rights in PS at a total purchase price of THB 147,000,000.

Type and size of the transaction

A. Acquisition of assets

Acquisition of PS Shares is an acquisition of the Company's assets transactions under the Notification on the Acquisition and Disposal of Assets. Once calculated in accordance with the various criteria stipulated by using the highest value calculated under all the criteria based on the Financial Statements for the nine-month period ending 30 September 2020. The Acquisition of PS Shares has a transaction size equivalent to 0.45 percent according to the value consideration basis. Therefore, the Acquisition in PSE Shares is classified as an acquisition of assets with a transaction size less than 15 percent.

The transaction size calculation of the assets acquisition based on the Financial Statements has the calculation details as follows:

1. Compared with the value of the Net Tangible Assets

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{NTA of PS x Proportion acquired or disposed}}{\text{NTA of the Company}} \\ &= \frac{95,173,367 \times 99.9985\%}{24,533,281,982} \\ &= 0.39\% \end{aligned}$$

However, after 30 September 2020, the financial statements of PS has materially changed, affecting the calculations (please consider the additional details of PS financial statements in clause 4.2) resulting in the calculations of the transactions to be the following:

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{NTA of PS (adjusted) x Proportion acquired or disposed}}{\text{NTA of the Company}} \\ &= \frac{135,233,375 \times 99.9985\%}{24,533,281,982} \\ &= 0.55\% \end{aligned}$$

2. Compared with the value of net profit of the operation

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Net profit in the operation of PS x Proportion sold or purchased}}{\text{Net profit of the Company's Operation}} \\ &= \text{Cannot be calculated as PS had a loss in its operation.} \end{aligned}$$

However, after 30 September 2020, the financial statements of PS has materially changed, affecting the calculations (please consider the additional details of PS financial statements in clause 4.2) resulting in the calculations of the transactions to be the following:

Cannot be calculated as PS had a loss in its operation.

3. Compared with the value of the consideration basis

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Value of the consideration paid or received}}{\text{Total assets of the Company}} \\ &= \frac{147,000,000}{32,881,427,716} \\ &= 0.45\% \end{aligned}$$

4. Compared with the value of shares issued by the Company as consideration for the value of assets

Not applicable as the Company did not issue securities as consideration for the acquisition of assets.

B. Connected Transactions

Acquisition of PS Shares is classified as a connected transaction in the category of assets and services under the Notification on Connected Transactions as it is entering into a transaction with STA, who is a major shareholder of the Company. The transaction size is equivalent to 0.6 percent of the net tangible assets of the Company as appearing on the Financial Statements which is more than 0.03 percent but less than 3 percent of the Company's net tangible assets.

The calculation of the connected transactions based on the Financial Statements has the calculation details as follows:

Calculation of the Company's Net Tangible Assets

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Total value of consideration}}{\text{Total net tangible assets of the Company}} \\ &= \frac{147,000,000}{24,533,281,982} \\ &= 0.60\% \end{aligned}$$

3.3. Acquisition of Land with Buildings from ANV

General characteristics of the transaction

The Company will acquire land with buildings from ANV for a total of 3 plot of lands which are connected area in a total of 34 rai 1 ngan 0.7 square wah, located at Sumnakkham Sub-District, Sadao District, Songkhla Province, as a part of supporting the expansion of production capacity of the glove factory in Sadao, at a total purchase price of THB 69,210,000.

Type and size of the transaction

A. Acquisition of assets

The Board of Director's Meeting No. 3/2020 which was held on 7 May 2020 passed a resolution to approve the agenda to enter into the Acquisition of Land with Buildings from ANV to support the production capacity expansion of the factory in Sadao District which is a future project of the Company. According to the disclosed information in the Company's prospectus, the Acquisition of Land with Buildings from ANV to be used for maintenance and as dormitories for the workers in Sadao District, Songkhla Province is the operation of the aforementioned project which has been approved by the Company's Board of Director prior to the offering circular of the Company's prospectus became effective and disclosure of information in the Company's prospectus. Thus, the Company does not have the duty to disclose under the Notification on the Acquisition or Disposal of Assets.

B. Connected Transactions

The Board of Director's Meeting No. 3/2020 on 7 May 2020 did not indicate the seller. As the Company is purchasing the land from ANV, who is a related party of the Company, the Company has to comply

with the Notification on Connected Transactions. The Acquisition of Land with Buildings from ANV is a classified as a assets or service transaction under the Notification on Connected Transactions as it is entering into the transaction with ANV, which is a company having the same major shareholder with the Company, with a transaction size equivalent to 0.28 percent of the net tangible assets of the Company appearing in the Financial Statements which is more than 0.03 percent but less than 3 percent of the Company's net tangible assets.

The calculations of the connected transaction size based on the Financial Statements has the calculations details as follows:

Calculation of the Company's Net Tangible Asset

$$\begin{aligned}
 \text{Transaction Size} &= \frac{\text{Total value of consideration}}{\text{Total net tangible assets of the Company}} \\
 &= \frac{69,210,000}{24,533,281,982} \\
 &= 0.28\%
 \end{aligned}$$

3.4. Acquisition of Land with Buildings from STA

General characteristics of the transaction

The Company will acquire land with buildings from STA for a total of 12 adjacent plots of land in a total of 334 rai 6.2 square wah, located at Khao Chairat Sub-District, Pathio District, Chumphon Province, at a total purchase price of THB 177,470,000.

Type and size of the transaction

A. Acquisition of assets

The Board of Director's Meeting No. 3/2020 which was held on 7 May 2020 passed a resolution to approve the agenda to enter into the Acquisition of Land with Buildings from STA as a part of production capacity expansion of the factory in Chumphon Province which is a future project of the Company. According to the disclosed information in the Company's prospectus, the Acquisition of Land with Buildings from STA to be used as the factory to produce latex gloves in Pathio District, Chumphon Province is the operation of the aforementioned project which has been approved by the Company's Board of Director prior to the offering circular of the Company's prospectus became effective and disclosure of information in the Company's prospectus. Thus, the Company does not have the duty to disclose under the Notification on the Acquisition or Disposal of Assets.

B. Connected Transactions

The Board of Director's Meeting No. 3/2020 on 7 May 2020 did not indicate the seller. As the Company is purchasing the land with buildings from STA, who is a related party of the Company, the Company has to comply with the Notification on Connected Transactions. The Acquisition of Land with Buildings from STA is a classified as a assets or service transaction under the Notification on Connected

Transactions as it is entering into the transaction with STA, which is a company having the same major shareholder with the Company, with a transaction size equivalent to 0.72 percent of the net tangible assets of the Company appearing in the Financial Statements which is more than 0.03 percent but less than 3 percent of the Company's net tangible assets.

The calculations of the connected transaction size based on the Financial Statements has the calculations details as follows:

Calculation of the Company's Net Tangible Asset

$$\begin{aligned}
 \text{Transaction Size} &= \frac{\text{Total value of consideration}}{\text{Total net tangible assets of the Company}} \\
 &= \frac{177,470,000}{24,533,281,982} \\
 &= 0.72\%
 \end{aligned}$$

From the calculation of the transaction size of the aforementioned assets as item 3.1 and 3.2, the Share Purchasing Transactions has a highest consolidated transaction size when calculated according to the value consideration basis which is equivalent to 3.86 percent from the Financial Statements. When consolidated with transactions since the date that the offering circular and the Company's prospectus became effective, the Asset Acquisition Transactions has a total value equivalent to 4.35 percent. Therefore, the Share Purchasing Transactions is classified as an asset acquisition transaction which has a transaction size less than 15 percent means that the Company does not have the duty under the Notification on Acquisition and Disposal of Assets. However, the Share Acquisition is classified as an acquisition or transfer of a listed Company's business to under Section 107 (2) (b) under the Public Company Act B.E. 2535 (1992) (including any amendments thereto) and the Company's article of association which stipulates that the Company has to propose to the shareholders' meeting to consider and approve with a vote of no less than three-fourths of the total shares of the shareholder attending the meeting and entitled to vote.

The calculation results of the 4 transactions altogether

Acquisition of Assets.

(Unit: Percent)

Calculation Criteria	NTA Criteria	Net Profit Criteria	Value of Consideration Criteria	Issuance of New Shares Criteria
1. Acquisition of PSE Shares	2.19	0.13	3.41	-
2.Acquisition of PS Shares	0.39	-	0.45	-
Total	2.58	0.13	3.86	-

Calculation Criteria	NTA Criteria	Net Profit Criteria	Value of Consideration Criteria	Issuance of New Shares Criteria
<u>Prior occurred transaction size</u>	-	-	0.49 ^{1/}	-
Total transaction size	2.58	0.13	4.35	-

^{1/} The numbers represent the total size of assets acquisition transaction of the Company which occurred from the date that the offering circular and the Company's prospectus became effective until 30 October 2020.

Connected Transactions:

Transaction size	Percent
1. Acquisition of PSE Shares	4.57
2. Acquisition of PS Shares	0.60
3. Acquisition of Land and Buildings from ANV	0.28
4. Acquisition of Land and Buildings from STA	0.72
Total	6.17
<u>Percent of prior occurred transaction</u>	2.98 ^{1/}
Total transaction size	9.15

^{1/} Information appearing on the information memorandum Re: Notification of Related Parties Transactions which the Company has disclosed to the Board of Directors' Meeting No. 5/2020 that approved the engagement of PSE as a contractor for the production and installation of machines and equipment for the capacity expansion of Surat Thani 2 and 3. The Company has disclosed the information memorandum to the SET on the 25 August 2020.

Furthermore, the calculations of the connected transactions on the Company's Transactions has total a connected transaction size of THB 1,513,680,000 or equivalent to 6.17 percent of the Company's net tangible assets and once consolidated with the previous transactions that occurred since the date that the offering circular and the Company's prospectus became effective, which has transaction size of 2.98 percent of the Company's net tangible assets, resulting in the consolidated transaction size to be equivalent to 9.15 percent which has a value of more than 3 percent of the Company's net tangible assets. Therefore, the Company is required to obtain approval from the shareholders prior to entering into the Company's Transactions and has the duty to proceed according to the Notifications on Connected Transactions.

Therefore, prior into entering to the Company's Transactions, the Company has the following duties:

- (a) Arrange to report and disclose the information memorandum for entering into the Company's Transactions to the Stock Exchange of Thailand;

- (b) Arrange for an independent financial advisor to provide opinion on entering into transactions relating to acquisition of ordinary shares and land with buildings from related parties. In this regards, the Company has appointed Capital Advantage Company Limited as its independent financial advisor to conduct such duty; and
- (c) Arrange for the shareholders' meeting to request for approval on entering into the aforementioned transactions with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote, less the shareholders who have interest in the transaction. The Company will send an invitation letter to the shareholders with the information memorandum at least in accordance with the Notification on Acquisition or Disposal of Assets and the Notification on Connected Transactions, at least 14 days before the date of the shareholders' meeting.

4. Assets Information

4.1. Acquisition in PSE Shares

The Company will acquire ordinary shares in PSE in the amount of 499,996 shares, at a par value of THB 100 per share, a proportion of 99.9992 percent of the total shares with the voting rights in PSE. The details of PSE's ordinary shares are as follows:

A. PSE Information

Company Name	Premier System Engineering Company Limited
Nature of business	Design, produce, sell, install and maintain machineries
Address	123 Moo 8 Karnchanawanich Road, Baan Pru Sub-District, Hat Yai District, Songkhla Province
Registration Number	0905537000433
Date of Incorporation	2 March 1994
Registered Capital	THB 50,000,000.00

B. List of PSE Shareholders

Names	As at 22 Oct 2020	Post Transaction
	Proportion (percent)	Proportion (percent)
1. STA	83.9992	-
2. RBL	16.0000	-
3. Mr. Phanlert Wangsuphadilok	0.0006	0.0006
4. Mr. Aram Sirisuwat	0.0002	0.0002
5. The Company	-	99.9992
Total	100.0000	100.0000

C. List of PSE Directors

Names	Position
1. Mr. Chaiyos Sincharoenkul	Director
2. Mr. Veerasith Sinchareonkul	Director
3. Mr. Ratapong Laparojkit	Director
4. Mr. Phanlert Wangsuphadilok	Director

D. Summary of PSE financial position and operations according to PSE financial statements for the nine-months period year 2020 ending 30 September 2020, year 2019 ending 31 December 2020 and year 2018 ending 31 December 2020 which has been audited and reviewed by the certified auditor*(Unit: Million Baht)*

	9-month Period Year 2020	Year 2019	Year 2018	Year 2017
Statement of Financial Position				
Assets	1,020.41	1,004.20	1,420.52	1,255.31
Liabilities	463.43	192.62	337.13	212.38
Shareholders' Equity	556.98	811.58	1,083.39	1,042.93
Statement of Profit and Loss				
Revenues from sales and services	642.73	2,291.57	1,427.92	1,081.21
Cost of sales and services	(586.13)	(2,187.61)	(1,308.21)	(954.49)
Gross profit	56.60	103.96	119.71	126.72
Other income	3.77	8.44	4.05	4.04
Finance income	0.34	1.38	3.61	0.97
Finance Cost	(0.48)	-	-	(21.26)
Selling general and administrative expenses	(53.18)	(75.67)	(82.63)	(77.37)
Income tax	(1.66)	(6.84)	(8.10)	(4.30)
Net profit (loss)	5.39	31.27	36.64	28.80

4.2. Acquisition of PS Shares

The Company will acquire ordinary share in PS in the amount of 399,994 shares, at a par value of THB 100 per share, a proportion of 99,9985 percent of the total shares with voting rights in PS. The information of PS ordinary shares are as follows:

A. PS Information

Company Name	Sadao P.S. Rubber Company Limited
Nature of Business	Produce and sell ribbed smoked sheets (currently ceased to operate the business)
Address	207/1 Padang Besar Road, Sadao Sub-district, Sadao District, Songkhla Province
Registration Number	0905533000188
Date of Incorporation	23 February 1990
Registered Capital	THB 40,000,000.00

The Company enters into the Acquisition of PS Shares in order for the Company to utilize the land from PS through shareholding in PS. The seller has the intention to sell ordinary shares in PS to the Company as there is less transaction cost compared to the sale of PS's land with buildings to the Company. In this regards, the Company will utilize the land to construct latex gloves production factory in Sadao District, Songkhla Province, which is part of the production capacity expansion in Sadao factory as already disclosed in the Company's prospectus.

B. List of PS Shareholders

Names	As at 23 Sep 2020	Post Transaction
	Proportion (percent)	Proportion (percent)
1. STA	99.9985	-
2. Mr. Kitichai Sincharoenkul	0.00025	0.00025
3. Mr. Chaidet Pruksanusak	0.00025	0.00025
4. Mrs. Promsuk Sincharoenkul	0.00025	0.00025
5. Mr. Viyavood Sincharoenkul	0.00025	0.00025
6. Mr. Somwang Sincharoenkul	0.00025	0.00025
7. Mr. Anek Pruksanusak	0.00025	0.00025
8. The Company	-	99.9985
Total	100.0000	100.0000

C. List of PS directors

Names	Position
1. Mr. Chaiyos Sincharoenkul	Director
2. Mr. Somboon Pruksanusak	Director
3. Mr. Patrawut Panitkul	Director
4. Mr. Chalernpop Khanjan	Director

D. Summary of PS financial position and operations according to PS financial statements for the nine-months period year 2020 ending 30 September 2020, year 2019 ending 31 December 2020 and year 2018 ending 31 December 2020 which has been audited and reviewed by the certified auditor

(Unit: Million Baht)

	9-month Period Year 2020 (adjusted)	9-month Period Year 2020	Year 2019	Year 2018	Year 2017
Statement of Financial Position					
Assets	168.77	109.35	167.68	170.03	176.15
Liabilities	21.78	13.58	25.17	26.13	27.83
Shareholders' Equity	146.99	95.78	142.52	143.9	148.32
Statement of Profit and Loss					
Revenues from services	10.70	10.70	28.94	39.80	30.06
Cost of services	(11.86)	(11.86)	(34.20)	(42.11)	(37.51)
Gross Loss	(1.16)	(1.15)	(5.26)	(2.31)	(7.45)
Other income	(47.59)	(47.59)	8.25	2.55	3.00
Finance income	(0.005)	(0.01)	0.04	0.02	0.04
Selling general and administrative expenses	(7.90)	(7.83)	(5.68)	(5.51)	(6.70)
Income tax	11.21	9.84	1.03	0.93	2.17
Net profit (loss)	(45.44)	(46.74)	(1.62)	(4.32)	(8.94)

Remark: The nine-month period operation results (adjusted) is from production and sales of ribbed smoked sheets and since April 2020, PS did not operate such business nor any other businesses.

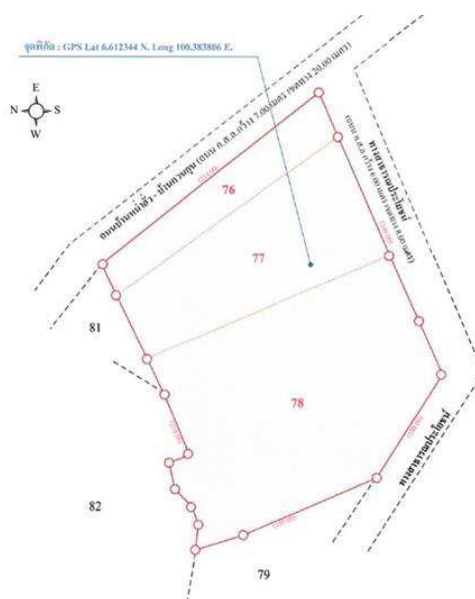
In this regards, the adjusted version of the nine-month period financial statements for the year 2020 indicates the financial position with important assets including the cash and cash deposits in an amount of THB 9.32 million and land, buildings, and equipment in an amount of THB 144.56 million of PS prior to entering into the transaction.

4.3 Acquisition of Land with Buildings from ANV

The Company will acquire land with buildings free from encumbrances, in a total of 3 adjacent plots of land in a total of 34 rai 1 ngan 0.7 square wah, located at Sumnakkham Sub-District, Sadao District, Songkhla Province. The land is also accessed to the public road. The details of the land with buildings are as follows:

Land with buildings	No. 101 Moo 3 Padang Bezar Road, Sumnakkham Sub-District, Sadao District, Songkhla Province
Size of the land	3 plots of land which are connected area in a total of 34 rai 1 ngan 0.7 square wah. Document indicating the ownership is title deed no.38592, title deed no.38593 and title deed no.38594
Characteristic of the land	The plot of land has several edges and land is leveled to the road
Details of the buildings	Factory building and 2-storey office buildings and other buildings
Owner of the land	ANV
Status of Land	At the date that this information was disclosed, there are 2 plots of land were mortgaged with KASIKORN BANK Public Company Limited, which ANV is in the process of removing the mortgage with the Bank. It is expected to be completed within the end of November 2020 (before the Company's Shareholders' Meeting date)

Location of the Land

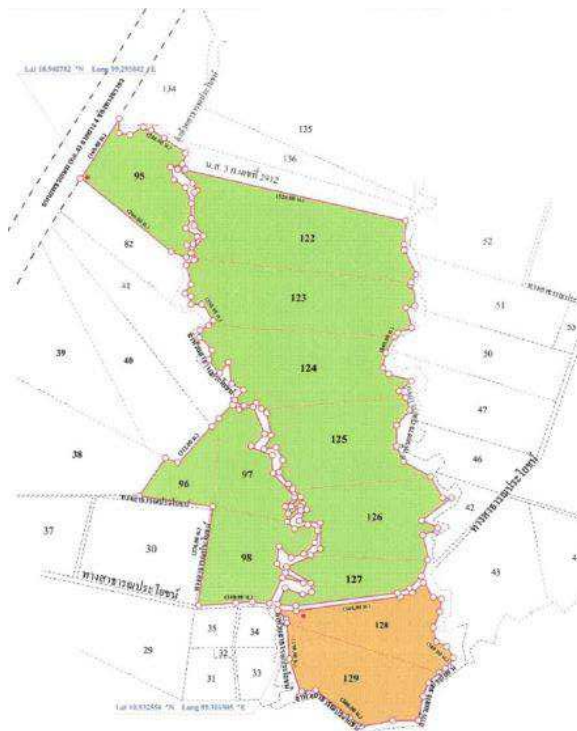


4.4 Acquisition of Land with Buildings from STA

The Company will acquire land with buildings total of 12 plots (free from encumbrances) in a total land area of 334 rai 6.2 square wah, located at Khao Chairat Sub-District, Pathio District, Chumphon Province. The land is also accessed to the public road. The details of the land with buildings are as follows:

Land with buildings	Khao Chairat Sub-District, Pathio District, Chumphon Province
Size of the land	12 adjacent plots of land (there are public creek and public route between the plots) with a total land area of 334 rai, 6.2 square wah. Document indicating the ownership is title deeds no. 26271, 26352, 26334, 26335, 16321, 27384, 26773, 26774, 27385, 26775, 26776 and 27386
Characteristic of the land	The plot of land has several edges, the land is a palm garden that has not yet been filled-in, the land level is leveled to the road
Details of the buildings	Storage buildings for rubber scraps and other buildings. The total land usage is 2,205.2 square meters.
Owner of the land	STA
Status of Land	Free from encumbrances

Location of the Land



5. Basis to determine the total value of consideration, value of the acquisition, method of payment and conditions to enter into the transaction

5.1. Acquisition of PSE Shares

The Company will acquire ordinary share in PSE from STA in the amount of 419,996 shares, and from RBL in the amount of 80,000 shares, totaling of 499,996 shares, and equivalent to 99.9992 percent of the total shares with voting rights in PSE at a total purchase price of THB 1,120,000,000. The Company will proceed to pay for the share price THB 1,120,000,000 in cash or money transfer to the seller who shall transfer the share transfer instrument of PSE to the Company on the same day.

5.2. Acquisition of PS Shares

The Company will acquire ordinary share in PS from STA in the amount of 399,994 shares, equivalent to 99.99985 percent of the total shares with voting rights in PS at a total purchase price of THB 147,000,000. The Company will proceed to pay for the share price THB 147,000,000 in cash or money transfer to the seller who shall transfer the share transfer instrument of PS to the Company on the same day.

5.3. Acquisition of Land with Buildings from ANV

The Company will acquire land with buildings from ANV with a total of 3 adjacent plots of land in a total of 34 rai 1 ngan 0.7 square wah, located at Sumnakkham Sub-District, Sadao District, Songkhla Province for the total purchase price of THB 69,210,000. The Company will proceed to pay for the land with buildings in the amount of THB 69,210,000 as cash or money transfer. The payment will be made as a lump-sum on the date that the ownership of the land is transferred. The purchaser and the seller will each be responsible for half of the transfer fee, stamp duty, specific business tax and other taxes related to the transfer of land.

5.4. Acquisition of the Land with Buildings from STA

The Company will acquire land with buildings from STA for 12 adjacent plots of land in a total area of 334 rai 6.2 square wah, located at Khao Chairat Sub-District, Pathio District, Chumphon Province for the total purchase price of THB 177,470,000. The Company will proceed to pay for the land with buildings in the amount of THB 177,470,000 as cash or money transfer. The payment will be made as a lump-sum on the date that the ownership of the land is transferred. The purchaser and the seller will each be responsible for half of the transfer fee, stamp duty, specific business tax and other taxes related to the transfer of land.

6. Basis to determine the total value consideration

6.1. Acquisition of Shares in PSE

The Company considered the value of consideration basis of THB 1,120,000,000 or equivalent to share value of THB 2,240.02 as fixed price from negotiations between the purchaser and seller. The Company has considered the appropriate purchase price valued by Discounted Cash Flow method

(DCF) which the financial advisors, OptAsia Capital Company Limited had proposed to the Company.

The summary are as follows:

- Share valuation of PSE is THB 865 – 1,255 million or equivalent to THB 1,731 – 2,509 per share
- Weighting Average Cost of Capital (WACC) is 10.83 – 11.81 percent
- Estimated Period is 8 years 3 months (From 1 October 2020 – December 2028)

This DCF has taken into account the potential and ability of PSE to make profit of the business in the future. The material assumptions are derived from the previous operations, growth forecast of machinery installation business, construction of the latex gloves factory, including other service works such as maintenance of machineries etc. The forecasted income of PSE is mainly from the services and works from the Company.

6.2. Acquisition of Shares in PS

The Company considered the value of the transaction with the adjusted book value from method, in a value of THB 146.99 million (adjusted the list of assets that was appraised by the independent appraiser and the movement of the list in the balance sheet until 10 November 2020).

The appraisal value of PS's land, in total area of 89 rai 2 ngan 94 square wah which located at Sadao-Padang Bezar Road, Sadao Sub-district, Sadao District, Songkhla Province, are as follows:

Land Appraisal

- Appraiser: First Star Consultant Company Limited, which has been approved in asset valuation for public purposes of transactions in the capital market from the Securities and Exchange Commission (SEC)
- Appraisal Method: Market Comparison Approach
- Appraisal Date: 29th October 2020
- Appraisal Value: THB 143,580,000
- Appraisal Objective: For Public Purposes

6.3. Acquisition of Land with Buildings from ANV

The Company considered the value of consideration basis by comparing the appraised price by the independent appraiser. The summary of land appraisal value is as follow:

Land Appraisal

- Appraiser: First Star Consultant Company Limited, which has been approved in asset valuation for public purposes of transactions in the capital market from the SEC
- Appraisal Method for Lan: Market Comparison Approach
- Appraisal Method for Buildings: Depreciated Replacement Cost Approach
- Appraisal Date: 29th October 2020
- Appraisal Value: THB 69,210,000
- Appraisal Objective: For Public Purposes

6.4. Acquisition of Land with Buildings from STA

The Company considered the value of consideration basis by comparing the appraised price by the independent appraiser. The summary of land appraisal value is as follow:

Land Appraisal

- Appraiser: First Star Consultant Company Limited, which has been approved in asset valuation for public purposes of transactions in the capital market from the SEC
- Appraisal Method for Land: Market Comparison Approach
- Appraisal Method for Buildings: Depreciated Replacement Cost Approach
- Appraisal Date: 29th October 2020
- Appraisal Value: THB 177,470,000
- Appraisal Objective: For Public Purposes

7. Expected benefits of entering into the Company Transactions

Acquisition of PSE Shares

The Company has a plan to expand the production capacity from the current capacity of 32,619 million pieces per year to an estimate of around 70,000 million pieces per year. As disclosed by the Company in the prospectus, which the operation period of such plan has been accelerated, in order to satisfy the current high demand of latex gloves. The Company has set a goal to reach the production capacity of 70,000 million pieces per year by the year 2024 and 100,000 pieces per year by 2026 respectively. This results in the Company being required to purchase and install additional machineries as well as entering into various agreements relating to the expansion of such production capacity. By entering into the Acquisition of PSE Shares will allow the Company to manage and plan its expansion with PSE, which is a company that has been in business and has expertise in designing, producing, installing and maintaining machineries relating to latex gloves production machineries resulting in the expansion of the Company's capacity to be more flexible and efficient. Furthermore, it is considered as appropriately corporate structure and maintaining secrets and expertise in design and installation of the latex gloves machineries with the Company. Apart from the aforementioned income, PSE is also able to obtain additional income from providing services in repairing, maintaining machineries for the group of STA and companies outside as continuous additional income.

Acquisition of PS Shares

The Company has plan to construct a latex gloves factory in Sadao District, Songkhla Province as disclosed by the Company in the prospectus. In this regards, the Company require land to construct its factory in Sadao District which is located in Songkhla Special Economic Development Zone, granted the exemption of corporate income tax and more privileges from the BOI comparing to other areas. The Acquisition of PS Shares will allow the Company to control PS and utilize the benefits from PS's land to construct the factory in Sadao District. After the Company acquired PS's ordinary shares, the Company will maintain PS corporate status for at least 3-5 years but PS will nevertheless not operate

any business. The Company will lease the land, which is still owned by PS, in order to construct the glove factory in Sadao District. Thereafter, the Company will consider if PS will remain its corporate entity in the future by taking into account possible expenses, business opportunity, and other possible effects.

Further to the disclosure in the Company's prospectus regarding the capacity expansion plan, the Company will split the construction in Sadao District, Songkhla Province into 2 glove factories i.e. (1) the glove factory in Sadao 1 which will be constructed on the land of PS. This transaction will be proposed to this incoming extraordinary general meeting of shareholders for approval and (2) the glove factory in Sadao 2 which will be constructed on the Company's land (the land acquisition from director and related parties which was disclosed the information memorandum to the SET on 25 August 2020) that will be connected to the land of ANV, which will be a location for supporting facilities for the projects of the Sadao 1 and Sadao 2.

Moreover, the construction of glove factory after acquired PS' ordinary shares will be invested under the Company, rather than under the name of PS, in order to reduce time and expenses regarding the application and approval of medical certificates for gloves distributions in many countries.

Location of the Sadao Plant



The reason that the seller sells ordinary shares in PS to the Company is in order to minimise the transaction cost in the transaction compared to the purchase of land with buildings from PS by the Company.

Acquisition of Land with Buildings from ANV and Acquisition of Land with Buildings from STA

The Company has plan to construct a latex gloves factory in Sadao District, Songkhla Province and Pathio District, Chumphon Province as disclosed by the Company in the prospectus. Entering into the Acquisition of Land with Buildings from ANV and Acquisition of Land with Buildings from STA will

enable the Company to have ownership in the land and be able to utilize it to establish the factory in Sadao District and Chumphon Province to expand and support the expansion of production capacity according to the Company's plan which the raw materials is located nearby, making it more expedient to transport such items, especially the land in Sadao District, Songkhla Province is located close to the sources of raw materials and energy facilities which are necessary for the production i.e. concentrated latex and firewood. Moreover, the land is also located in Special Economic Development Zone which is granted the exemption of corporate income tax and more privileges from the BOI comparing to other areas and close to Sadao Border which is a main route to Penang Port in Malaysia. The Company has explored the land of the others in Sadao District, Songkhla Province and Pathio District, Chumphon Province and has not found any other plot of land with large size and appropriate location for the construction of the Company's factory as the land belonging to ANV and STA.

Moreover, the buildings to be acquired together with the land of ANV including factory, office, and employee's dormitories will be remained its initial usage but further improvement may be required. For the buildings to be acquired with the land of STA, the Company will demolish and do the land improvement in order to construct glove factory together with wastewater treatment pond, woodchip storage and employee's dormitories in accordance with the standard of the Company's production facilities.

8. Sources of fund to be used and sufficiency of the working capital

The Company will use its internal funds to pay for the consideration value of the Acquisition of PSE and the Company will use cash received from issuing and offering ordinary shares to the public in its initial public offering to pay for the consideration value of the Acquisition of PS Shares, Acquisition of Land with Buildings from ANV and Acquisition of Land with Buildings from STA. As of 30 September 2020, the Company has total cash remaining THB 16,295 million. In this regards, the Company expects that the payment will not affect the cash flow and working capital of the Company as the Company has sufficient cash and cash flow from operations.

9. Related Parties and nature of scope of interest

Related parties and nature of scope of the interest of the related parties has details in accordance to clause 2 as above.

In this regards, the 4 directors who have interest in this transactions are Mr. Viyavood Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Vitanath Sincharoenkul and Mr. Veerasith Sinchareonkul that did not attend the meeting and had no right to vote in the agendas relating to Acquisition of PSE Shares, Acquisition of PS Shares and Acquisition of Land with Buildings from STA.

10. Opinions of the Board of Directors on entering into the transaction

The Board of Directors (excluding directors with interests) have considered and opined that entering into this transaction is reasonable and beneficial for the Company. The Acquisition of PSE Shares will allow the Company to manage and strategize the expansion of production capacity with PSE, a

company who have been in this business for a long time and expertise in design, production, installation, and maintenance of relevant latex gloves production machinery. This is better than having the Company acquire shares in other machinery companies which are third parties and do not have as much expertise in latex gloves production machinery as PSE.

Moreover, the Acquisition of PS Shares, Acquisition of Land with Buildings from ANV, and Acquisition of Land with Buildings from STA, will allow the Company to benefit from land located in Sadao District, Songkhla Province and Pathio District, Chumphon Province by constructing and operating the Company's new production factory. The aforesaid land are located in strategic location, close to source of raw materials, and convenient for transportation, especially the land in Sadao District, Songkhla Province is located close to the sources of raw materials and energy facilities which are necessary for the production i.e. concentrated latex and firewood. Moreover, the land is also located in Special Economic Development Zone which is granted the exemption of corporate income tax and more privileges from the BOI comparing to other areas and close to Sadao Border which is a main route to Penang Port in Malaysia. The Company has surveyed land of others located in Sadao District, Songkhla Province and Pathio District, Chumphon Province and was not able to find land of a large size and located as appropriately to construction the Company's factory as that of the property of the related party. The Board of Director has considered and opined that the value of the ordinary shares of PSE is the value calculated according to the method that the financial advisor had proposed, which is the DCF method. The material assumptions are derived from the previous performance of PSE, potential business outlook in accordance with the production capacity expansion plan and services provided to the Company under appropriate calculation method. Therefore, the Board of Directors was in the opinion that the aforementioned purchase price was appropriate and benefited to the Company.

The price of ordinary shares and land with buildings are appropriate within the range of a suitable price according to the aforementioned calculation and value of the land and buildings are comparable to the market value assessed by an independent valuator.

11. Opinions of the Audit Committee and/or the directors of the Company which are different from those of the Board of Directors

-None-