



No. STGT.CS 009/2020

Date: 8<sup>th</sup> December 2020

**Subject:** Invitation to the Extraordinary General Meeting of Shareholders No. 1/2020

**To:** Shareholders,  
Sri Trang Gloves (Thailand) Public Company Limited

**Enclosure**

1. 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 (For Agenda 1 to 4)
2. Opinion of the Independent Financial Advisor concerning the Asset Acquisitions and Connected Transactions of Sri Trang Gloves (Thailand) Public Company Limited (For Agenda 1 to 4)
3. Proxy Form B (For Proxy Form A (general) and Proxy Form C (for foreign investors that appointed custodians in Thailand) can be downloaded from the Company's website <https://www.sritranggloves.com/th/investor-relations/downloads/shareholders-meetings>)
4. The information of Members of Audit Committee to present as proxy
5. The Company's Article of Association in relation to the General Shareholders' Meeting
6. Clarifications concerning documents and evidence identifying shareholders and proxies eligible to register, attend, and vote at the Meeting
7. Procedures for Attending the Extraordinary General Meeting of Shareholders No. 1/2020
8. The Precautionary Measures and Guidelines for attending the Extraordinary General Meeting of Shareholders No. 2/2020 under the Circumstance of Coronavirus 2019 (COVID-19)
9. Procedures for sending any query in advance
10. Map of the Meeting Venue

According that the Board of Directors' Meeting of Sri Trang Gloves (Thailand) Public Company Limited ("the Company") No. 6/2020, which was held on 13<sup>th</sup> November 2020, has unanimously passed the resolution to call an Extraordinary General Meeting of Shareholders No.1/2020 on Friday 25<sup>th</sup> December 2020 at 10.30 a.m. (registration opens at 08.30 a.m.) at Grand Convention Hall B, 8<sup>th</sup> floor, Lee Garden Plaza Hotel, No. 29, Prachathipat Road, Amphur Hat Yai, Songkhla Province 90110, Thailand. The agendas are as follows:

**Agenda 1 To Consider and Approve the Acquisition of Ordinary Shares of Premier System Engineering Company Limited from Sri Trang Agro-Industry Public Company Limited and from Rubberland Products Company Limited**

**Objectives and Rationales:** To proceed with the plan to expand the production capacity as the Company has disclosed in its prospectus, the Company is going to invest 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 THB 1,120,000,000 (“**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.

The Acquisition of PSE Shares in Agenda 1 and Acquisition of PS Shares in Agenda 2 (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 seeks to propose the Share Purchasing Transaction to the shareholders

for consideration and approval for such acquisition of assets, which the Company has disclosed the information of the Share Purchasing Transaction in accordance to the Notification on the Acquisition or Disposal of Assets and sent to the shareholders alongside this notice (Enclosure 1).

Furthermore, the Acquisition of PSE Shares in Agenda 1, Acquisition of PS Shares in Agenda 2, Acquisition of Land with Buildings from ANV in Agenda 3 and the Acquisition of Land with Buildings from STA in Agenda 4 (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.

On this matter, the Company has prepared a report and disclosed the information memorandum to Stock Exchange of Thailand on 13 November 2020 and for the independent financial advisor to show and provide opinion on the acquisition of ordinary shares and land from related parties. The Company has appointed Capital Advantage Company as its independent financial advisor to carry out the said duty, the details of the opinion of such independent director on the acquisition of ordinary shares and land from related parties are as set out in Enclosure 2.

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 details of the Acquisition of PSE Shares are as appeared on the 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 (Enclosure 1).

**Opinion of the Board of Directors:** The Board of Directors 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. The Board of Directors also considered and deemed that 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. The independent financial advisor also opined that the price of the ordinary shares is appropriate and reasonable.

**Voting:** To approve this agenda, a resolution must be passed by not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote.

**Agenda 2 To Consider and Approve the Acquisition of Ordinary Shares of Sadao P.S. Rubber Company Limited from Sri Trang Agro-Industry Public Company Limited**

**Objectives and Rationales:** To proceed with the plan to expand the production capacity as the Company has disclosed in its prospectus, the Company is going to invest 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.

The details of the Acquisition of PS Shares are as appeared on the 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 (Enclosure 1).

**Opinion of the Board of Directors:** The Board of Directors have considered and opined that entering into this transaction is reasonable and beneficial for the Company. The Acquisition of PS Shares will allow the Company to benefit from land located in Sadao District, Songkhla 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 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 Directors also considered and deemed that 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. The independent financial advisor also opined that the price of the ordinary shares is appropriate and reasonable.

**Voting:** To approve this agenda, a resolution must be passed by not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote.

**Agenda 3 To Consider and Approve the Acquisition of Land with Buildings from Anvar Parawood Company Limited (a subsidiary of Sri Trang Agro-Industry Public Company Limited)**

**Objectives and Rationales:** To proceed with the plan to expand the production capacity as the Company has disclosed in its prospectus, the Company agreed to acquire the land with building 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 agenda to enter 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.

The details of the Acquisition of Land with Buildings from ANV are as appeared on the 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 (Enclosure 1).

**Opinion of the Board of Directors:** The Board of Directors have considered and opined that entering into this transaction is reasonable and beneficial for the Company. The Acquisition of Land and Buildings from ANV will allow the Company to benefit from land located in Sadao District, Songkhla Province by supporting operating the Company’s new production factory. The aforesaid land is 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 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 for the land with buildings is reasonable. The value of the land and buildings are comparable to the market value assessed by an independent valuator and the independent financial advisor also opined that the price of the land with buildings is appropriate and reasonable.

**Voting:** To approve this agenda, a resolution must be passed by not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote.

**Agenda 4 To Consider and Approve the Acquisition of Land with Buildings from Sri Trang Agro-Industry Public Company Limited**

**Objectives and Rationales:** To proceed with the plan to expand the production capacity as the Company has disclosed in its prospectus, the Company agreed to acquire the land with building from STA for a total of 12 plots of land which are 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 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.

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 details of the Acquisition of Land with Buildings from STA are as appeared on the 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 (Enclosure 1).

**Opinion of the Board of Directors:** The Board of Directors have considered and opined that entering into this transaction is reasonable and beneficial for the Company. The Acquisition of Land and Buildings from STA will allow the Company to benefit from land located in Pathio District, Chumphon Province by constructing and operating the Company's new production factory. The

aforesaid land is located in strategic location, close to source of raw materials and convenient for transportation. The Company has surveyed land of others located in 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 for the land with buildings is reasonable. The value of the land and buildings are comparable to the market value assessed by an independent valuator and the independent financial advisor also opined that the price of the land with buildings is appropriate and reasonable.

**Voting:** To approve this agenda, a resolution must be passed by not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote.

**Agenda 5 To Consider and Approve the Change of Par Value and the Amendment to Clause 4 of the Memorandum of Association of the Company**

**Objectives and Rationales:** To increase the free float and to improve the Company's shares liquidity as well as to adjust the par value of shares to be comparable with competitors who are listed in the Malaysian Stock Exchange, it is proposed to change the par value of shares of the Company from the original value of THB 1 per share to THB 0.5 per share. The change to par value shall not affect the registered capital, paid-up capital and the shareholding ratio of any of the current shareholders. The details of the change to the par value of shares are as set out below.

Description	Pre-Par Value Change	Post-Par Value Change
Registered Capital (Baht)	1,434,780,000.00	1,434,780,000.00
Paid-up Capital (Baht)	1,428,780,000.00	1,428,780,000.00
Par Value (Baht per Share)	1.00	0.50
Number of Shares	1,428,780,000.00	2,857,560,000.00

The change to such par value of shares shall result in increase of number of shares to be held by the shareholders of the Company in accordance with their shareholding ratio. Furthermore, the ordinary shares to be offered to the directors, executives and/or the employees of the Company and the subsidiary companies of the Company under the Employee Stock Option Program (ESOP) to be offered in the first and second years after the initial public offering ("**Allocated Individuals under the ESOP**"). Such Allocated Individuals under the ESOP shall also be allocated with the ordinary shares of the increased capital in accordance with their shareholding proportion.

Additionally, to reflect the change to the par value of the Company's shares, the Company must amend Clause 4 of the Memorandum of Association as set out below.

"Clause 4	The registered capital of	1,434,780,000.00	Baht	(Baht One Billion Four Hundred Thirty-Four Million Seven Hundred Eighty Thousand Only)
	Divided into	2,869,560,000.00	Shares	(Baht Two Billion Eight Hundred Sixty-Nine Million Five Hundred Sixty Thousand Only)
	Par value per share	0.50	Baht	(Fifty Satang Only)

	Divided into			
	Ordinary Shares	2,869,560,000.00	Shares	(Baht Two Billion Eight Hundred Sixty-Nine Million Five Hundred Sixty Thousand Only)
	Preferred Shares	-	Shares	-"

**Opinion of the Board of Directors:** The Board of Directors proposed that the shareholders' meeting consider the change of par value of the Company from the original value of THB 1 per share to THB 0.5 per share and consider approving the amendment to Clause 4 of the memorandum of association of the Company to reflect such change to par value of shares.

**Voting:** To approve this agenda, a resolution must be passed by not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote.

#### **Agenda 6 To Acknowledge the Interim Dividend Payment of the Company**

**Objectives and Rationales:** The Company's policy is to pay dividend distributions to shareholders at least 30 percent of its net profit based on the Company's separate financial statements after deductions of corporate income tax and allocation of all types of reserves in accordance with the Company's Articles of Association and applicable laws. The dividend distributions to be made shall not exceed the Company's retained earnings as appeared in the separate financial statements. Dividend payment shall be made by taking into consideration relevant factors such as the Company's financial position, operating results, cash flow and the ability of the Company's subsidiaries to make dividend payments including the projected capital requirements for future growth, economic conditions, possible impacts from external factors on the operations of the Company and such other considerations as our Board of Directors may consider appropriate.

In the 9-month period of 2020 of the Company performance resulted in a net profit of THB 5,610.49 million and retained earnings of THB 8,346.25 million. The Board of Directors' Meeting No. 6/2020 which was held on 13 November 2020 has approved for the interim dividend payment from the net profit and retained earnings at the rate of THB 1.25 per share, or a total dividend payment of no less than THB 1,785,975,000. The dividend will be paid from BOI benefit that are eligible for withholding tax exemption and in line with the Company's dividend payment policy which will be paid on 9 December 2020.

**Opinion of the Board of Directors:** The Board of Directors opined that the shareholders acknowledge the interim dividend payment from the performance results of the Company for the 9-months period, ended on 30 September 2020 at THB 1.25 per share, totaling THB 1,785,975,000 to be paid from BOI benefit that are eligible for withholding tax exemption.

**Voting:** this agenda is for acknowledgement; therefore, a vote is not required.

#### **Agenda 7 Other Matters (if any)**



Therefore, the Board of Directors approved the Record Date for determining the shareholders entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2020 on 30<sup>th</sup> November 2020.

Any shareholder who would like to appoint a proxy to attend the meeting and vote on his/her behalf must complete only one proxy (Proxy Form B can be found in *Enclosure 3*); or can download either Proxy Form A (general) or Proxy Form C (only foreign investors who have custodian in Thailand) from the Company's website <https://www.sritranggloves.com/th/investor-relations/downloads/shareholders-meetings>.

Any shareholder who is unable to attend the meeting can authorize the Company's Member of Audit Committee i.e. Prof.Dr. Weerakorn Ongsakul or Mrs. Unakorn Phruithithada to attend the meeting and vote on his/her behalf. The information of Members of Audit Committee to present as proxy can be found in *Enclosure 4*. The Company requests the shareholders' proxy should be mailed to the Company as address below within 22<sup>nd</sup> December 2020:

Sri Trang Gloves (Thailand) Public Company Limited "the Company Secretary"

Park Venture Ecoplex Unit, 17<sup>th</sup> Floor, 1701, 1707-1712 No. 57 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand

Please be hereby informed and kindly attend the meeting at the date, time, and place as specified above. Your attention would be very much appreciated.

Best Regards,

Sri Trang Gloves (Thailand) Public Company Limited



( Prof.Dr. Weerakorn Ongsakul )

Chairman of The Board of Directors

**Remark:** All shareholders can access the invitation of the Extraordinary General Meeting of Shareholders No. 1/2020 and all related documents at the Company's website <https://www.sritranggloves.com/th/investor-relations/downloads/shareholders-meetings> in the topic of "Investor Relations > Shareholder Information > Shareholders' Meeting" from 28<sup>th</sup> November 2020. If any shareholders have a query about the agenda, he/she can contact the Company through the procedures for sending any query in advance as specify in *Enclosure 9*.