



**Sri Trang Agro-Industry Public Company Limited**



**Invitation to the 2017 Annual General Meeting of Shareholders**

**25th April 2017 at 10.30 a.m.**

**Grand Ballroom A, 8<sup>th</sup> floor**

**Lee Gardens Plaza Hotel**

**29 Prachathipat Road, Hatyai District, Songkhla Province**

23 March 2017

**Subject:** Invitation to the 2017 Annual General Meeting of Shareholders

**Attention:** The shareholders of Sri Trang Agro-Industry Public Company Limited

- Enclosures**
1. A copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 (*supporting document for agenda item 1*)
  2. 2016 Annual Report together with the financial statements of the Company for the year ended 31 December 2016 (CD Rom) (*supporting document for agenda item 2*)
  3. Profiles of the nominated directors of the Company to replace the directors who retire by rotation and qualification of the independent director (*supporting document for agenda item 4*)
  4. Information of remuneration payment of directors (*supporting document for agenda item 5*)
  5. The Company's Articles of Association relating to the shareholders meeting
  6. The required documents for attending the shareholders meeting
  7. Proxy Form B (shareholders can download Proxy Form A and Form C at [www.sritranggroup.com](http://www.sritranggroup.com))
  8. Independent Directors' profiles for consideration of proxy from shareholders
  9. Procedures for attending the 2017 Annual General Meeting of Shareholders
  10. Map of the venue of the shareholders meeting

The Board of Directors of Sri Trang Agro-Industry Public Company Limited (the "**Company**") has resolved to schedule the 2017 Annual General Meeting of Shareholders on Tuesday, 25 April 2017, at 10.30 a.m. (Bangkok time), at Grand Ballroom A, 8<sup>th</sup> floor, Lee Gardens Plaza Hotel, 29 Prachathipat Road, Amphur Hadyai, Songkhla Province, with the following agenda items:

**1. To consider and certify the minutes of the Extraordinary General Meeting of Shareholders No.1/2017 held on 14 March 2017**

**Objective and Reason** The Company has prepared the minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 14 March 2017 and shareholders attending the Meeting constituted a quorum. The Company prepared and submitted such minutes to the Stock Exchange of Thailand within 14 days after the shareholders meeting and also published such minutes on the Company's website, [www.sritranggroup.com](http://www.sritranggroup.com).

**Opinion of the Board** The minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 held on 14 March 2017 were properly and accurately recorded as per the copy of the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2017 (Enclosure 1). It is proposed that the shareholders certify such minutes.

**Required votes** The majority vote of the shareholders attending the meeting and casting their votes.

**2. To acknowledge the performance results of the Board of Directors of the Company for the year 2016 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2016**

Objective and Reasons The Company has summarized the performance results of the Board of Directors of the Company for the year 2016 in which the details are disclosed in the 2016 annual report as shown in Enclosure 2. In addition, according to the Public Companies Limited Act and the Articles of Association of the Company, the Board of Directors shall prepare a balance sheet and profit and loss statements (the statements of financial position and the statements of comprehensive income) as of the end of the fiscal year and submit such statement of financial position and statements of comprehensive income to the Annual General Meeting of Shareholders for consideration and approval.

The information of the statements of financial position and the statements of comprehensive income ended 31 December 2016 could be summarized as follows:

**Selected Information from the Company's Financial Statements**

Unit : million Baht

Description	Consolidated Financial Statements		Separate Financial Statements	
	2016	2015	2016	2015
Total assets	55,958.55	43,878.63	36,886.65	29,455.57
Total liabilities	36,046.64	22,544.72	23,798.96	14,863.21
Total revenue	77,265.52	61,291.78	38,335.07	29,014.78
Net profit (attributable to the owners of the parent)	(757.99)	1,118.03	(911.90)	337.75
Earnings per share (Baht/share)	(0.59)	0.87	(0.71)	0.26

In this regard, the details of the financial statements are shown in the 2016 annual report (Enclosure 2) which has been distributed to the shareholders together with the Invitation to the 2017 Annual General Meeting of Shareholders. The Company has also disseminated the annual report on the Company's website, [www.sritranggroup.com](http://www.sritranggroup.com).

Opinion of the Board The shareholders should acknowledge the performance results of the Board of Directors for the year 2016 and approve the statements of financial position and the statements of comprehensive income of the Company for the year ended 31 December 2016, which have been audited by the auditor of the Company and reviewed by the Audit Committee, the details of which appear in the financial statements included in the 2016 annual report (Enclosure 2).

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

### **3. To consider and approve the dividend payment of the Company for the year 2016**

Objective and Reasons According to the Public Companies Limited Act and the Articles of Association of the Company, the Company shall allocate the annual net profit as legal reserve in an amount of not less than 5% of the annual net profit, less the sum of accumulated loss brought forward (if any), until the legal reserve amounts to not less than 10% of the registered capital. Moreover, no dividend shall be paid out of funds other than profit.

Since the Company has already allocated the net profit as legal reserve in the amount as required by law, the Company is not required to allocate such net profit as legal reserve this year.

Currently, the Company's policy is to pay a dividend of approximately 30% of our net profit for each financial year but not in excess of our retained earnings, taking into account the Company's financial position, results of operations and cash flow, the ability of the subsidiaries, associates and joint venture entity to make dividend payment to the Company, our Company's expected working capital requirements to support the Company's future growth, and general economic conditions and such other external factors that the Company believes to have an impact on the business operations of the Company.

In year 2016, the Company had a net loss from its operation according to the consolidated financial statements amounting to Baht 757.99 million. The information in respect to dividend payment compared with the year 2014-2016 is shown below.

#### Information of dividend payment for the years 2014 – 2016

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net profit (million Baht)	(757.99)	1,118.03	1,037.76
Earnings per share (Baht)	(0.59)	0.87	0.81
Dividend per share (Baht)	0.40	0.40	0.40
Number of shares (shares)	1,280,000,000	1,280,000,000	1,280,000,000
Total dividend payment (million Baht)	512	512	512
Payout ratio (%)	N/A	45.79%	49.34%

Opinion of the Board Since the Company still has the retained earnings as well as having received the dividend payment from the subsidiary company, the Board of Directors recommends the shareholders to approve the annual dividend payment from the performance results of the Company for the year 2016 to the shareholders of Baht 0.40 per share, totaling Baht 512 million. The dividend is paid from the Company's retained earnings less 5 years net loss carry forward which is unable to use as tax credit. Such dividend payment shall not affect the investment plan and operation of the Company.

If the proposed annual dividend is approved by the shareholders at the 2017 Annual General Meeting, the Board of Directors has fixed 8 May 2017 as the record date for determining the shareholders entitled to receive a dividend and 9 May 2017 as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Shareholders who hold shares in the Company through direct securities accounts with the Central Depository (Pte) Limited (“CDP”) (“Depositors”) or persons with shares standing to the credit of their securities accounts with the Depository Agents at 5.00 p.m. (Singapore time) on 8 May 2017 will be entitled to receive the dividend for the year 2016.

The annual dividend for the year 2016 will be paid on 24 May 2017.

Required votes    *The majority vote of the shareholders attending the meeting and casting their votes.*

**4. To consider and approve the election of directors to replace the directors who retire by rotation**

Objective and Reasons    According to the Public Limited Companies Act and the Articles of Association of the Company, one-third of the directors of the Company shall vacate office at every Annual General Meeting of Shareholders or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office. This year, the four directors who shall vacate office are:

- |    |                            |                                 |
|----|----------------------------|---------------------------------|
| 1. | Mr. Kitichai Sincharoenkul | Director                        |
| 2. | Mr. Samacha Potavorn       | Director / Independent Director |
| 3. | Mr. Patrawut Panitkul      | Director                        |
| 4. | Mr. Li Shiqiang            | Director                        |

The said directors vacating office may be re-elected. In this regard, the profiles of the four nominated directors of the Company to replace the directors who retire by rotation are shown in Enclosure 3.

Opinion of the Board    According to the recommendation from the Nominating Committee of the Company, the Board of Directors, therefore, recommends that the shareholders approve the re-election of Mr. Kitichai Sincharoenkul, Mr. Samacha Potavorn, Mr. Patrawut Panitkul and Mr. Li Shiqiang to be directors of the Company for another term because of their long experience in the industry that shall provide a valuable service to the Company and shareholders. Also, such persons have all the qualifications and do not have any prohibited characteristics as specified by laws. For the independent director, such person is independence and has the ability to express their opinion independently according to the relevant rules.

In this regard, the profiles of the nominated directors of the Company to replace the directors who retire by rotation are shown in Enclosure 3 and the qualification of independent directors, which are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand.

Required votes    *The majority vote of the shareholders attending the meeting and casting their votes.*

**5. To consider and approve the determination of remuneration of directors for the year 2017**

Objective and Reasons    According to the Public Limited Companies Act and the Articles of Association of the Company, a director shall have the right to receive remuneration from the Company in the form of rewards, meeting allowances, gratuity, bonus or other benefits in accordance with the approval of the shareholders meeting.

The Remuneration Committee has considered the remuneration of directors for the year 2017 by taking into account the business and performance result, market trends and comparison of remuneration of directors in the same industry. The remuneration of this year will be increased by Baht 1,533,600.

Opinion of the Board According to the prudent consideration of the Remuneration Committee, the Board of Directors recommends the shareholders to approve the directors' remuneration for the year 2017, in a total of not exceeding Baht 8,028,000, which is increased to be in line with the Company's industry with the details as follows:

#### **Annual Remuneration of Board of Directors**

- Chairman of the Board Baht 804,000 / person/ annum
- Directors of the Company Baht 600,000 / person/ annum

#### **Annual Remuneration of Audit Committee**

- Chairman of the Audit Committee Baht 936,000 / person/ annum
- Audit Committee member Baht 744,000 / person/ annum

In this regard, details of the information of remuneration of directors are shown in Enclosure 4.

Required votes A vote of not less than two-thirds of the total number of votes of shareholders present at the meeting.

#### **6. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2017**

Objective and Reasons According to the Public Limited Companies Act, the annual general meeting of shareholders shall appoint an auditor and determine the auditing fee of the Company every year.

The Audit Committee considered the performance of the auditor of PricewaterhouseCoopers ABAS Limited ("PWC") for the previous year, its qualifications and its opinion, which is of benefit to the Company, together with the fact that there is no relationship or interests with the Company/ subsidiaries/ executives/ major shareholders or related parties of such persons, resulting in an independent performance, as well as its being an international audit firm, with a reasonable audit fee. It is deemed appropriate that the shareholders meeting approve the appointment of an auditor from PWC to be an auditor of the Company for the year 2017 with the names listed as follows:

Name of Auditor	Certified Public Accountant (Thailand) No.	Year for Auditing the Company in the past 5 years
1. Mr. Paiboon Tunkoon	4298	2015, 2016
2. Miss Sakuna Yamsakul	4906	-
3. Mr. Pisit Thangtanagul	4095	-

Either of these auditors can conduct the audit and express an opinion on the financial statements of the Company. In the event that neither of these auditors is available, PWC can delegate another one of its Certified Public Accountants to conduct the audit.

For the year 2017, PWC proposed the auditing fee of the Company and 9 subsidiaries, aggregately in an amount of Baht 10,725,000, divided into the auditing fee of the Company in an amount of Baht 6,750,000 and the auditing fee of the subsidiaries in an amount of Baht 3,975,000, which is increased to support the audit of 1 additional subsidiary company. Also, the Company and its subsidiaries have expanded their business continuously thereby increasing the scope and quantity of audit services. In this regard, an auditing fee will be increased of 25.90% from the previous year. The table below shows the comparison of the auditing fee in the previous year.

Unit: Baht

	<b>2017</b>	<b>2016</b>
Auditing fee (year end)	5,925,000	4,298,000
Reviewing fee (quarterly)	4,800,000	4,221,000
<b>Total auditing fee</b>	<b>10,725,000</b>	<b>8,519,000</b>

In addition, the Company uses the audit services for the foreign subsidiaries from the same audit firm specified herein and other audit firms. The determination to appoint the auditor of each foreign subsidiary shall primarily consider from quality of its services and auditing fee rate.

Opinion of the Board With the recommendation from the Audit Committee, the shareholders should approve the appointment of auditor and auditing fee as per the details recommended by the Audit Committee, taking in to account the satisfactory works of auditors of PWC for the previous year, having knowledge and understanding of the business of the Company and group of Company as well as being an international audit firm.

Nevertheless, such auditors do not have a relationship or interest with the Company/ subsidiaries/ executives/ major shareholders or related parties of such persons.

Required votes *The majority vote of the shareholders attending the meeting and casting their votes.*

**7. To consider and approve an amendment to the Objectives of the Company and the amendment to Clause 3 of the Memorandum of Association of the Company to be in line with the amendment to the Objectives of the Company**

Objective and Reasons As the Company has a STR laboratory for the analysis and quality testing of rubber pursuant to the Rubber Control Act B.E. 1999, it is therefore necessary for the Company to amend its objectives of the Company by adding one objective which is item 37 to be read as follows:

“Item 37. To operate a service business on scientific analysis, research and test including calibration.”

In this regard, to be in line with the amendment to the objectives of the Company from 36 objectives to 37 objectives, the Company must also amend clause 3 of the Memorandum of Association of the Company to be read as follows:

“Item 3. The Company has 37 objectives, details of which appear in the BOJ. 002 form attached”

Opinion of the Board The Board of Directors recommends that the shareholders approve the amendment to the objectives of the Company by adding one objective, which is item 37 as proposed and to also approve the amendment to clause 3 of the Memorandum of Association of the Company to be in line with the amendment to the objectives of the Company.

Required votes *A vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote.*

## **8. Other matters (if any)**

The shareholders of the Company are cordially invited to attend the shareholders meeting at the date, time and place mentioned above. Shareholders are requested to bring the documents for attending the shareholders meeting as per the details in Enclosure 6.

In order to speed up and facilitate the registration process, the shareholders and/or proxies are requested to bring a registration form having the barcode together with identification documents for meeting attendance, and present them to the registration staff on the meeting date.

For the shareholders' right and benefit, in the case that any shareholder is unable to attend the shareholders meeting but wishes to appoint the Company's independent director to vote on his/her behalf, please select one of the Company's independent directors, whose names and details appear in Enclosure 8. The completed and executed proxy should be submitted together with the required documents to the Company Secretary Office, 17<sup>th</sup> Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330. In order to facilitate for checking the documents, please kindly send the document to the Company before 21 April 2017.

To facilitate the proxies who are financial institutions or mutual funds or custodians and have a lot of completed and executed proxy forms, the sending of such documents to our Company Secretary Office in advance before 21 April 2017 for checking would be highly appreciated.

For the shareholders who require the 2016 Annual Report in printed format, please contact Sri Trang Agro-Industry Public Company Limited, Bangkok branch, at 17<sup>th</sup> Floor, Park Ventures Ecoplex Unit 1701, 1707-1712, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, at telephone number 662-207-4500 ext 1802 or 1805, fax number 662-108-2244.

Depositors and Depository Agents with shares standing to the credit of their securities accounts with CDP are not recognized under Thai law as shareholders of the Company and are not entitled to attend and vote at the shareholders meeting, or appoint their own proxies. CDP will dispatch to the Depositors and Depository Agents Voting Instruction Forms which will set out the resolutions to be considered at the shareholders meeting. Depositors and Depository Agents may direct CDP to exercise their voting rights in respect of the number of shares credited to their securities accounts by completing the Voting Instruction Form and returning it to CDP no later than 5.00 p.m. (Singapore time) on 18 April 2017.



Yours faithfully,  
By order of the Board of Directors



(Mr. Kitichai Sincharoenkul)  
Director

Note: The Company also published an Invitation to the 2017 Annual General Meeting of Shareholders together with all enclosures available for public consideration on the Company's website, [www.sritranggroup.com](http://www.sritranggroup.com), under "Investor Relations" and "Shareholder Information", from 23 March 2017 onwards.

The Company Secretary Office  
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