

Financial Result Overview

Quarterly profit of THB 7,280.1 million and dividend of THB 1.25 per share in September and not less than THB 1.25 per share in December 2021

In 2Q21, we were confronted with challenges from the COVID-19 outbreak at our Trang and Surat Thani plants, which forced us to suspend production at the 2 plants for 8 - 19 days in late May and June, a move that had a direct impact on our production volumes. The global container shortage and shipping congestion that persisted also meant we were unable to ship out products as planned. As a result, our sales volume declined 22.6% YoY and 14.9% QoQ to 5,713 million pieces. However, with the ASP still at a high level, we had THB 12,967.7 million in revenue in 2Q21, growing 164.7% YoY but decreasing 16.0% QoQ.

We recorded a net profit THB 7,280.1 million or THB 2.55 per share, with a net profit margin of 56.1%. The Board of Directors has approved a quarterly dividend of THB 1.25 per share, to be paid in September and another dividend of not less than THB 1.25 per share to be paid in December after the approval of 3Q21 financial result.

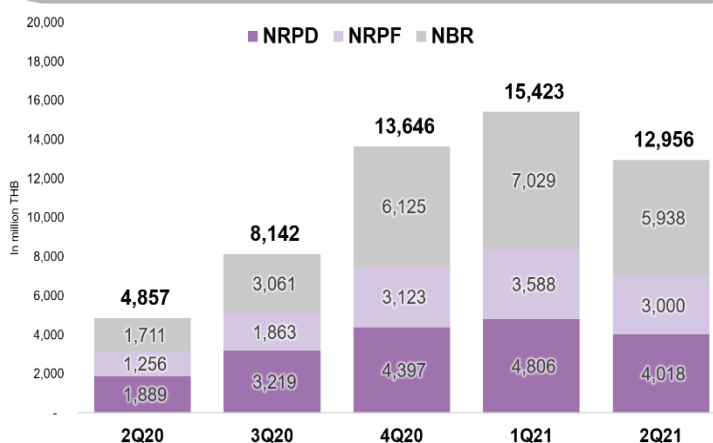
To inspire confidence among employees, customers, suppliers, investors and all stakeholders as part of our commitment to prevent COVID infections, we have secured Sinopharm vaccines for our employees at all levels and all nationalities, who received their first shots in June and second shots in July. Going forward, we aim to increase our market share both in the existing markets as well as by establishing our presence in new markets, with a strong commitment to environmental, social, governance issues (ESG) and our best-in-class workforce treatment. Aside from utilizing biomass, which constitutes clean energy that emits less carbon-dioxide than other forms of fuel, we are focused on products that are environmentally friendly and biodegradable such as our NR powder-free Spectrum gloves, which come in a variety of colors to suit market demand and were launched in mid-2021. We are also in the R&D phase of developing new types of NR gloves that will respond to a variety of customer demand and will be launched in 4Q21.

Revenue growing YoY but declining QoQ with temporary suspension of production and persisting logistics challenges affecting sales volume

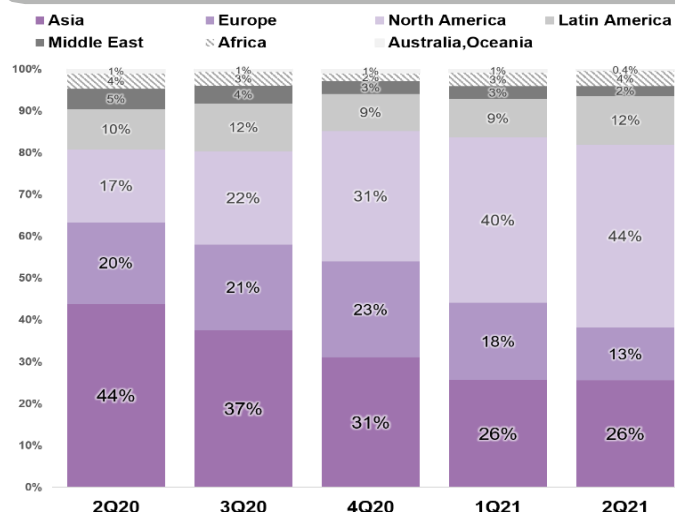
Sales revenue in 2Q21 was THB 12,967.7 million, growing 164.7% YoY but declining 16.0% QoQ. The decrease in revenue resulted from sales



Gloves' Revenues by Product (THB million)



Glove's Revenues by Geography (%)



volume that went down 22.6% YoY and 14.9% QoQ to 5,713 million pieces because of the temporary suspension of production at our Trang and Surat Thani plants following an outbreak of COVID-19, which caused our utilization rate to decrease to 88%. The global container shortage and shipping congestion that continued to persist also contributed to the decline in sales volume. The ASP, meanwhile, was THB 2,268 (USD 72.7) per 1,000 pieces, increasing 244.6% YoY but down 1.3% QoQ.

By product, nitrile gloves (NBR), with the highest ASP, contributed the largest proportion of revenue at 45.8%. Latex powdered gloves (NRPD) contributed 31.0% of total sales revenue, while revenue from latex powder-free gloves (NRPF) accounted for 23.2% of total sales revenue. Our one-of-a-kind production lines that can easily switch between

producing NBR and NRPF gloves afford us the flexibility to adjust our product mix to suit market demand and raw material situation in any given moment.

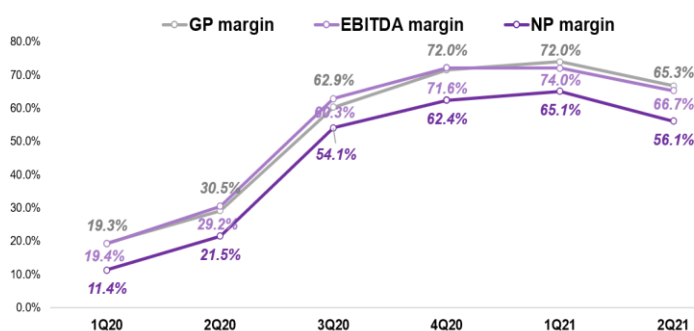
Profit margins remain strong and healthy

We recorded THB 8,650.4 million in gross profit, increasing 504.1% YoY because of the higher ASP, but decreasing 24.3% QoQ because of lower sales volume. The decline in gross profit can also be attributed to higher raw material costs, which increased 8.0% QoQ and 80.5% YoY for NR latex and 10.4% QoQ and 153.7% YoY for NBR latex. Gross profit margin was 66.7%, substantially higher than 29.2% in 2Q20 but down from 74.0% in 1Q21.

SG&A increased 89.3% YoY and 5.4% QoQ. The increase in selling expenses was attributable to higher freight costs because of the global container shortage and shipping congestion. Administrative expenses also increased as there were fees related to the listing on the SGX-ST under the ticker "STG" on May 10th, 2021. As a result, the percentage of SG&A to sales revenue increased from 2.9% in 1Q21 to 3.6%, which was still lower than 5.1% in 2Q20. Because of the depreciation of THB, we recorded THB 81.9 million in currency exchange losses mainly from hedging transactions. EBITDA margin was 65.3%, down from 72.0% in 1Q21 but substantially higher than 30.5% in 2Q20. Finance costs decreased 18.4% YoY and 2.4% QoQ to THB 31.5 million in 2Q21, nearly all of which were interest expenses that will be reimbursed by the RAOT*. We also recorded THB 28.4 million in finance income, increasing 2,089.1% YoY and 21.7% QoQ, thanks to the cash on hand. Tax expenses came in at THB 853.3 million, increasing 568.0% YoY and 15.8% QoQ. Our effective tax rate went up to 10.5% as our Trang and Surat Thani plants could not benefit from the BOI tax exemption during the temporary suspension of production. **Net profit in 2Q21 was THB 7,280.1 million, growing 590.5% YoY but decreasing 27.6% QoQ, with a net profit margin of 56.1%.**

*Long-term loans for capacity expansion under the interest rate subsidy program of the Rubber Authority of Thailand (RAOT), under which up to 3% of interest rate is subsidized.

Margin (%)

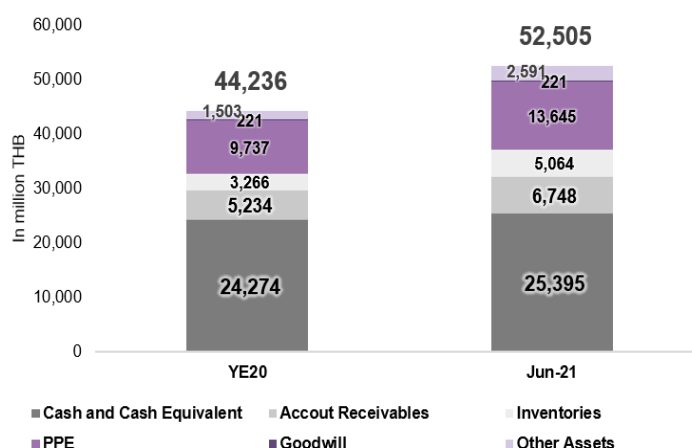


Strong balance sheet with lower debt

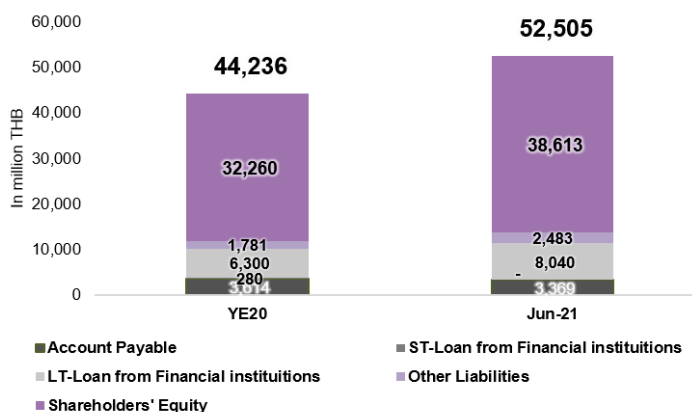
Our total assets increased by THB 8,268.8 million from the end of FY20 to THB 52,504.7 million and mainly consisted of THB 25,395.0 million in cash, which increased by THB 1,121.0 million from profits from operations, followed by property, plant and equipment, which increased in tandem with our capacity expansion, followed by inventory, which increased as the global container shortage and shipping congestion meant that some orders could not be shipped out, resulting in an increase in finished goods and inventory days. Cash cycle therefore increased from 27.0 days at the end of FY20 to 58.6 days at the end of 2Q21 as a result. Interest-bearing debt (IBD) consisted of THB 8,108.4 million in outstanding short-term and long-term borrowings and leasehold obligations. Nearly all outstanding loans were taken under the interest rate subsidy program of the RAOT, for which we do not bear any interest obligations. **Our gearing IBD to equity ratio remained unchanged from 0.21 at the end of FY20.**



Assets (THB million)



Liabilities & Shareholders' Equity (THB million)



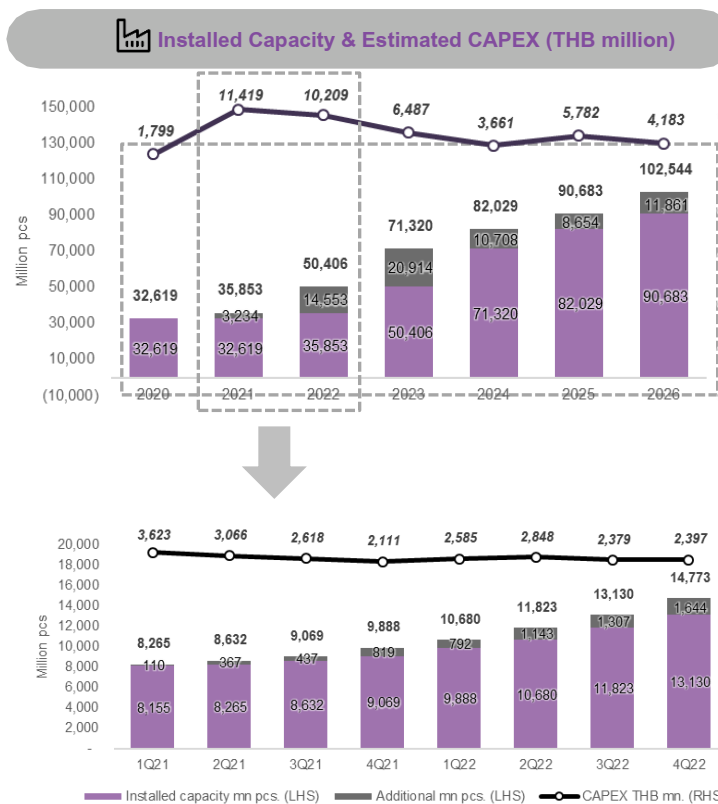
Strategy and capacity expansion

With our unique product mix (NR:NBR), production lines that can easily switch between producing NRPF and NBR gloves, and a production base in Thailand, a prime location for quality NR latex, we are well positioned to deliver high quality gloves to consumers worldwide at our maximum output.

We remain committed to an expansion plan to achieve 80 billion pieces in annual installed production capacity by 2024. SR2 plant was supposed to provide additional capacity in 1Q21. However, a fire incident occurred during construction on February 21st, 2021. Damage has been assessed to be around THB 52 million and less than 200 pieces in production capacity in FY21 will be effected. Repair work has been completed and SR2 plant has resumed all 6 production lines since May 2021. However, we were forced to temporarily suspend production for 8 days at our Surat Thani location and for 19 days at our Trang location in late May and June due to COVID-19 outbreak and this resulted in a loss of around 800 million pieces in production.

As for the progress on expansion, SR3 plant has been operating since late July, and we expect to have additional capacity from PS plant in Sadao, Songkla in 3Q21 and from TG3 plant in Trang in 4Q21. **By the end of 2022, our annual installed production capacity is expected to reach 50 billion pieces, representing a 54.5% growth from FY20, with the potential product mix of 50% NR gloves and 50% NBR gloves.** Cost-saving initiatives to optimize profit and return to shareholders will continue to be in our focus.

A strong commitment to environmental, social and governance issues (ESG) is what our customers, shareholders and all stakeholders can count on us. On environmental issues (E), we utilize wood chips, which are considered biomass and have 3 times lower the emission factor than LPG, as fuel for boilers in production. On social issues (S), our labor practices are well known as the **“best-in-class workforce treatment”** and have received **the top A rating in the Business Social Compliance Initiative (BSCI) audit by Amfori**, a well-regarded trade organization in Europe, for our plants in Hat Yai and Trang. We take responsibility for visa fees and work permits for all of our foreign workers. All of our employees are provided with appropriate accommodations to ensure good living conditions. To protect the health of our employees, we have secured Sinopharm vaccines for all-local and foreign daily wage and salaried employees-who received their first doses in June and second doses in July. Additionally, **we have organized the “Sri Trang Group Sharing Love with Local Communities 2” project to provide over 4.5 million pieces of medical gloves to various organizations in Thailand.** On governance issues (G), we are committed to promoting diversity, including gender, age and ethnicity diversity, among our workforce. Corruption prevention is also our focus and we plan to submit a declaration form to join Thailand's Private Sector Collective Action Coalition against Corruption within FY21. The many accolades we have received from various organizations are testament to our commitment and **we have been included in the ESG100 index of the Thaipat Institute.**





2Q21 Key Financial Information (unit: million THB)

	2Q21	1Q21	%QoQ	2Q20 (Restated)	%YoY	6M21	6M20 (Restated)	%YoY
Volume (in million pcs)	5,713.5	6,710.9	-14.9%	7,380.6	-22.6%	12,424.4	13,658.5	-9.0%
Sales Revenue	12,967.7	15,433.7	-16.0%	4,899.7	164.7%	28,401.4	8,674.9	227.4%
COGS	(4,317.2)	(4,013.2)	7.6%	(3,467.8)	24.5%	(8,330.4)	(6,512.0)	27.9%
Gross profit	8,650.4	11,420.5	-24.3%	1,431.88	504.1%	20,070.9	2,162.9	828.0%
Other income	39.9	42.9	-7.0%	27.7	43.7%	82.7	45.6	81.6%
SG&A	(471.9)	(447.5)	5.4%	(249.2)	89.3%	(919.4)	(476.6)	92.9%
Gain (loss) on exchange rate, net	133.8	273.1	-51.0%	(76.7)	-274.4%	406.9	32.3	1158.4%
Other gains, net	(215.7)	(491.2)	-56.1%	85.7	-351.8%	(706.9)	(45.7)	1448.2%
Operating profit (loss)	8,136.5	10,797.7	-24.6%	1,219.4	567.3%	18,934.2	1,718.5	1001.8%
EBITDA	8,468.0	11,115.3	-23.8%	1,482.0	471.4%	19,583.3	2,210.1	786.1%
EBIT	8,164.9	10,821.0	-24.5%	1,219.4	569.6%	18,985.9	1,718.5	1004.8%
Finance income	28.4	23.3	21.7%	1.3	2089.1%	51.7	1.5	3430.0%
Finance costs	(31.5)	(32.2)	-2.4%	(38.6)	-18.4%	(63.7)	(77.6)	-17.9%
EBT	8,133.4	10,788.8	-24.6%	1,182.1	588.0%	18,922.2	1,642.4	1052.1%
Tax	(853.3)	(737.2)	15.8%	(127.7)	568.0%	(1,590.5)	(159.4)	897.9%
Net profit	7,280.1	10,051.6	-27.6%	1,054.4	590.5%	17,331.7	1,483.0	1068.7%
GP margin	66.7%	74.0%	-7.3%	29.2%	37.5%	70.7%	24.9%	45.7%
EBITDA margin	65.3%	72.0%	-6.7%	226.9%	-161.6%	69.0%	25.5%	43.5%
Net profit margin	56.1%	65.1%	-9.0%	21.5%	34.6%	61.0%	17.1%	43.9%
Financial Ratio								
Current ratio	5.74	5.82	-1.3%	6.01	-4.5%	5.74	6.01	-4.5%
Cash cycle (days)	58.60	41.82	40.1%	26.58	120.5%	38.91	31.58	23.2%
IBD/E	0.21	0.16	34.8%	0.21	-0.5%	0.21	0.21	-0.5%
Interest coverage ratio	259.53	335.78	-22.7%	280.55	-7.5%	298.11	22.16	1245.6%
ROA	54.9%	74.2%	-19.4%	15.2%	39.6%	65.7%	10.7%	55.0%
ROE	74.6%	97.4%	-22.8%	20.3%	54.2%	89.3%	14.3%	75.0%

Sri Trang Gloves (Thailand) Public Company Limited ("**STGT**") is one of the world's largest producers of examination gloves. STGT has a total installed production capacity of 35.0 billion pieces per annum from production facilities located in strategic raw material locations in Thailand. STGT offers a wide range of high quality examination gloves for medical and non-medical purposes including Natural Rubber Powdered (NRPD), Natural Rubber Powdered-Free (NRPF) and Nitrile Butadiene Rubber (NBR) gloves that are distributed to more than 160 countries worldwide. STGT employs more than 8,000 people in all operating units worldwide including in Thailand, USA and the PRC. STGT is listed on the Stock Exchange of Thailand under Consumer Products/Personal Products & Pharmaceuticals sector and on the Singapore Exchange under healthcare services and medical equipment, supplies & distribution sector. For more information, please visit www.sritranggloves.com.

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