

(Translation)

**Minutes of the 2016 Annual General Meeting of Shareholders**

**Kang Yong Electric Public Company Limited**

**Wednesday, July 27, 2016, 14.00 hrs.**

**At Bu-nga Room, 3<sup>rd</sup> Floor, Golden Tulip Sovereign Hotel**

**92 Soi Saeng Chaem, Rama IX Road, Huai Kwang, Bangkok**

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**Meeting called to order: 14.00 hrs.**

**Number of shareholders and proxies attending the meeting**

The Board of Directors had scheduled the record date of the shareholders' names appearing in the share register book as of July 4, 2016. The number of shareholders on the closing date of the share register book as of July 5, 2016 was 2,304 in total, representing a total of 22 million paid-up shares.

There were 88 shareholders attending the meeting in person, representing 2,082,136 shares or 9.4643% of the total paid-up shares, and 55 attending the meeting by proxy, representing 14,559,959 shares or 66.1816% of the total paid-up shares, making up a total of 143 shareholders and proxies attending the meeting, holding an aggregate of 16,642,095 shares or 75.6459% of the total paid-up shares. This constituted a quorum according to Section 103 of the Public Limited Companies Act and Clause 33 of the Articles of Association of the Company, stipulating that a quorum for the meeting shall be formed by at least 25 shareholders and proxies attending the meeting and holding an aggregate number of shares not less than one-third of the total paid-up shares.

The meeting secretary introduced the Company's directors, management, and auditors from KPMG Phoomchai Audit Ltd. who attended the meeting to give clarifications and answers to questions raised at the meeting as follows:

**Directors attending the meeting**

- |    |             |                |   |
|----|-------------|----------------|---|
| 1. | Mr. Praphad | Phodhivorakhun | Chairman of the Board of Directors / Chairman of the Board of Executive Directors           |
| 2. | Mr. Tsutomu | Shimizu        | Vice Chairman of the Board of Directors / Vice Chairman of the Board of Executive Directors |
| 3. | Mr. Komol   | Vongsthongsri  | Director / Executive Director   |

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|-----|---|--|
| 4.  | Mr. Akira Nakamichi                     | Director / Executive Director  |
| 5.  | Mr. Chackchai Panichapat                | Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee           |
| 6.  | Mr. Manu Leopairote                     | Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Product Pricing Committee |
| 7.  | Mr. Arthakrit Visudtibhan               | Independent Director / Chairman of the Product Pricing Committee / Member of the Audit Committee                       |
| 8.  | Mr. Tanabodee Kusinkert                 | Independent Director / Member of the Audit Committee / Member of the Product Pricing Committee                         |
| 9.  | Pol.Maj.Gen. Sahaschai Indrasukhsri     | Independent Director / Member of the Nomination and Remuneration Committee   |
| 10. | Assoc. Prof. Dr. Issaree Hunsacharonroj | Director   |
| 11. | Mr. Hirotake Abo                        | Director   |

**Directors absent from the meeting** due to engagement overseas

- |    |                         |          |
|----|-------------------------|----------|
| 1. | Mr. Yasumichi Tazunoki  | Director |
| 2. | Mr. Shinji Sasaki       | Director |
| 3. | Mr. So Suzuki           | Director |
| 4. | Mr. Praphon Potivorakun | Director |

**Management members attending the meeting**

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|----|----------------------|--|
| 1. | Mr. Aniwat Sae-Lim   | Finance Department Manager / Company Secretary |
| 2. | Mr. Hiroyoshi Sasada | Deputy Finance Department Manager              |

**Meeting Secretary**

- |                              |  |
|------------------------------|--|
| Mr. Chayanind Phodhivorakhun | Deputy Corporate Strategic Planning Office Manager |
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**Auditors from KPMG Phoomchai Audit Ltd.**

1. Ms. Orawan Sirirattanawong Certified Public Accountant, Registration No. 3757
2. Ms. Nisa Nakchan Audit Manager

**Executive in charge of vote count examination**

Mr. Kritsana Chatchaivorawong

**Legal advisor**

Mr. Prachak Dokphut

**Translator**

Ms. Niramom Cheewarat

**Shareholder right protection volunteer** a proxy of Thai Investors Association

Ms. Supaporn Pakasirikul

The Meeting Secretary proposed the agenda items according to the Board of Directors' resolutions, and gave explanation on the vote casting, vote counting and voting result announcement methods as detailed below:

- For this 2016 Annual General Meeting of Shareholders (AGM2016), the Company had given the shareholders rights to propose an agenda of the meeting and/or nominate candidates for the Company's director election ahead of the meeting via the Company's website from January 20 to March 18, 2016. Details of criteria and procedure were as posted on the Company's website [www.mitsubishi-kye.com](http://www.mitsubishi-kye.com). Upon completion of such period, none of the shareholders proposed the agenda of the meeting and/or nominated candidates for director election, notification of which was subsequently made to the Company's and the SET's websites. The Company therefore proposed eight agenda items to the meeting pursuant to resolutions of the Board of Directors. The Chairman of the Board of Directors would serve as chairman of the meeting and conduct the meeting in accordance with the meeting agenda set forth as indicated in the notice of the meeting already submitted to the shareholders. Items would be proposed and relevant information provided respectively according to the agenda. Shareholders would be allowed to raise questions and comments before vote casting on each agenda item.

- **In casting votes**, each shareholder shall be entitled to one vote for one share. Thus, each shareholder has vote counts equivalent to amount of shares held in person or by proxy. The shareholders may vote either approving or disapproving or may abstain from voting, and cannot split the number of shares for separate voting, except in case of receiving proxy from foreign shareholders appointing a custodian in Thailand. Each resolution shall be passed by vote casting in either of the two cases pursuant to Clause 34 of the Company's Articles of Association and Public Limited Companies Act B.E. 2535 as below:

1. Normal case: The resolution shall be supported by the majority of votes of the shareholders attending the meeting and casting their votes, with calculation based only on the votes cast by the shareholders who approve and disapprove, except for agenda item 6 regarding director remuneration where the resolution shall be passed by votes not less than two-thirds of the total number of votes of the shareholders who attend the meeting and having the right to cast vote, with calculation based on the votes cast by the shareholders who approve, disapprove and abstain from voting. In case of an equality of votes, the Chairman of the meeting shall have be entitled to casting vote.

2. Other cases: The resolution shall be passed by votes not less than three-fourths of the total number of votes of the shareholders who attend the meeting and having the right to cast vote.

- **Procedures for voting by shareholders** In casting votes on each agenda item, the Chairman will ask the shareholders to pass a resolution, and the shareholders shall follow the procedures below:

1. Shareholders attending in person and those by proxy form A who disapprove or abstain on any agenda item shall identify themselves by raising their hands and shall mark in the appropriate box and sign in the ballots and then return the ballots to the Company's staff for counting of votes. The shareholders/proxies who do not raise their hands shall be deemed to vote approve on such agenda item, and they are also required to mark and sign in the ballots all of which would be collected upon the end of the meeting to ensure transparency in processing and comply with the corporate governance policy regarding annual general meeting practice guidelines of Thai Investors Association.

2. Shareholders attending by proxy forms B and C who are ordered to vote as indicated on the proxy forms B and C, the Company shall count and record the votes as indicated in such forms upon their registration to attend the meeting.

The shareholders or proxies who have to leave before the meeting is adjourned please submit ballots for the rest of the agenda items in advance to the Company's staff for recording of their votes on each of those agenda items.

- **Counting of votes cast by the shareholders** The Company shall count only votes of shareholders who disapprove and those who abstain from voting, which shall then be deducted from the total number of votes of shareholders attending the meeting and having the right to cast vote. The remaining votes shall be counted as votes of approval. Votes cast by the shareholders as indicated in the proxy forms shall also be taken into account. After that, the officer from OJ International Co., Ltd. would process the vote counting by barcode system and present the result on the screen. Shareholders or proxies who do not hand in their ballots to the officer before the Chairman declares the close of each agenda item shall be deemed to vote approval, even though they vote in disapproval or abstentions. In case of any agenda item where vote counting may take a longer time than usual, during such period, the Chairman may ask the meeting to proceed to the next agenda item to keep the meeting going on smoothly. The officer will inform the meeting of the vote counting result as soon as the vote counting is completed.
- Total number of votes on each agenda item may differ as additional shareholders/proxies may attend the meeting or some may leave during the meeting.
- To ensure transparency and compliance with the applicable law and the Articles of Association of the Company, Mr. Kritsana Chatchaivorawong, Manager of Internal Audit Control Department which is an independent unit, to take charge of reviewing the examination of documents of the shareholders and the proxies, quorum verification, vote counting, and processing of vote counting in each agenda item.
- A shareholder or proxy who has any query or wishes to make comment shall raise his/her hand and, after obtaining the Chairman's approval, shall indicate whether he/she is a shareholder or a proxy and give his/her name for recording in the minutes.
- Two languages are used in proceeding with the meeting and reports, i.e. Thai and Japanese. The Company makes available Japanese translator to facilitate communication between the Thai shareholders and Japanese directors.

The Meeting Secretary then invited Mr. Praphad Phodhivorakhun, Chairman of the meeting, to conduct the AGM 2016 according to the agenda set forth.

Before proceeding with the consideration of the agenda items, the Chairman thanked the shareholders for their untiring supports all along, and updated the meeting of the Company's operating result in 2015. Global and domestic economic volatility prevailed through 2015. Falling oil prices and currency exchange fluctuations successively pressed down consumer product prices amid lessened purchasing power of trading partners. Meanwhile, Thai export remained in a slowing pace. However, the Company has continued to strive for the growth of sales revenues and profit, focus on product research and development, and explore new business opportunities, product-wise and market-wise, in parallel with social responsibility under corporate governance principles and code of ethics, and with due regard to sustainable benefits to the shareholders and stakeholders.

As regards anti-corruption efforts, the Company has participated in the Private Sector Collective Action Coalition Against Corruption (Thai CAC) in collaboration with Thai Institute of Directors Association (Thai IOD). It is now in the process of preparing to apply for certification by the CAC by December 2016.

The Chairman then declared the meeting open and proceeded with the businesses on the agenda as indicated in the invitation notice as follows:

**Agenda No. 1 To adopt the minutes of the Annual General Meeting of Shareholders  
for the year 2015**

The Chairman requested the meeting to consider and approve the minutes of the 2015 Annual General Meeting of Shareholders held on Friday, July 24, 2015 as appearing in the documents, pages 9-26 (Thai version) and pages 9-27 (English version), already sent to the shareholders together with the notice of the meeting, and submitted to the Stock Exchange of Thailand (SET) and the Ministry of Commerce (MOC) within 14 days from the meeting date as prescribed by law, as well as posted on the Company website. The Board of Directors viewed that the minutes had correctly, truthfully and completely recorded details of the meeting, and deemed it appropriate for the meeting to adopt the minutes of the 2015 Annual General Meeting of Shareholders.

The Chairman invited the shareholders to raise questions and voice their opinions.

Suggestion : **Mr. BASANT KUMAR DUGAR**, a shareholder, suggested as below:

Complying with the good corporate governance, the Company should distribute all concerned documents for General Meeting of Shareholders through The Thailand Securities Depository Co., Ltd. (TSD) and arrive to all shareholders for at least 14 days before the meeting.

Answer : **The Chairman** expressed his thanks for the such suggestions.

None of the shareholders raised any questions or made any comments. The Chairman therefore requested that the meeting resolve to adopt the minutes so proposed.

**Resolution** : After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to adopt the minutes of the 2015 Annual General Meeting of Shareholders held on Friday, July 24, 2015, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	16,661,303	100.0000
Disapproved	0	0.0000
Abstained	-	Not counted in voting base
Total shares	16,661,303	100.0000

**Remark** During the consideration of this agenda item, there were 10 additional shareholders that attended the meeting, holding 19,208 shares, thereby bringing the total number of attending shareholders/proxies to 153 persons representing 16,661,303 shares.

#### **Agenda No. 2 To acknowledge the report of operating results for year 2015**

The Chairman informed the meeting that, according to the Company's Articles of Association, the Board of Directors had prepared the Annual Report 2015 in CD ROM and sent it to the shareholders together with the notice of the meeting so that the shareholders would be able to look into the Company's operating results for 2015.

The Chairman then assigned Mr. Tsutomu Shimizu, President of the Company, to present a summary report on the Company's performance in the previous year.

The President expressed his thanks to the attending shareholders and gave a power point presentation on the Company's operational overview for the year ended March 31, 2016, as follows:

❖ The Company's 2015 financial and operational highlights for the fiscal year 2015 as compared with a year earlier (ended March 31, 2015 and 2016) :

- It posted a net profit of Baht 842 million in fiscal year 2015, representing a decline of Baht 85 million or 9% from fiscal year 2014, due to the following factors:
  - Revenues from sales in 2015 were Baht 8,805 million, accounting for a growth of Baht 130 million or 1% from 2014. Total revenues amounted to Baht 9,511 million, an increase of 1% from 2014.
  - In 2015, the Company was impacted by currency exchange fluctuations. However, thanks to its sales expansion and effective cost reduction activities, its gross profit improved by Baht 22 million or 2% from that in the previous year.
  - Selling and administrative expenses amounted to Baht 1,080 million, up by 7% from the foregoing year caused by the Company's sales expansion policy which necessitated it to invest more in product development aiming to generate more income in future. However, the Company's qualitative cost improved.
- Total assets in 2015 amounted to Baht 7,376 million, a growth of Baht 499 million or 7% from the preceding year.
- Total liabilities in 2015 accounted for Baht 1,955 million, an increase of Baht 124 million.
- Shareholders' equity in 2015 totaled Baht 5,421 million, a growth of Baht 375 million.

❖ Revenues from sales in 2015 amounted to Baht 8,805 million, a growth of Baht 130 million or 1%, still ranking the third highest in sales performance in the Company's unprecedented in 52 years of operation.

❖ Net profit after tax in 2015 was Baht 842 million, down by Baht 85 million from the previous year, and the fourth highest in profitability in its unprecedented in 52 years of operation. Profit margin was 9.6% against sales, which was the third highest compared with 2009 which recorded profit margin of as high as 14.2% against sales.

❖ As regards the sales revenue structure by product line, 70% were derived from sales of refrigerators, 18% from electric fans and ventilating fans, and 10% from water pumps. Compared with 2014, sales of refrigerators decreased from 72% in 2014 while sales of electric fans and ventilating fans rose by 2% from 16% in 2014 in line with its management rebalancing and focus on comprehensive business expansion which had thus led to increase in sales proportion of electric fans, ventilating fans and water pumps.

- ❖ Classified by market, 41% of total sales were from exports to Japan, 36% from domestic distribution, and 23% from other export markets which recorded a growth of 1% from 2014. This was in line with the Company's sales restructuring policy with more weight put on increased proportion of exports to other markets to mitigate foreign exchange risk, and also its rebalancing proportion of export sales to the three markets.
- ❖ An analysis of the profit and loss for fiscal year 2015 versus fiscal year 2014 has shown a net profit drop of Baht 85 million, with analytical details below:

Negative factors

Foreign exchange impact	Baht 238 million
Selling price cut to maintain or enhance sales in certain markets	Baht 105 million
Product development expenses for future sales expansion	Baht 65 million

Positive factors

Sales improvement through market expansion activities	Baht 77 million
Raw material cost reduction and cost reduction activities (VE)	Baht 246 million

The positive factors could offset the negative factors like foreign exchange impact and selling price cut to some extent, but additional investment was made for product development to grow sales revenue looking forward. Therefore, although the profit of Baht 842 million in 2015 was smaller than that a year earlier, it should be considered a satisfactory level of profit viewing the efforts the Company had put in growing sales further on.

The Chairman thanked the President and then invited the shareholders to raise questions and voice their opinions.

None of the shareholders raised any questions or made any comments. The Chairman informed the meeting that this agenda shall not be determined by votes since it was only a report for shareholders' acknowledgement.

**Resolution** : The meeting acknowledged the Company's report of operating results for 2015.

**Remark** During this agenda item, there were four shareholders that attended the meeting in addition to those during agenda no. 1, holding 2,400 shares, thereby bringing the total number of attending shareholders/proxies to 157 persons representing 16,663,703 shares.

**Agenda No. 3 To consider and approve the annual financial statements 2015 year ended March 31, 2016**

The Chairman informed the meeting that, to comply with the Company's Articles of Association which require the Board to prepare balance sheets and statements of income as of the end of its fiscal years duly audited by the auditor to the AGM for consideration and approval, the Board deemed it expedient to propose for the shareholders' consideration and approval the Company's financial statements for the fiscal year ended March 31, 2016 duly audited by the auditor and reviewed by the Audit Committee. The President then provided details to the meeting as below:

The financial statements for fiscal year 2015, details of which appeared in the Annual Report 2015, page 87 (Thai version) and page 95 (English version), could be summarized as follows:

Statement of financial position

- Total assets went up from Baht 6,877 million in 2014 to Baht 7,376 million in 2015, growing by 7%, with current assets of Baht 5,815 million, up by Baht 457 million attributable to increases in cash and cash equivalents by Baht 255 million, current investments by Baht 120 million, and trade accounts receivable by Baht 138 million, and decrease in inventories by Baht 31 million.
- Non-current assets moved up by Baht 42 million due to additional investment in machinery and equipment for added value in production.
- Total liabilities were Baht 1,955 million, up by Baht 124 million, coming from increase in trade accounts payable and other payables by Baht 157 million,.
- Total shareholders' equity were Baht 5,421 million due to dividend payment of the previous year of Baht 464 million and comprehensive income for the year of Baht 838 million.

#### Statement of comprehensive income

- Total revenues amounted to Baht 9,511 million, improving by Baht 83 million due to increase in sales by Baht 130 million and decrease in investment income by Baht 46 million. Total expenses moved up by Baht 180 million from 2014 due to increase in product development expenses to accommodate future sales expansion. Coupled with adverse impact from currency exchange fluctuations and selling price cut to grow sales, net profit in 2015 accounted for Baht 842 million, which was a decline from the foregoing year by only Baht 85 million thanks to its efforts to relieve such impact through cost reduction activities, sales boost and also decrease in raw material prices.

#### Statement of cash flows

- Cash flow from operating activities in 2015 amounted to Baht 542 million. Meanwhile, cash flow from investing activities was Baht 177 million. It was mainly due to an increase in dividends received. For cash flow from financing activities, the Company paid dividends amounting to Baht 464 million. Hence, cash and cash equivalents as of March 31, 2016 accounted for Baht 1,064 million, up by Baht 255 million from the foregoing year.

The Chairman then invited the shareholders to raise questions. Questions raised by the shareholders were as follows:

Question : **Mr. Anu Wongsarakit**, a shareholder, enquired as below:

1. From the statement of financial position, page 3, regarding short-term loans to related party in a decreasing amount and focus on increased proportion of exports to other markets as well as decreased proportion of exports to Japanese market to prevent foreign exchange impact under the policy set by the President, and would there be any impact on royalty payment for product development contracted every five years with related companies?
2. In the statement of cash flows, did the decrease in allowance for decline in value of inventories (reversal) of Baht -15 million come from selling price cut for customers, and why did the value of inventories go up by Baht 47 million?
3. In 2014, there was impairment loss on land not used in operation of Baht 2.8 million, but in 2015, there was no such item. Was it because the land was later used in the operation?

4. In the statement of comprehensive income, foreign exchange gain was recorded at Baht 21 million in 2014 and Baht 33 million in 2015. However, according to gain/loss difference analysis by the President, in 2015, there was foreign exchange loss of Baht 238 million. In conclusion, as both gain and loss were reported, did the Company actually record foreign exchange gain or loss?

Answer: **Mr. Aniwat Sae-Lim**, Finance Department Manager, explained as follows:

1. The decline in short-term loans to related party by Baht 20 million from the previous year was considered minimal and insignificant. It was a related transaction made with Melco Thai Capital Co., Ltd. (MTC) within the pooling group. MTC is a connected party and non-bank, dealing cash management with nine companies within the pooling group. It performs as center for channeling loans from the Company to companies in its business group in case they have financial liquidity shortage problem. At present, in overall, the companies in the group have high liquidity, hence no need to borrow loans.

**The Chairman** added that provision of loans was a transaction not related to business operating expenses. As cash flow management within the group has currently improved, there is less demand for borrowing of loans.

2. It is an accounting method to devalue inventories by assessing the decline in value of dead stock of all types comprising raw materials, work in process and finished goods, which is in accordance with the accounting standard. As for the higher inventories by Baht 47 million, it was because of the increase in production of goods in March.
3. Treasury Department reappraised value of lands affected by the big floods to a lower level. The Company's land in Ayudhaya was among the lands so devalued. Thus, the impairment loss on the Ayudhaya land was recorded in 2014 according to the Treasury Department's reappraisal. For 2015, due to no change in appraisal price, no impairment loss was recorded.
4. There are two levels of recognition of foreign exchange gain and loss, i.e. 1) recognition by sales as of the sales transaction date, thereby in 2015 analysis was made differently from that in 2014 in both Japanese yen and US dollar terms and hence foreign exchange loss was recorded at Baht 238 million, and 2) recognition by payment as exhibited in the statement of comprehensive income, thereby difference arise from sales and payment, resulting in Baht 33 million foreign exchange gain.

**Question:** **Mr. Kiat Sumongkhonthanakun**, a shareholder and proxy, enquired as below:

- 1) Referring to financial statement, page 41, what action had the Company taken in relation to the allowance for decline in value of inventories (reversal) from Baht 45 million in 2014 to Baht 16 million in 2015? Were the kind of goods, raw material or work in process / item sold as residue or reversed?
- 2) In financial statement, page 40, why did the accrued interest income go up from Baht 1.6 million in 2014 to Baht 6.5 million in 2015, while interest received from banks decreased from Baht 71 million to Baht 63 million respectively?
- 3) In financial statement, page 49, regarding property, plant and equipment, of which the portion that was factory equipment moved up from Baht 134 million in 2014 to Baht 201 million in 2015, in what type was such factory equipment?
- 4) Referring to financial statement, page 58, when would the remaining balance of provision for warranties in 2015 of Baht 185 million be settled? Would there be any additional provision close to those in 2014 and 2015 (Baht 19 million and Baht 18 million respectively)?

**Answer :** **Mr. Aniwat Sae-Lim**, Finance Department Manager, responded as follows:

- 1) The allowance for decline in value of inventories decreased compared with the previous year came mainly from, in 2015, product model changes in product development had been better prepared than in the foregoing year, thus pulling down amount of dead stock. However, we would not sell or dispose of such item, but would reuse it instead.
- 2) The Company has maintained deposits with banks with 4 months to 12 months maturities. Deposit amount each time and relevant maturity is different from one another. In 2015, the Company made additional short-term deposit of Baht 120 million, the interest rate of which was lower than that in 2014, hence decrease in interest received.
- 3) Most or more than half of factory equipment items in which we have invested are mold and die. Others are production process improvement and some machinery investments, such as additional investment in plastic injection machine in 2015.
- 4) Regarding the remaining balance of provision for warranties of Baht 185 million, if taking into account approximate use in each year of Baht 70 million, it may take about 3-4 years to use up such provision. In projection of future provision, based on past 5-year average actual claim rate against the sales amount, which has decreased in each year, we expect the provision will be on a decline in the next 3-5 years if there is no unusual claim.

**Question :** Mrs. Sumontha Watthanasin, a shareholder, enquired as follows:

- 1) After the Brexit, why had the Company not benefited from the stronger yen?
- 2) The Company was requested to consider paying more amount of dividend to the shareholders, considering its high amount of Baht 1,064 million cash in hand in 2015 and spending in development of new products but still failing to launch new products which in turn resulted in profit drop from Baht 927 million to Baht 842 million in 2015.

**Answer:** The Chairman and the President responded as below:

- 1) **The Chairman** clarified that as of the Company's fiscal year ended March 31, 2016, Brexit had yet to take place, so its impact was not reflected in the Company's operating results for 2015.
- 2) **The President** clarified that the cash in hand of Baht 1,064 million had to be maintained for use when necessary in case of any crisis amid the current business uncertainties and fierce competition as we need to give importance to developing products with high potential to meet customer needs and well compete with our rivals.

**The Chairman** added that home electrical appliances are products that need to changes in models and designs every year with brand uniqueness. This requires considerable investments in molds and dies. Moreover, there are currently imported goods from China and Korea. We need to be fully prepared so as to deal with changes timely with products that meet customer needs. For example, this year, we have launched additional models of 4-door refrigerator from one model to two models.

**Question :** Mr. Ekachai Phiphitwate, a shareholder, suggested that the Company can make higher profit through better cash management by using the Baht 2,200 million short-term deposits with banks which bear low interest rates of only 1.83%-2.05% to buy back the Company shares with XD sign every year which is the period when the share price drops Baht 40-50 per share. Moreover, as the Company's operating results are very good, it can pay dividend of around 5%-6% per share which is in line with its 50% dividend payment policy. Considering the investment in the way suggested, the total returns the Company can make may be as high as 12%, much better than deposits with banks. Otherwise, the Company may set up an employee provident fund like what CP All has done and have the employees make contribution to buy back the shares every month.

Answer : **The Chairman** responded that the Company would bring the shareholder's suggestion into consideration together with study of the relevant SET regulations.

Suggestion: **Mr. BASANT KUMAR DUGAR**, a shareholder, suggested as below:

- 1) In the statement of cash flow, it showed only Baht 177 million of increase from investing activities. The company should improve management to gain more money.
- 2) The Company should actively target to be qualified into SET50 or SET100 as well as concerning more on Market Capitalization.
- 3) The Company should consider calculating return on assets for a more complete picture of investment decision making.

Answer: **The Chairman** responded that the Company would bring the shareholder's suggestion into consideration.

Question : **Mr. Sakchai Sakunsimontri**, a proxy, enquired as below:

- 1) Investment in associated company was formerly in Baht 3 million and went up to Baht 18 million in 2014. Was there additional investment with any company? In 2015, such investment declined to Baht 17 million. Was it because there was decline in value of investment?
- 2) Post-employment employee benefits had been adjusted to be close to the market, being Baht 152 million in 2014 and raised to Baht 166 million in 2015. Was there any early retirement or recruitment of daily staff in replacement?

Answer : **Mr. Aniwat Sae-Lim**, Finance Department Manager, responded as follows:

- 1) Investment in associated company which was formerly in Baht 3 million and went up to Baht 18 million in 2014 came from increased profit recorded by the associated company. Such investment declined to Baht 17 million due to recognition of operating loss of the associated company.
- 2) Post-employment employee benefits were projected contingent liabilities according to TAS 19, not actual expenses to employees.

When there was no further question and suggestion from the shareholders, the Chairman requested the meeting to cast votes approving the Company's audited financial statements for fiscal year ended March 31, 2016, which were duly reviewed by the Audit Committee and considered accurate and appropriate.

**Resolution** : After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to approve the financial statements for the year ended March 31, 2016, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	16,664,099	99.9976
Disapproved	401	0.0024
Abstained	500	Not counted in voting base
Total shares	16,664,500	100.0000

**Remark** During the consideration of this agenda item, there were six shareholders that attended the meeting in addition to those during agenda no. 2, holding 1,297 shares, thereby bringing the total number of attending shareholders to 163 persons representing 16,665,000 shares.

**Agenda No. 4 To consider and approve profit appropriation and annual dividend payment**

The Chairman reported to the meeting that the Company had a policy to pay dividend to the shareholders at approximately 50% of net profit after corporate income tax as presented in financial statements in which investments were accounted for by the equity method and subject to the Company's operating results and economic conditions. In fiscal year 2015, the Company posted a net profit after corporate income tax of Baht 841.9 million, and in view of the Company's financial position, it had retained earnings available for appropriation for dividend payment. After consideration, the Board of Directors deemed it appropriate to propose to the shareholders' meeting to consider and approve the annual profit appropriation for dividend payment at a rate of Baht 19.14 per share, totaling Baht 421.1 million which would represent 50.02% of the Company's net profit after corporate income tax, which would be in line with its dividend payment policy.

The Company had determined the names of shareholders who were eligible for dividend payment on Thursday, August 4, 2016 (record date) and the gathering of names pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 by way of a close of the register book to suspend share transfer on Friday, August 5, 2016, with the date of dividend payment scheduled for Thursday, August 25, 2016.

The previous 5-year comparative operating results and dividend payment data were exhibited in the notice of this meeting duly sent to the shareholders to support the shareholders' consideration.

As the Company would pay dividend out of its net profit after corporate income tax at the rates of 20% and 30%, the shareholders who are individuals and get dividend for the 2015 performance would be entitled to tax benefit pursuant to Section 47 bis of Revenue Code, as follows:

- 1) A Baht 12.24 per share portion entitled to tax credit at a rate of 20%
- 2) A Baht 6.90 per share portion entitled to tax credit at a rate of 30%

The Chairman then provided the attending shareholders with an opportunity to raise questions and voice their opinions.

**Question :** **Mr. Kiat Sumongkhonthanakun**, a shareholder and proxy, enquired as below:

- 1) Had the Company paid tax at 23% and 25%? If so, the Company should use tax benefit with tax credit at such rate as well.
- 2) The Company was requested to consider paying dividend at a rate exceeding 50%.

**Answer :**

- 1) **Mr. Aniwat Sae-Lim**, Finance Department Manager, clarified that the Company had paid tax at 30% and 23%. For the 23% portion, tax benefit had been used by allowing the shareholders to request tax credit in the respective year. For the 30% tax portion this year would be the last year.
- 2) **The Chairman** clarified that the Company had to consider making preparation for any uncertain circumstances especially in case of tough competition. We had to make investment for improvement of production to catch up with the changeable markets and increase in product designs and models. That was why we requested to remain paying dividend at the existing rate.

Since none of the shareholders raised any other question and comments, the Chairman requested the meeting to cast votes on profit appropriation and dividend payment for the 2015 performance.

**Resolution :** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to approve the profit appropriation and dividend payment from the 2015 operating results at a rate of Baht 19.14 per share, totaling Baht 421,080,000 as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	16,664,500	100.0000
Disapproved	0	0.0000
Abstained	500	Not counted in voting base
Total shares	16,664,500	100.0000

**Agenda No. 5 To consider election of directors in place of those retiring by rotation**

The Chairman informed the meeting that in accordance with Clause 15 of the Company's Articles of Association, stipulating that "at every annual general meeting of shareholders, one-third of directors shall vacate office. If the number of vacating directors cannot be equally divided into three, then the number nearest to one-third shall apply," five directors shall retire by rotation at this AGM 2016. They were:

1. Mr. Tsutomu Shimizu
2. Mr. Manu Leopairote
3. Mr. Praphon Potivorakun
4. Mr. Yasumichi Tazunoki
5. Mr. Hirotaka Abo

The Board of Directors, excluding directors with beneficial interests, had considered candidates recommended by the Nomination and Remuneration Committee, with prudent consideration of their qualifications individually. In this regard, qualifications of independent directors were considered based on the definition of independent directors of companies, details of which were equivalent to those in the criteria set out by the Notification of the Capital Market Supervisory Board, and resolved to propose to the AGM 2016 re-election of the five retiring directors as directors for another term. The Board viewed that the five retiring directors have dependable knowledge, expertise and experience in this business field, and during their directorship for the Company, they have been dedicated to performing duties in accordance with the scope of power, duties and responsibilities and under good corporate governance, which have contributed to the Company's successful business operation and management all along.

Mr. Manu Leopaiprote has qualifications appropriate for being an independent director who would be able to give opinions independently and in accordance with relevant criteria. He is not involved as an executive, employee, staff member, or adviser who receives a regular salary / professional service provider, and has no material business relationship with the Company, associated company, or juristic person that may have conflict of interest at present or in the past two years, which may interfere with his independent judgment and performance of duties.

Profiles of the nominated persons were presented in the attachment 3 to the meeting notice duly sent to the shareholders to support their consideration. Moreover, to ensure transparency, all the directors due to retire by rotation were requested to leave the meeting room during consideration of this agenda item.

The Chairman invited the shareholders to raise questions and voice their opinions.

Suggestion: **Mr. BASANT KUMAR DUGAR**, a shareholder, suggested as below:

The Company should initiate Directors' and Officers' Liability (D&O) Insurance policy as welfare plan and also provide incentive bonus by 0.5 % of net profit and dividend to motivate directors.

Question : **Mr. Sakchai Sakunsimontri**, a proxy, enquired whether the Japanese directors stay and work in Thailand.

Answer : **The Chairman** responded that, of the three Japanese directors to be elected at this meeting, only one would work abroad taking charge of overseeing operation of the Company overseas.

Since none of the shareholders raised any other question and comments ,the Chairman requested the meeting to cast votes on the election of directors in place of those retiring by rotation through a casting of votes for the individual directors respectively.

**Resolution**: After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to elect the five directors due to retire by rotation, namely Mr. Tsutomu Shimizu, Mr. Praphon Potivorakun, Mr. Yasumichi Tazunoki and Mr. Hirotaka Abo as directors, and Mr. Manu Leopaiprote as independent director for another term, with voting result of each of them as shown below:

Director name	Approved (As %)	Disapproved (As %)	Abstained Not counted in voting	Total shares (As %)
5.1 Mr. Tsutomu Shimizu	16,554,599 (99.3405)	109,901 (0.6595)	500 -	16,664,500 (100.0000)
5.2 Mr. Manu Leopairote	16,663,600 (99.9946)	900 (0.0054)	500 -	16,664,500 (100.0000)
5.3 Mr. Praphon Potivorakun	16,554,599 (99.3405)	109,901 (0.6595)	500 -	16,664,500 (100.0000)
5.4 Mr. Yasumichi Tazunoki	16,554,599 (99.3405)	109,901 (0.6595)	500 -	16,664,500 (100.0000)
5.5 Mr. Hirotaka Abo	16,664,099 (99.9976)	401 (0.0024)	500 -	16,664,500 (100.0000)

**Remark** After the meeting's resolution re-electing the five retiring directors as directors for another term, the Chairman invited the directors to return to the meeting room.

**Agenda No. 6 To consider and approve directors' remuneration for fiscal year 2016 (April 2016-March 2017)**

The Chairman informed the meeting that, pursuant to the Public Limited Companies Act B.E. 2535, Section 90, and Clause 29 of the Company's Articles of Association, directors are entitled to receive directors' remuneration from the Company as considered appropriate by the shareholders' meeting.

The Nomination and Remuneration Committee has stipulated criteria for payment of directors' remuneration commensurate to the duties and responsibilities assigned to them, and comparable to those of peers in the same industry, of the same size, and under the same circumstances. The Committee accordingly proposed to the Board of Directors for consideration and determination of directors' remuneration for fiscal year 2016 at Baht 6,500,000, the same rate as in fiscal year 2015.

The Board of Directors deemed it appropriate to propose to the shareholders' meeting to approve the directors' remuneration for fiscal year 2016 in the form of retainer fee and meeting allowance in a total amount not exceeding Baht 6,500,000, the same rate as in fiscal year 2015, as follows:

Unit: Baht	Board of Directors			Audit Committee		Nomination & Remuneration Committee		Product Pricing Committee	
	Chairman	Vice Chairman	Director	Chairman	Member	Chairman	Member	Chairman	Member
Retainer fee/month	15,000	13,000	10,000	15,000	10,000	9,000	6,000	-	-
Meeting allowance/time	39,000	33,000	27,000	45,000	30,000	30,000	20,000	35,000	25,000

The Chairman then invited the shareholders to raise questions and voice their opinions.

**Question:** **Mr. Anu Wongsarakit**, a shareholder, enquired how much directors' remuneration had actually been paid to directors in the foregoing year, whether directors fully attended the meeting, and how many Board meetings were held each year.

**Answer :** **Mr. Aniwat Sae-Lim**, Finance Department Manager, responded directors' remuneration of Baht 5.9 million was actually paid in the foregoing year. Details of Board meetings held and directors' attendance were as disclosed in Annual Report, page 44.

Since no other shareholders raised any question or made any suggestion, the Chairman requested the meeting to cast votes on directors' remuneration for fiscal year 2016.

**Resolution :** After consideration, the meeting resolved by affirmative votes of no less than two-thirds of the total number of votes of the shareholders attending the meeting and having the right to cast vote, to approve the directors' remuneration for fiscal year 2016 in a total amount of not exceeding Baht 6,500,000 as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and having the right to cast vote.
Approved	16,575,600	99.4624
Disapproved	0	0.0000
Abstained	89,600	0.5376
Total shares	16,665,200	100.0000

**Remark** During the consideration of this agenda item, there was one shareholder that attended the meeting in addition to those during agenda no. 5, holding 200 shares, thereby bringing the total number of attending shareholders to 164 persons representing 16,665,200 shares.

**Agenda No. 7 To consider appointment of auditor and fixing of audit fee for fiscal year 2016**

The Chairman informed the meeting that, pursuant to the Public Limited Companies Act B.E. 2535, Section 120, and Clause 35(5) of the Company's Articles of Association, the annual general meeting of shareholders shall consider appointment of the Company's auditor and fixing of audit fee every year, and the same auditor may be re-appointed.

The Audit Committee considered and viewed that, as KPMG Phoomchai Audit Ltd. had consistently been the Company's auditor, with changes in certified public accountants regularly (every five years) in accordance with the Notification of the Capital Market Supervisory Committee and without any reasonable grounds for the change of auditor, the Committee accordingly proposed to the Board of Directors for consideration of the appointment of auditors from KPMG Phoomchai Audit Ltd. as the Company's auditor and fixing of audit fee for 2016.

The Board of Directors consented to the Audit Committee's proposal, and deemed it appropriate to propose to the shareholders' meeting to consider the appointment of auditors for 2016 from KPMG Phoomchai Audit Ltd. and fixing of audit fee, as detailed in the meeting notice, pages 34-37, as follows:

1) Appointment of auditors from KPMG Phoomchai Audit Ltd. as the Company's auditor, with designation of any one of the following certified public accountants to examine and give opinions on the Company's financial statements:

1. Ms. Orawan Sirirattanawong, Certified Public Accountant, Registration No. 3757  
(Signatory of the Company's financial statements for fourth straight year in 2016); or
2. Ms. Vipavan Pattavanvivek, Certified Public Accountant, Registration No. 4795; or
3. Ms. Patamavan Vadhanakul, Certified Public Accountant, Registration No. 9832

2) Fixing of audit fee for 2016 in the total amount of Baht 1,138,000, an increase of 0.4% from 2015, excluding out-of-pocket expenses that would be incurred during the audit process, as follows:

- Annual audit fee and product sales-purchase review fee of Baht 700,000, up by 0.3% from 2015; and
- Quarterly review fee of Baht 438,000, up by 0.7% from 2015.

The Chairman then provided the meeting with an opportunity to raise questions and express opinions. Since none of the shareholders raised any question or made any suggestion, the Chairman requested the meeting to cast votes on the appointment of auditor and fixing of audit fee for 2016.

**Resolution:** After consideration, the meeting resolved, by a majority vote of the shareholders attending the meeting and casting their votes, to appoint the Company’s auditor and determine the audit fee for 2016 as proposed by the Chairman, with voting results as follows:

Resolution	Number of votes (shares)	As % of total number of votes of shareholders attending the meeting and casting their votes
Approved	16,664,700	100.0000
Disapproved	0	0.0000
Abstained	500	Not counted in voting base
Total shares	16,664,700	100.0000

**Agenda No. 8 Other matters**

- None -

As there was no further question or suggestion from the shareholders, the Chairman thanked the shareholders for their attendance of the meeting, and then declared the meeting closed.

The meeting adjourned at 16.26 hrs.

Signature.....  
 (Mr. Praphad Phodhivorakhun)  
 Chairman of the Board of Directors  
 Chairman of the Meeting

Mr. Aniwat Sae-Lim  
 Corporate Secretary and Minutes Recorder