

## The 30<sup>th</sup> Annual General Meeting of Shareholders of

### Thai Poly Acrylic Public Company Limited

#### Date, Time and Venue

The meeting was held on April 23, 2014 at 10.00 a.m. at the Royal City Hotel, Arunamarin 3 Room, 2th Floor, Borom Rajchonni Road, Bangbumru Sub-district, Bangplad District, Bangkok Metropolis.

As Chairman of the Board of Directors could not attend the event, the meeting elected Mr. Chate Pattanakul, Managing Director to act as the Chairman of the meeting.

The Chairman called the meeting to order and introduced the attending directors, management and invitees to the meeting.

#### Attending Directors

- |    |  |  |
|----|--|--|
| 1. | Mr. Chate Pattanakul                   | Director and Managing Director                       |
| 2. | Mr. Hans Henrik Melchior               | Executive Director                                   |
| 3. | Mr. Suchitr Srivetbodee                | Non-executive Director                               |
| 4. | Assistant Professor Wattanee Phanachet | Independent Director and Chairman of Audit Committee |
| 5. | Emeritus Professor Supapun Ruttanaporn | Independent Director and Member of Audit Committee   |
| 6. | Mr. Anuphan Kitnitchiva                | Independent Director and Member of Audit Committee   |

#### Attending management

- |    |                               |                              |
|----|-------------------------------|------------------------------|
| 1. | Ms. Somjit Bunpiboonmitr      | Financial Controller         |
| 2. | Mr. Thanawat Kulprasetrat     | Human Resource/Legal Manager |
| 3. | Mr. Thanetr Khumchoedchoochai | Commercial Manager           |

#### Legal Consultant

Mr. Surat Chandkaew

#### Representative from Ernst and Young Office Limited

- |                            |                                |
|----------------------------|--------------------------------|
| Mr. Supachai Phanyawattano | Certified Public Accountant    |
| Ms. Sutthirak Fak-on       | Audit Manager, Audit Assurance |

#### Company's Secretary

Ms. Patcharee Maneetamwong

Company Secretary

#### Voting procedure

Before the meeting commenced, Chairman notified the meeting of the voting procedure whereby one share equals one vote and the meeting would be proceeded on the respective agenda without any addition to the agenda items. Voting in the resolution proposed for consideration and approval in each agenda would be casted by marking "Cross" in the voting card provided. The voting card contained color boxes for vote casting as detailed below.

Green Box	means	Approve
Red Box	means	Not Approve
Yellow Box	means	Abstain

#### Voting result and conclusion of the resolution

In each agenda required vote casting for resolution, Chairman would notify the shareholders or proxy of the shareholders to cast the vote in the voting card.

Chairman notified the meeting of the meeting attendees as follows:

- 6 directors from a total number of directors of 9 persons
- 70 shareholders (including those came in during the meeting), holding an aggregate numbers of 108,518,098 shares from a total 121,500,000 shares, which accounted for 89.315%
- 19 self-attending shareholders, holding an aggregate numbers of 1,436,000 shares, which accounted for 1.182%
- 51 proxies, holding an aggregate numbers of 107,082,098 shares, which accounted for 88.133%

This constituted a quorum required by the Company's Article of Association, certified by Mr. Surat Chandkaew, Legal Consultant of the Company. Chairman declared the meeting open. The meeting was proceeded with the business on the agenda as follows:

**Agenda Item 1: To consider and approve the Minutes of the 29<sup>th</sup> Annual General Meeting of Shareholders held on April 22, 2013**

Chairman informed the meeting that the 29th Annual General Meeting of Shareholders was held at the Royal City Hotel, Pinklao 1 Room, 9rd Floor, Borom Rajchonni Road, Bangbumru Sub-district, Bangplad District, Bangkok Metropolis on April 22, 2013. The Minutes of the Meeting was prepared within 14 days following the day of the Annual General Meeting, and submitted to The Stock Exchange of Thailand and the Ministry of Commerce within the period specified by law.

Chairman proposed the meeting to adopt the minute of the 29th Annual General Meeting of Shareholders held on April 22, 2013.

**Resolution:** The meeting passed a resolution adopting the minute of the 29th Annual General Meeting of Shareholders held on April 22, 2013. The voting result was as follows:

Approved	108,464,198	Votes	accounted for	99.950%
Not approved	-	Votes	accounted for	-
Abstained	53,900	Votes	accounted for	0.050%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

**Agenda Item 2: To report the Company's Business Performance for the year 2013**

Chairman informed the meeting that the operating results were reported in the 2013 annual report which was submitted to all shareholders.

Summary of 2013 operating results were as follows:

		2013	2012	2011
Revenue	Million Baht	1,420.11	1,581.68	1,564.14
Expense	Million Baht	1,378.09	1,447.44	1,470.57
Net income	Million Baht	33.42	103.43	66.87
Earnings per share	Baht	0.28	0.85	5.50
Number of shares	Million shares	121.50	121.50	12.15
Assets	Million Baht	988.48	1,081.19	950.53
Liabilities	Million Baht	379.00	444.38	339.83
Shareholders' equity	Million Baht	609.48	636.81	610.69
Book values per share	Baht	5.01	5.24	50.26

For the operating result of 2013, revenue significantly decreased by around 10% of which reasons have been explained every quarter.

In the first half, the Company could maintain its revenue at certain extent; however, the revenue significantly dropped in the second half caused by the slowdown economy. Many industries which are the Company's customer bases impacted by the slowdown resulting in the decrease sales volume. Industries significantly impacted the Company's performances were automobile and home appliance.

As domestic demand dropped, the Company tried to boost export sales in the second half. However, the export sales slowed down as a result of the following factors:

1. Continuing domestic demand in the first half
2. Baht appreciation in the first half causing the Company to slow down export sales to certain foreign customers. Major customers were maintained.

In the second half, domestic demand dropped, the Company therefore tried to boost up the export sales; however, it took time to building up customer bases. In addition, the competition in global market was fiercer than domestic one; thus, the Company focused on choosing customer bases aiming for a quality product and services.

Comparing 2013 to 2012, the export sales portion increased from 27% to 30% in the second half. However, as the revenue dropped while fixed and variable costs still constant, the 2013 profit margin dropped comparing to 2012.

Apart from adjusting proportion of domestic and export sales, the Company endeavored to launch the new product, the value added product, and the specific use product e.g. a bathroom sink which was formerly in white color was introduced to customers in different shapes and colors according to customer needs. The Company also expanded the market to neighbor country e.g. Myanmar of which the Company succeeded at certain extent as proven by continuous trade.

**Resolution:** The meeting acknowledged the Company's operating performance of 2013.

**Agenda Item 3:            To consider and approve the Financial Statements for the fiscal year ended  
December 31, 2013**

The Financial Statements for the fiscal year ended December 31, 2013 consist the statements of financial position and the statement of comprehensive income, which have been audited by a certified public accountant, as shown in the Annual Report for 2013, and distributed to the shareholders together with the Notice of Shareholders' Meeting.

Mr. Sakol Ngamlerdchai (shareholder) questioned whether the net profit of Baht 33 million be deducted by revenue from sales of residual of Baht 38.4 million. This would result in negative balances and he further questioned whether the operating sales had profit or not.

Chairman gave clarification that the cost of residual was included in the cost of finished goods according to the current accounting practice of the Company; therefore, residual sales portion was also considered an operating profit.

Mr. Sakol Ngamlerdchai confirmed that there was no profit from operating sales. In the fourth quarter, the Company experienced net loss of approximately Bath 9 million, Mr. Sakol further asked on the 2014 business plan whether there was any plan to boost up the profit e.g. increase the export.

Chairman gave clarification that the export sales have gradually increased in 2014. As previously mentioned, the Company focused on choosing customers aiming for good quality products and continuing services. In addition, the Company's product is of a higher quality than its competitors; thus, the price is higher making it difficult to penetrate medium and low end market segment. The export sale has grew up at certain level only; therefore, the important thing for the Company is to enhance the efficiency not only to reduce the Company's costs and but also to increase the Company's competitiveness.

Mr. Sakol Ngamlerdchai further questioned whether the Company is confident that it will have profit in 2014.

Chairman gave clarification that the Company previously expected that the political situation might be relieved in April; however, the current situation has not recovered. According to estimates from many organizations, the GDP growth of the country would be 2-3% in 2014 should the political situation return to normalcy within October. The Company goal is to maintain sales revenue, and the operating performance should not be less than prior years by endeavor to reduce costs to boost up the profit, while sales revenue might grow at certain extent only.

Mr. Sakol Ngamlerdchai added that the Company should boost up the profit in the current year, as he has invested in a lot of the Company's shares. The Company also experienced losses amounting Baht 9 million in the fourth quarter. In his view, the Company should have net profit of at least Baht 10 million on an average in each quarter; therefore, the estimated net profit for the year would be at Baht 40 to 50 million, which could possibly be reduced to Baht 30 million. He expected the Company to develop strategies to improve its performances in the second half, as there was operating loss of Baht 9 million in the fourth quarter, and the situation in the first quarter has yet to recover.

There was no further question from the shareholders, Chairman proposed the Meeting to pass a resolution.

**Resolution:** The meeting passed a resolution approving the financial statements for the fiscal year ended 31 December 2013. The voting result was as follows:

Approved	108,513,398	Votes	accounted for	99.996%
Not approved	-	Votes	accounted for	-
Abstained	4,700	Votes	accounted for	0.004%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

**Agenda Item 4: To consider and approve the appropriation of profit and the payment of dividends for the year 2013**

The Company has allocated legal reserve of ten percent of the registered capital in accordance with Section 116 of the Public Limited Companies Act B.E. 2535. Therefore, the Company was not required to set aside additional legal reserve. It was the Company policy to distribute dividends at a rate as approved by the shareholders on a case-by-case basis. For dividend payment consideration for the year 2013, the Company proposed dividend payment of Baht 0.25 per share for 121,500,000 ordinary shares, for a total consideration of Baht 30,375,000. The dividend payment for the year 2013 will be paid from retained earnings which applied 30% and 23% corporate income tax. Shareholders who are individuals can refund their tax credit according to Section 47 Bis of the Revenue Code.

Presented below is the detail of 2013 dividend payment:

Retained earnings	Corporate income tax rate	Dividend (Baht/share)	Amount
Year 2011	30%	0.10	12,150,000
Year 2012	23%	0.15	18,225,000
		<u>0.25</u>	<u>30,375,000</u>

The Board of Directors fixed the record date on 9 May 2014 for the rights to receive dividends and to close the share register book for collecting shareholders' names in accordance with Section 225 of the Securities and Exchange Act on 12 May 2014 and to fix the date of dividend payment on 21 May 2014.

Presented below is the comparison with last year's dividend payment:

Dividend Distribution	2013 (proposed)	2012 (previous year)
1. Net profit (Baht)	33,417,460	104,934,392
2. Number of shares (share)	121,500,000	12,150,000
3. Dividend per share (Baht/share)	0.25	7.00
4. Total paid dividends (Baht)	30,375,000	85,050,000
5. Dividend payout ratio (%)	90.92	81.05

The Board of Directors opined that the operating performance has significantly dropped in 2013; therefore, the Board agreed to pay dividend at the higher rate. As a shareholder proposed the Company last year to pay dividend from retained earnings which applied corporate income tax rate of 30% and 23%, respectively, the Company considered paying dividend from the retained earnings as proposed.

Chairman called the meeting to cast their vote for this agenda.

**Resolution:** The meeting passed a resolution approving the appropriation of profit and the payment of dividends for the year 2013 as proposed. The voting result was as follows:

Approved	108,513,398	Votes	accounted for	99.996%
Not approved	-	Votes	accounted for	-
Abstained	4,700	Votes	accounted for	0.004%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

Mr. Sakol Ngamlerdchai thanked the management for paying dividend at the higher rate, and paying from retained earnings which applied corporate income tax at the rate of 30% and 23% as proposed last year. He also added that for this year the dividend should be paid from retained earnings which apply corporate income tax at the rate of 23% not 20%.

**Agenda Item 5: To consider and approve the appointment of the auditor and the auditor's remuneration for the year 2013**

The Audit Committee has considered and selected Ernst & Young Office Limited, the existing auditor, as the Company's auditor for the year 2014 as Ernst & Young Office Limited has professional standards, independence and has performed effectively with the Company's staff. Ernst & Young Office Limited has assigned any one of the following persons to act as the Company's auditor:

1. Mr. Supachai Phanyawattano Certified Public Accountant License No. 3930, or
2. Ms. Supanee Triyanantakul Certified Public Accountant License No. 4498, or
3. Ms. Chonlaros Suntiasvaraporn Certified Public Accountant License No. 4523

Mr. Supachai Phanyawattano has been assigned to be in charge of the audit and to provide opinions and sign on the Company's Financial Statements. In the event that Mr. Supachai Phanyawattano is unable to perform his duties, Ms. Supanee Triyanantakul or Ms. Chonlaros Suntiasvaraporn would be assigned to perform the audit and opine on the Company's financial statements. The auditor's remuneration for the year 2014 would be at Baht 1,080,000.

The auditors whose names are proposed have no relationship and/or interest with the Company/ the executives/ the major shareholders, or any of their related parties whatsoever.

Chairman called the meeting to cast their vote for this agenda.

**Resolution:** The meeting passed a resolution approving the appointment of the auditor and the auditor's remuneration for the year 2014. The voting result was as follows:

Approved	108,445,398	Votes	accounted for	99.933%
Not approved	-	Votes	accounted for	-
Abstained	72,700	Votes	accounted for	0.067%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

**Agenda Item 6: To consider and elect directors in place of those who are retiring by rotation**

Chairman informed the meeting that in the 2014 Annual General Meeting of Shareholders, one-third of directors must retire by rotation according to the Company's Articles of Association, Section 4 Article 22 reading as follows:

"At every Annual General Meeting of Shareholders, the directors shall retire from office at the rate of one-third. If the number of directors is not divisible by three, the number closest to one-third shall retire.

Directors to retire from office in the first year and second year after the registration of the Company are determined by a draw. For the following years, directors having been in office for the longest time shall be the persons to retire from office.

Directors who retire by rotation according to this Article may be re-elected."

The directors who retire by rotation at this Annual General Meeting of Shareholders are:

- |    |  |  |
|----|--|--|
| 1. | Mr. Sei-Jin Liou                       | Director/Chairman of Board of Directors          |
| 2. | Mr. Suchitr Srivetbodee                | Non-Executive Director                           |
| 3. | Assistant Professor Wattanee Phanachet | Independent Director/Chairman of Audit Committee |

Assistant Professor Wattanee Phanachet expressed her intention not to stand for re-election as Director and tendered her resignation from her positions as Independent Director and Chairman of Audit Committee with effect from 23 April 2014.

In order to comply with good corporate governance principles, the Company disclosed an announcement on the Company's website inviting the shareholders to nominate qualified persons to serve as the Company's directors from 7 December 2013 to 14 February 2014. However, there was no director candidate nominated by any shareholder.

The Board of Directors has nominated and selected qualified candidates in accordance with the criteria and the nomination process disclosed in the Annual Report for 2013, under the section of Management, item No. 2 re: Directors and Management Selection and the section of Principles of Good Corporate Governance, item No. 5.5 re: Qualifications and Nomination of the Board of Directors. Based on the mentioned criteria and process as well as past performance as Director and Independent Director, the Board has found that Mr. Kulvech Janvatanavit who has been proposed as candidate to be elected to the Company's Board of

Directors, is competent and possesses experience which will be useful for the Company and qualified as independent director according to the Notification of the Capital Market Supervisory Board regarding the qualifications of independent directors. Therefore, it was deemed appropriate to propose to the 30th Annual General Meeting of Shareholders to appoint Mr. Kulvech Janvatanavit as Independent Director and Member of the Audit Committee to replace Assistant Professor Wattanee Phanachet with effect from 23 April 2014.

In addition, the following directors had informed that they were willing to accept re-election for another term.

- |                            |   |
|----------------------------|---|
| 1. Mr. Sei-Jin Liou        | Director/Chairman of Board of Directors |
| 2. Mr. Suchitr Srivetbodee | Non-Executive Director                  |

The Board of Directors found that the above two directors were highly qualified, with experiences valuable to the Company's business operations as well as to the shareholders.

Therefore, it would be appropriate to propose to the 30th Annual General Meeting of Shareholders to re-elect the above two directors for another term.

Mr. Thanomsak Sangutai (Shareholder) questioned on the position of Mr. Sei-Jin Liou and why he has never attend the meeting.

Chairman responded that Mr. Sei-Jin Liou is currently Chairman of the Board of Directors. He apologised all shareholders that Mr. Liou cannot attend the meeting, as he is a foreigner which could not understand the essence of the meeting which was rolled out in Thai. In addition, he has to travel from abroad to attend the meeting; therefore, he asked not to come. However, the Company would raise this concern to Chairman of the Board of the Directors.

Mr. Ekachai Pipitvech questioned on the reason for resignation of Chairman of Audit Committee

Assistant Professor Wattanee Phanachet responded that she has been the member of the Audit Committee of the Company for 14 years and intended not to stand for re-election if the retirement by rotation period met. She also added that she is aged and would like to work less, and the retirement by rotation period met this year; therefore, she decided not to be re-elected.

Chairman called the meeting to cast their vote for this agenda.

**Resolution:**

1. The meeting passed a resolution approving the re-election of Mr. Sei-Jin Liou to resume the position of Director/Chairman of Board of Directors for another term. The voting result was as follows:

Approved	108,513,398	Votes	accounted for	99.996%
Not approved	-	Votes	accounted for	-
Abstained	4,700	Votes	accounted for	0.004%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

2. The meeting passed a resolution approving the re-election of Mr. Suchitr Srivetbodee to resume the position of Non-Executive Director for another term. The voting result was as follows:

Approved	108,513,398	Votes	accounted for	99.996%
Not approved	-	Votes	accounted for	-
Abstained	4,700	Votes	accounted for	0.004%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

3. The meeting passed a resolution approving the appointment of Mr. Kulvech Janvatanavit as Independent Director and Member of the Audit Committee to replace Assistant Professor Wattanee Phanachet with effect from 23 April 2014. The voting result was as follows:

Approved	108,507,398	Votes	accounted for	99.990%
Not approved	-	Votes	accounted for	-
Abstained	10,700	Votes	accounted for	0.010%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

**Agenda 6.1: To acknowledge the resignation of Director and to appoint new Director to replace the resigned Director.**

Chairman informed the meeting that Emeritus Professor Supapun Ruttanaporn had tendered her resignation from the Board of Directors and from her positions as Independent Director and member of the Audit Committee with effect from 23 April 2014. Based on the criteria and the nomination process disclosed in the Annual Report for 2013 as mentioned above and after considering the qualifications, knowledge, capabilities and experience, the Board has found that Mr. Rakchai Sakulteera who has been proposed as candidate to be

elected to the Company's Board of Directors, is competent and possess experience that will be useful for the Company and qualified as independent director according to the Notification of the Capital Market Supervisory Board regarding the qualifications of independent directors. Therefore, it was deemed appropriate to propose to the Annual General Meeting of Shareholders to appoint Mr. Rakchai Sakulteera as Independent Director and Member of the Audit Committee to replace Emeritus Professor Supapun Ruttanaporn with effect from 23 April 2014.

Chairman called the meeting to cast their vote for this agenda.

**Resolution:** The meeting passed a resolution approving appointment of Mr. Rakchai Sakulteera as Independent Director and Member of the Audit Committee to replace Emeritus Professor Supapun Ruttanaporn with effect from 23 April 2014. The voting result was as follows:

Approved	108,507,398	Votes	accounted for	99.990%
Not approved	-	Votes	accounted for	-
Abstained	10,700	Votes	accounted for	0.010%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

**Agenda Item 7: To consider and approve the remuneration of Independent Directors and Non-Executive Directors for the year 2014**

Chairman informed the meeting that the Board of Directors has considered the appropriateness of the remuneration of Independent Directors and Non-Executive Directors for the year 2014 at the rate as set forth in the table below. The proposed new Directors Fees constitute an increase of about 5% compared to the fees for 2013. There is no increase in the Meeting Allowances.

Remuneration	2014	2013
1. Remuneration	(per person/ year)	(per person/ year)
— Chairman of Audit Committee	Baht 376,950	Baht 359,000
— Independent Directors	Baht 376,950	Baht 359,000
— Non-executive director	Baht 376,950	Baht 359,000
2. Meeting allowance	(per person/meeting)	(per person/meeting)
— Chairman of Audit Committee	Baht 7,000	Baht 7,000
— Independent Directors	Baht 6,000	Baht 6,000
— Non-executive director	Baht 6,000	Baht 6,000

The Board of Directors has set the guidelines and procedures for the determination of remuneration as disclosed in the Annual Report for 2013, under the section of Management, item No. 2 re: Remuneration of the Board and Management and the section of Principles of Good Corporate Governance, item No. 5.7 re: Remuneration of the Board and Management.

Chairman called the meeting to cast their vote for this agenda.

**Resolution:** The meeting passed a resolution approving the remuneration of Independent Directors and Non-Executive Directors for the year 2014. The voting result was as follows:

Approved	108,484,398	Votes	accounted for	99.969%
Not approved	-	Votes	accounted for	-
Abstained	33,700	Votes	accounted for	0.031%
Total	<u>108,518,098</u>	Votes	accounted for	<u>100.00%</u>

#### **Agenda Item 8: Other (if any)**

Chairman invited the meeting to question on any issues which need clarification. Chairman and directors gave clarification as summarized below.

Mr. Winai Rungtiwasuwan (shareholder) questioned that

From the previous shareholders' meeting held last year, Chairman had informed the meeting that the Company was to increase its production capacity by 5,000 tons and had a plan to build a new warehouse. However, as evidenced by the slowdown of the market and many industrial sectors, he asked the Company to clarify the progress of the investment plan and the new warehouse.

Chairman gave clarification that

The construction of the new warehouse was complete late last year as shown in the power point presentation; this would enhance the quality of services rendered to customers. As for the production capacity, the project was on hold as a result of the current economic condition.

Mr. Winai Rungtiwasuwan further questioned

What is the project New Biomass and how it would benefit the Company. Would it help reduce the production cost of the Company?

Chairman gave clarification that

Bunker oil is used as source of power for general Boiler, of which cost is rather high at Baht 20 per Litr or Kilogram. Biomass boiler mainly uses palm shell or shredded wood as power sources of which cost is significantly lower than bunker oil. This helps reduce costs at more than Baht 10 million a year; thus, enhance the Company's competitive advantages. In fact, the Company wished to allocate this profit portion to all shareholders; however, part of it has to be spent to enhance the Company's competitive advantages and marketing program.

A shareholder questioned

As lately the Company faced a high competition and the sales volume decreased, should the Company reduce the product price. How was the overall competition situation?

Chairman replied that

Overall, the Company tried to hold the product price as much as it could. However, certain measures need to address the competition situation previously mentioned. Trade discounts or volume discount were offered to frequent buyers or large volume buyers to stimulate the sales; however, discounts given did not damage the price structure as it was only a promotion, while customers who receive the discount benefit by paying less than the normal price.

The shareholder further questioned

For the competition, is there any more player or foreign company in the market? For the product at the same range, is the Company product considered advantage compared to its competitors?

Chairman replied that

Currently, the Company's businesses are mainly Acrylic and Extrusion.

For extruded product, the competition is at certain level; customer segment is multinational companies which need high quality product and full support on service. The Company owns market shares at the satisfied level; however, such customers might finally decide to invest in machinery to manufacture themselves when the needs for the product is higher.

For Acrylic, there are few main domestic competitors, while each of which can maintain its market share according to the market survey. For foreign competitor, import is seen; however, the variety of the import product is less e.g. color or thickness, unlike domestic product. In addition, the lead time for order is only 5-7 days for domestic purchase with full support of both general and technical services; therefore, customers still hesitate to purchase the imported products. Major of the import is from China while the Company also exports product there but in higher grade.

The shareholder further questioned

For foreign market, the Company uses trader as a sales channel or not. Does the Company have any plan to add the marketing channels?

Chairman replied that

The Company has both sales through agents, and directly to users. The general purposes acrylic is normally sold through agents; while the specific purpose one e.g. bathroom grade is sold directly to users.

Mr. Winai Rungtiwasuwan further questioned

The Company is obliged to pay Royalty fee to its parent company (Lucite) or not.

Chairman replied that

The Company is not obliged to pay Royalty fee to its parent company. The Company can use the Brand 'Lucite' in the bathroom product. The Brand 'Moden Glas', the Company's brand which is also well known in the market, is normally for general purpose product.

Ms. Namthip Phuprasert, Shareholder rights protection representative, Thai Investor Association questioned that

Does the Company have an Anti-Fraud and Corruption policy in place? What is the future plan?

Chairman replied that

The Company has Anti-Corruption Policy in place. The parent company (Lucite) has also performed an audit in this area. In addition, Mr. Kulvech Janvatanavit, a new director, is also the member of the Board of Collective Action Coalition against Corruption, Thai Institute of Directors. Mr. Kulvech would assist in monitoring good corporate governance of which the Company has always strictly adhered to.

A shareholder suggested that

A shareholder suggested that backdrop on the stage should be corrected to “The Annual General Meeting of Shareholders No. 30” or “1/2557” not “30/2557”.

A shareholder questioned

From previous minutes of meeting, it was seen that the Company was not much interested in expanding its market, especially the foreign market. In the previous year, it was noted that the Company did not focus on export sales until seeing that the domestic market trend was not quite well. What product that the Company exported, and to which countries? Does the Company have any plan to increase its production capacity, or expand the market, especially to the foreign market?

Chairman responded that

The Company is still interested in foreign market and maintains the appropriate proportion between domestic and export sales. As products for foreign market are mainly value added product, and the production capacity of acrylic is almost full, the Company therefore has to manage the sales strategy to achieve reasonable rate of return for shareholders. Even the Company exports more value added product, the profit margin of domestic market is still higher. In addition, the Company has a plan to increase the production capacity but the plan was on hold due to slow down economy.

A shareholder questioned

Why do two directors resign at the same time?

Emeritus Professor Supapun Ruttanaporn clarified that

She was in the position of director for three listed companies which are Glow Energy PLC., Delta Electronics (Thailand) PLC., and Charoen Phokaphand Food PLC., and was invited to join the Company. Emeritus Professor Supapun Ruttanaporn at first thought that it was appropriate to responsible for another one more company, as it was still fewer than the regulatory requirement at 5 companies. Practically, the meeting date set up of each company could be on the same day, and such date is normally fixed with foreign directors making it difficult to reschedule the meeting. Therefore, she was not available to attend the meeting at the time each company proposed.

Mr. Sajai Srikote questioned

The Company has the parent company as a distribution arm in international market, what is the sales proportion between normal sales and sales through the parent? Is there a conflict of interest in terms of the trade which causes the Company to be unable to expand to the market?

Chairman responded that

The Company has focused on export sales, considering the market that the Company has competitive advantages, or the market where customers focus on quality product and full support service. The regions the Company focuses on are Asia and Middle East.

A shareholder questioned

Does the Company have any limitation in terms of marketing in international market?

Chairman replied that

The Company has no limitation on marketing in international market. The proportion of sales through the parent company is less than 10% of export sales. The rest was sold through agents.

A shareholder further questioned

The Company noted the increase of minimum wages charge as a factor impacted the Company profitability in the quarterly reports. During the past 2- 3 years, several factors impacted the increase of wages cost every quarter. Does the Company have any plan to manage fixed cost during these couple years so that the profit is rather constant?

Chairman gave clarification that

Our employees are experienced and capable in the industry which is one of the competitive advantages. During this hard time, everyone has to enhance its work efficiency. For manufacturing related function, the Company would hold on hiring should the former staff resign.

A shareholder questioned

On page 38 in the annual report, it was noted that the Company lost sales orders from one of the large refrigerator manufacturers in the past year. Would the incident impact this year profit?

Chairman gave clarification that

This would also impact this year performance. The large manufacturer has invested in its own production line, but the capacity is not 100% of its order, to mitigate the risk arising from external factors. However, there is not much movement in the refrigerator sector.

A shareholder questioned

Who are the Company's customers in refrigerator sector?

Mr. Suchitr Srivetbodee replied Sharp, Toshiba, Hitachi and Mitsubishi.

A shareholder further questioned whether all the customers turned to have their own production line.

Chairman replied that only part of them have done so.

Mr. Suchitr Srivetbodee further gave clarification on the export sales and royalty fees that

In the case that the shareholder mentioned that the Company did not focus on the export sales and doubt if there is conflict of interest issue in terms of the trade between the Company and its parent company, the Company is renown and experienced in exporting and have penetrated several markets e.g. Myanmar which the Company would probably be the first who offered this kind of product and has been in the market for almost 20 years. Most of the Company's exports, around 95%, are acrylic. For extrusion, the extrusion sales are mainly domestic; certain orders were made from foreign market on ABS and Hips which is not significant to the overall export.

The majority of the export of the Company are acrylic which can be divided in 2 product ranges i.e. General Purposes and Bathroom grade. General purposes is exported worldwide. For the conflict of interest issue, according to the Company's policy, in Europe and America, the Company can initiate the trade with new customers, while the existing customers are maintained. For Asia-Pacific, the Company can expand the market at 100% in both General Purposes and Bathroom product which can be used for bath tub.

For General Purposes, our customers are several countries in Asia-Pacific e.g. Australia, which is the major consumer. There are 20-30 agents in Australia; however, they are non-controllable. Therefore, the Company chose the biggest agent which has the best distribution and network in Australia to be the Company's agent. During the slowdown market, whether from domestic factors or from factors incurred in Australia, the

Company has to understand customers and find the best solution for them. In certain year, the price of acrylic sheet of our competitors e.g. Malaysia, and Indonesia, was cheaper. Especially last year that Indonesian Rupiah was depreciated for almost 100%, which made it more advantageous to Indonesian manufacturers that they could lower their price. This threat was uncontrollable. At that time, the exchange rate for USD/THB is Baht 31/USD, while the current rate is somewhat Baht 32/USD. The USD/THB foreign exchange rate is also a threat for expansion of export sales. The Company is exploring expanding the market; however, only 1-2 agents per country are appropriate. Finding the new agent every time would not help solve the problem.

As for royalty fee, the Company does not have to pay royalty fee but commission e.g. the Company has to pay sales commission to the selling agent in Korea, as they also have selling administration expense. The commission rate is as agreed by both parties but normally the commission rate is around 3-5%.

A shareholder questioned that

Two directors resigned but there was only one new director appointment. There was also only one voting card.

Chairman gave clarification that

There were two voting cards for appointment of new director in place of the resigned ones. The first voting card is for Agenda 6: Approving the appointment of Mr. Kulvech Janvatanavit to replace the director that resigned by rotation, and the second card is for Agenda 6.1: Approving the appointment of Mr. Rakchai Sakulteera to replace the resigned director.

The shareholder further questioned that

How many directors does the Company have currently?

Chairman relied Currently, there are 9 directors.

A shareholder further questioned that

What is the progress of the piece of land at Welgrow which is non-performing asset of the Company? The Company should sell it out if the selling price is reasonable. This will benefit the Company and the proceeds from the sale can be used for other purpose.

Chairman clarified that

Before recession, there were few investors interested in buying this piece of land, after that they had postponed the deal. However, the Company has negotiated with potential buyers from time to time and has the same view as shareholders on selling it out. The proceeds from the sale will be used for production capacity expansion.

A shareholder questioned that

Does the Company perform customer survey to observe customers' needs for the export sales, or use the research team? Does the Company use Lucite's research in developing products to be corresponded to customers' needs?

Chairman gave clarification that

The Company has customer visits and inquires customers at least every year to explore demands and trends in that particular country. For example, the Company has a discussion with customers in Australia regarding potential interested products which should be developed for customers.

A shareholder questioned that

Does the Company have research team to do research and development should customers would like to customize certain part of the product?

Chairman gave clarification that

The Company has a business unit called R&T (Research & Technology) of which function is resembled to R&D in other companies. R&T is responsible for obtaining customers requirement, researching on new product development, and customizing to correspond to customers' needs. The Company also has New Product Development Committee (NPD) which is the Committee taking care of product development by obtaining customer requirement as bases. In acrylic industry, Thai Poly Acrylic Public Company Limited is considered as the company having strong research and development team.

Mr. Winai Rungtiwasuwan questioned

The Company did not use other marketing channels, tools, or website for advertisement or for public relation. He has followed a competitor's Facebook page and noted much advertisement in there e.g. cutting of acrylic sheet in the shape as required, or cutting acrylic sheet to be used as a room number tag for condominium units. This is to increase the opportunities of the Company to expand the product line or to make more profit. What is the Company idea about this marketing channel?

Chairman gave clarification that

For fabricator, the Company has set up sales team or staff to responsible for this function for two years. However, most of the Company's sales are through agents which also have the cutting machine to customize the sheet as customers required. For project customers, sales staff is attached to inquire of the specification, and help on designing to correspond to customers' needs. For the website, the Company is considering revamping it, which is expected to be done in line with Mitsubishi Rayon, so that they are of the same standard. This could take a while to complete. For other sale channels, the Company also have Facebook page to serve customer inquiry.

A shareholder questioned that

Financial data included in the annual report should be more comprehensive. For example, on page 37, the financial data is briefly disclosed. Product detail, import and export sales proportion, and net profit growth rate should also be disclosed. Other listed companies also disclose this kind of information in their annual report.

Chairman gave clarification that

The Company has provided information classified as domestic or international. For some other information, the Company will keep this request for consideration to improve the disclosure to be more comprehensive. However, the Company is the only listed company in the industry. Excessive disclosure might reveal some of our trade information to competitors, while they are not required to disclose anything. The Company would prefer keeping some of the trade information to protect shareholders' rights.

No further question was raised. Chairman declared the voting result of each agenda as detailed above.

Chairman thanked Assistant Professor Wattanee Phanachet and Emeritus Professor Supapun Ruttanaporn. It was the Company honors to have both directors participating in the past success and growth of the

Company. Mr. Hans Henrik Melchior on behalf of the Board gave souvenir made from the Company's product to Assistant Professor Wattanee Phanachet and Emeritus Professor Supapun Ruttanaporn.

Mr. Hans Henrik Melchior thanked all shareholders and proxy, representative from EY, the Board of Directors, management and all staff for coming and facilitating this event.

The meeting adjourned at 13.00.

(Mr. Chate Pattanakul)  
Managing Director  
Acting as Chairman of the Meeting

(Mrs. Masaya Rungrueng)  
Minutes Taker

