

(Translation)

**Minutes of the 2014 Annual General Meeting of Shareholders  
of  
Sri Trang Agro-Industry Public Company Limited**

held on 29 April 2014, commenced at 10.30 a.m.

at The 60th Anniversary of His Majesty the King's Accession to the Throne  
International Convention Center, Punnakan Road, Kho Hong, Hat Yai, Songkhla

There were 163 shareholders present in person and by proxies at the 2014 Annual General Meeting of Shareholders of Sri Trang Agro-Industry Public Company Limited (the “**Company**”), holding 699,654,579 shares representing 54.66 per cent of the total number of shares sold of the Company, constituting a quorum as required by the Articles of Association. Mr. Viyavood Sincharoenkul, the Chairman of the Board of Directors, was the Chairman of the Meeting. The Chairman welcomed the shareholders and declared the 2014 Annual General Meeting of Shareholders open. The Chairman then assigned Mr. Prakob Visitkitjakarn, an independent director and the Chairman of the Audit Committee, to conduct the Meeting.

Mr. Prakob introduced the following members of the Board of Directors and management present to the Meeting:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Viyavood Sincharoenkul  | Chairman of the Board of Directors and Managing Director   |
| 2. Mr. Chaiyos Sincharoenkul   | Director and Executive Director  |
| 3. Mr. Kitichai Sincharoenkul  | Director and Executive Director  |
| 4. Mr. Lee Paul Sumade         | Director and Executive Director  |
| 5. Mr. Veerasith Sinchareonkul | Director and Chairman of Risk Management Committee   |
| 6. Mr. Neo Ah Chap             | Independent Director   |
| 7. Mr. Kriang Yanyongdilok     | Independent Director, Member of the Audit Committee,<br>and Chairman of the Nomination Committee |
| 8. Mr. Samacha Potavorn        | Independent Director and Member of the Audit Committee   |
| 9. Mr. Prakob Visitkitjakarn   | Independent Director, Chairman of the Audit Committee,<br>and Chairman of Remuneration Committee |

Absent Director

- |                        |   |
|------------------------|---|
| 1. Mr. Prasit Panidkul | Vice Chairman and Executive Director (due to health<br>problem) |
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## Management of the Company

### 1. Mr. Patrawut Panitkul Chief Financial Officer (CFO)

Mr. Prakob then introduced to the Meeting Mr. Somwang Sincharoenkul, Honorary Chairman of the Company, Mrs. Unakorn Phruithithada, auditor from PricewaterhouseCoopers ABAS Limited acting as the Company's auditor, Mrs. Veeranuch Thammavaranucupt, legal advisor from Weerawong, Chinnavat & Peangpanor Limited to answer the shareholders' questions. Mr. Prakob also introduced to the Meeting Mr. Vasin Uchuvasin, legal advisor from Vasin International Law Office acting as an inspector to ensure that the shareholders meeting is transparent and complies with the laws and the Articles of Association of the Company, and witness the vote casting.

Prior to the commencement of the agenda, Mr. Prakob assigned an official of the Company to inform the Meeting of the procedure of the meeting, the exercise of voting and vote counting of shareholders on each agenda item as follows. One share shall represent one vote and each shareholder shall receive 14 voting cards in total for 10 agenda items. The number of voting cards required for agenda item four, to consider and approve the election of directors to replace the directors who retire by rotation is four cards and agenda item five, to consider and approve the increase in the number of directors of the Company and the election of new directors is two cards. Mr. Prakob shall first inform the Meeting of the details of each agenda item, and shall then allow shareholders to raise any questions or share any opinion relating to such agenda item, provided that prior to raising any questions or sharing any opinion, such shareholder shall inform the Meeting of his/her first name and surname. After answering the shareholders' questions, Mr. Prakob shall then request the Meeting to cast votes. The shareholders shall sign at the right corner at the bottom of the voting card. In casting votes on each agenda item, the Company's officials shall collect the voting cards only with "disapproved" and "abstained" votes. Mr. Prakob shall request the shareholders who "disapprove" of the proposed matter and the shareholders who "abstain" for the proposed matter to raise their hands accordingly. If there are any shareholders raising their hands, the Company's officials will then collect their voting cards for processing. The shareholders who do not raise their hands for both questions shall be deemed as "approving" such proposed matter. The voting cards with "approved" votes shall be collected at the end of the Meeting, **except** for agenda item four, particularly with respect to the election of directors to replace the directors who retire by rotation, and agenda item five, to consider and approve the increase in the number of directors of the Company and the election of new directors, in which case all the voting cards with all types of votes, i.e. "approved", "disapproved" and "abstained" votes, will be collected for counting during such agenda item in compliance with the principles of good corporate governance. In counting the votes, the Company shall deduct the votes "approved" and "abstained" from the total number of votes attending the Meeting, and the remainder shall be the votes "approved" on such agenda item.

In the case that a shareholder has prepared proxy form B or C granting a director or an independent director to vote according to the shareholder's or grantor's instructions, the Company has recorded the voting according to the intention of the shareholder or the grantor in advance.

The casting of votes and the collection of voting cards for each agenda item shall be in accordance with the aforementioned procedure.

Two volunteer shareholders were then requested to be witnesses in counting the votes for all agenda items together with the Company's officials in the vote counting area.

Having informed the Meeting of the aforementioned procedure, the Meeting was allowed to raise questions relating to vote casting.

During the Meeting, additional shareholders attended the Meeting. The number of shareholders present at the Meeting, in person and by proxies, therefore, was 164 persons in total, holding 699,679,579 shares, representing 54.66 percent of the total number of shares sold of the Company.

No questions were raised by shareholders and then Mr. Prakob commenced the Meeting and proceeded in accordance with the following agenda.

**1. To consider and certify the minutes of the 2013 Annual General Meeting of Shareholders held on 25 April 2013**

Mr. Prakob proposed the minutes of the 2013 Annual General Meeting of Shareholders held on 25 April 2013, for the consideration of the Meeting. The details of the said minutes appeared in Enclosure 1 of the notice of this Meeting. He then allowed the Meeting to raise questions.

There were no questions raised by shareholders. The Meeting therefore resolved to certify the minutes of the 2013 Annual General Meeting of Shareholders held on 25 April 2013 as proposed with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,642,779	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

**2. To acknowledge the performance results of the Board of Directors of the Company for the year 2013 and to consider and approve the audited financial statements of the Company for the year ended 31 December 2013**

Mr. Prakob assigned Mr. Veerasith Sinchareonkul, a director of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Mr. Veerasith reported the details of the operating results of the Board of Directors for the year 2013 and financial status of the group of the Company, according to the consolidated Statements of Comprehensive Income and Statements of Financial Positions, to the Meeting, as follows:

**Operating Results**

For overall operating results of 2013, the Company achieved revenues from sales of goods and services of Baht 92,185 million, decreased by 7% YoY. However, our sale volume of Natural Rubber broke a new industry record of 1,126,463 tons or increased by 15% YoY amidst numerous challenging factors to our business operation. Main reason for the decrease

in revenues from sales of goods and services came from lower average selling price of Natural Rubber in 2013 compared to the previous year.

Natural Rubber Products that the Company produces and sells comprised TSR, RSS, and Concentrated Latex. In 2013, revenue from sale of TSR, our core products, represented 77% of total revenues from sales of goods and services whereas revenue from sale of RSS and Concentrated Latex represented 14% and 6% of total revenue from sales of goods and services, respectively.

With our extensive experience and strong sales & distribution networks, sale volume of our three Natural Rubber Products increased YoY. However, a decrease in average selling prices which were in line with Natural Rubber Price resulted in a decrease of revenue from sale of TSR by 9%, RSS by 5%, and Concentrated Latex by 6% compared with the previous year.

In terms of geographical sales, the PRC, our major market and world's largest Natural Rubber consuming country, accounted for 50% of our total sales volume in 2013 while domestic market represented 14% of total sales volume. The Company also distributed to other Asian countries, the US, EU countries, and other markets which represented 24%, 8%, 4%, and 0.3% of total sales volume, respectively.

In 2013, the Company's sale volume of Natural Rubber broke a new industry record of 1,126,463 tons or increased by 15% YoY which outperformed 2013 global NR consumption growth forecasted by International Rubber Study Group (IRSG) of 2.5%. Our strategy to aggressively expand customer base in high growth markets has brought about a 33% growth of sale volume to China, our main market. Sale volume to Asia region also increased by 17% YoY as most tyre manufacturers ramped up their production under accommodative NR price. However, demand from Europe and the US declined by 26% and 9% YoY, respectively. In addition, a stagnant growth of sale volume in local market was due to the expiration of the Thai government subsidy for the first car project.

Five key factors affecting the Company's operation are 1) price and volatility of Natural Rubber 2) foreign exchange rate of Baht against US dollar 3) share of profit of investments in associate and a joint venture 4) finance costs and 5) policies related to business of the Company.

First key factor is price and volatility of Natural Rubber which directly affect our revenues and profitability. At the beginning of 2013, NR price continued its positive momentum carrying from the end of 2012 which was driven by an improved demand from positive macroeconomic indicators led by stimulus package from gigantic countries and NR stock replenishment of China. Thereafter, high level of NR inventory in China, the slow recovery of world economic, and the speculation on QE tapering have caused the downward movement of NR price since the second quarter of 2013. Accordingly, annual average TSR price in 2013 decreased by 20% YoY from 316 to 251 US cent per kilogram. Thus, in 2013, the decline of sales was principally driven by lower average selling price, despite being offset by the growth of sale volume.

In 2013, our gross profit was recorded at Baht 5,189 million, up 9% YoY. Gross profit margin of 2013 was 5.6%, increased from last year at 4.8%. The improvement in gross profit margin under an environment of downward NR price and sluggish demand was a reflection

of our well-managed raw materials cost and our economies of scale from business expansion.

Second key factor is foreign exchange rate of Baht against US dollar. Since majority of total revenues are dominated in US dollars, the Company usually hedge its currency exposure risk by using financial derivative instruments to sell US dollars and buy Baht. At the end of each year, these financial derivative contracts will be marked to market. The capital inflow to Asian countries led by stimulus packages of the US and Japan in the third quarter of 2012 created an appreciation of Thai Baht against US dollar until the first quarter of 2013. Since then, the speculation on QE tapering has reversed capital flow and resulted in depreciation trend of Thai Baht against US dollar towards the end of 2013. Therefore, when marking-to-market at the end of the year, our gains on foreign exchange decreased from Baht 815 million in 2012 to Baht 313 million in 2013.

Third key factor is share of profit of investments in associate and a joint venture. In 2013, share of profit of investments in associate and a joint venture was mainly contributed by our glove business, or 72% contribution while high pressure hydraulic hoses business and Natural Rubber processing business accounted for 18% and 10% of total share of profit, respectively. In 2013, the Company received share of profit from investments in affiliates and joint venture companies in total of Baht 496 million, decreased by 6% YoY. Such decrease was due mainly to the decrease in net profit of Natural Rubber processing business and the disposition of core assets of vinyl glove manufacturing business, despite being offset by the increase in net profit of our examination gloves business.

Earning before interest and tax in 2013 was Baht 3,007 million, up 36% from Baht 2,219 million in 2012. This was because of 9% increase in gross profit and 48% increase in operating profit compared to earlier year. The higher operating profit was due mainly to the decrease in selling expenses which mainly came from 4-month CESS exemption during September to December 2013 and increase in gain from financial derivative instruments for rubber trading.

Fourth key factor is finance costs. The Company average interest rates were well maintained at low level closed to Bank of Thailand's policy rate. However, our finance costs increased 52% from Baht 710 million in 2012 to Baht 1,075 million in 2013. This was due to unrealised loss on exchange rate of USD denominated loans and an increase in short-term and long-term loans as well as higher proportion of long-term loans to short-term loans in order to support our sale volume growth, capacity expansion, and land acquisition for rubber plantation.

Fifth key factor is policies related to business of the Company which may benefit or have an adverse impact to the Company's operation. For example, 1) Government policy: 4-month ccess exemption during September to December 2013 of the Office of Rubber Replanting Aid Fund has brought down our selling expenses in 2013 while price intervention of the Thai government to buy rubber from farmers at prices above market prices in 2012 has impacted our raw material costs and 2) Related tax policy of the countries in which the Company associates with: the expiration of import tariff of the US on Chinese car and light-truck tires in September 2012 is beneficial to automobile and tyre industry in China. With our strategic plan to aggressively expand its market share in Chinese market, the Company, therefore, directly benefit from such import tariff expiration.

Net profit in 2013 was Baht 1,812 million, up 31% YoY. Net profit margin was 2.0%,

increased from 1.4% in 2012. Higher net profit and net profit margin were attributable to 48% increase in operating profit, even though partially offset by a decrease in share of profit from investments in associates and a joint venture and an increase in finance costs.

## **Financial status**

### *Assets*

As at 31 December 2013, 58% of total assets consisted of current assets of which are highly liquid converting into cash. Its cash and cash equivalents was Baht 1,893 million, a 23% increase from the balance for the year end 2012. For the year end 2013, trade accounts receivables and other receivables increased by 14% to Baht 7,441 million as a result of sale volume growth while a 26% increase of inventories to Baht 16,582 million for the year end 2013 was to support the increasing sale volume and to prepare for upcoming low NR supply season during February to May.

The Company's fixed assets mainly consisted of property, plant and equipment (net of depreciation and write-off) which significantly increased by 29% to Baht 12,926 million for the year end 2013 due to capacity expansion, an investment in rubber plantation, and an acquisition of landbank for future plantation.

### *Liabilities and Shareholders' Equity*

Majority of liabilities was short-term loans from financial institutions, accounted for 32% of our total liabilities and shareholders' equity for the year end 2013 while trade accounts payable and other payables, debentures, and long-term loans from financial institutions represented 9%, 7%, and 5% of our total liabilities and shareholders' equity, respectively. For the year end 2013, the increase of each liability items compared to balance for the year end 2012 were mainly to support our strategic business expansion and increasing sale volume.

The Company's equity increased by 6%, from Baht 18,937 million for the year end 2012 to Baht 20,066 million for the year end 2013 due mainly to net profit during the year, despite offset by dividend payment of Baht 640 million.

## **Financial Ratios**

### *Return on equity (ROE)*

The Company's ROE for the year end 2013 was 9.3%, increased from the year end of 2012 at 7.5%. The increase in ROE was mainly from 31% increase in net profit which was higher than 6% increase in average shareholders' equity.

### *Return on assets (ROA)*

Our ROA for the year end 2013 was 4.5%, improved from the year end of 2012 at 3.6%. An improvement was due to an increase in net profit of 31% which was faster than an increase in average total assets of 5%.

### *Current ratios*

Our current ratios declined from 1.47 times for the year end 2012 to 1.30 times for the year end 2013 due to an increase in total current liabilities at a faster rate than an increase in total current assets to support our business expansion.

#### *Cash cycle*

Cash cycle was 78.11 days for the year end 2013, slight longer than 75.22 days for the year end 2012.

#### *Debt to equity ratio (D/E)*

An increase in D/E ratio of the Company's from 0.94 times for the year end 2012 to 1.21 times for the year end 2013 was due mainly to the increase in short-term and long-term loans from financial institutions to support the increasing sale volume, capacity expansion, and land acquisition for rubber plantation.

#### *Fixed asset turnover ratio*

Our fixed asset turnovers for the year end 2013 was 8.03 times, decreased from 11.38 times for the year end 2012. Such decrease came from an increase in property, plant and equipment and a decrease in revenues from NR products as a result of lower average selling prices.

### **Key Financial Information**

#### *Book value per share*

An increase in book value per share from Baht 14.79 for the year 2012 to Baht 15.68 for the year end 2013 was fundamentally from net profit during the year.

#### *Earning per share*

An increase in earning per share from Baht 1.08 for the year end 2012 to Baht 1.42 for the year end 2013 was due mainly to an increase in net profit.

#### *Dividend payout ratio*

The Company is able to maintain its relatively high dividend payout ratio at 46.41% and 45.93% as at for the year end 2012 and 2013, respectively.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to acknowledge the performance results of the Board of Directors of the Company for the year 2013 and consider and approve Statements of Financial Position and Statements of Comprehensive Income of the Company for the year 2013 ended 31 December 2013 as proposed.

After due consideration, the Meeting acknowledged the performance results of the Board of Directors of the Company for the year 2013 and resolved to approve Statements of Financial Position and Statements of Comprehensive Income of the Company for the year ended 31 December 2013, with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	698,788,279	votes,	equivalent to	99.87	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	891,300	votes,	equivalent to	0.13	per cent

**3. To consider and approve the dividend payment of the Company for the year 2013**

Mr. Prakob assigned Mr. Kitichai Sincharoenkul, a director of the Company, to inform the details of this agenda item for the consideration of the Meeting.

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

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

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

In year 2013, the Company had a net profit from its operation amounting to Baht 1,811.60 million (consolidated financial statements). The information in respect to dividend payment compared with the year 2011-2013 is shown below.

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net profit (million Baht)	1,811.60	1,378.88	1,306.25
Earnings per share (Baht)	1.42	1.08	1.04
Dividend per share (Baht)	0.65	0.50	0.50
Number of shares (shares)	1,280,000,000	1,280,000,000	1,280,000,000
Total dividend payment (million Baht)	832	640	640
Payout ratio (%)	45.93%	46.41%	48.99%

Mr. Kitichai informed the Meeting that the Board of Directors deemed it appropriate to propose that the shareholders approve the annual dividend payment from the performance results of the Company for the year 2013 to the shareholders of Baht 0.65 per share, totaling Baht 832 million, representing 45.93% of the net profit of the Company as per the consolidated financial statements, which is in line with the current dividend policy of the Company. The details of dividend payment are as follows:

1. Dividend payment of Baht 0.36 per share which is paid from the Company's net profits exempt from corporate income tax (BOI).



2. Dividend payment of Baht 0.29 per share which is paid from the profit after deducting not excess 5-year loss carrying forward before current accounting period. According to Section 47 bis of the Revenue Code, such dividend amount is not entitled to tax credit.

If the proposed annual dividend is approved by the shareholders at the 2014 Annual General Meeting, the Board of Directors has fixed 14 May 2014 as the record date for determining the shareholders entitled to receive a dividend and 15 May 2014 as the share register book closing date for compiling the list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).

Shareholders who hold shares in the Company through direct securities accounts with the Central Depository (Pte) Limited (“CDP”) (“Depositors”) or persons with shares standing to the credit of their securities accounts with the Depository Agents at 5.00 p.m. (Singapore time) on 14 May 2014 will be entitled to receive the dividend for the year 2013.

The annual dividend for the year 2013 will be paid on 29 May 2014.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the dividend payment of the Company for the year 2013.

After due consideration, the Meeting resolved to approve the dividend payment of the Company for the year 2013 as per the details proposed in all respects, with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,642,779	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

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

Mr. Prakob informed the Meeting that according to the Public Limited Companies Act and the Articles of Association of the Company, one-third of the directors of the Company shall vacate office at every Annual General Meeting of Shareholders. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire. This year, the four directors who shall vacate office are:

1. Mr. Kriang Yanyongdilok Director/ Independent Director
2. Mr. Chaiyos Sincharoenkul Director
3. Mr. Kitichai Sincharoenkul Director
4. Mr. Samacha Potavorn Director/ Independent Director

The said directors vacating office may be re-elected.

According to the recommendation from the Nominating Committee of the Company, the Board of Directors, therefore, deemed it appropriate that the shareholders approve the re-election of Mr. Kriang Yanyongdilok, Mr. Chaiyos Sincharoenkul, Mr. Kitichai Sincharoenkul and Mr. Samacha Potavorn, to be directors and/or independent directors of the Company for another term as these persons have long experience in the industry that shall provide a valuable service to the Company and shareholders. Also, such persons have all the qualifications and do not have any prohibited characteristics as specified by laws.

In this regard, the profiles of the nominated directors of the Company are shown in Enclosure 3 of the notice of this Meeting and the independent directors of the Company have the qualification of independent directors, which are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board, the Stock Exchange of Thailand and the Company has also guided by the Code of Corporate Governance 2012 in determining independence.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the election of directors to replace the directors who retire by rotation.

1. Mr. Kriang Yanyongdilok

After due consideration, the Meeting resolved to approve the re-election of Mr. Kriang Yanyongdilok to serve as director and independent director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,642,779	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

2. Mr. Chaiyos Sincharoenkul

After due consideration, the Meeting resolved to approve the re-election of Mr. Chaiyos Sincharoenkul to serve as director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	692,121,854	votes,	equivalent to	98.92	per cent
Disapproved	110,100	votes,	equivalent to	0.02	per cent
Abstained	7,447,625	votes,	equivalent to	1.06	per cent

Note Mr. Chaiyos Sincharoenkul abstained the vote in this agenda item

3. Mr. Kitichai Sincharoenkul

After due consideration, the Meeting resolved to approve the re-election of Mr. Kitichai Sincharoenkul to serve as director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	651,530,808	votes,	equivalent to	93.12	per cent
Disapproved	33,861,971	votes,	equivalent to	4.84	per cent
Abstained	14,286,800	votes,	equivalent to	2.04	per cent

Note Mr. Kitichai Sincharoenkul abstained the vote in this agenda item

#### 4. Mr. Samacha Potavorn

After due consideration, the Meeting resolved to approve the re-election of Mr. Samacha Potavorn to serve as director and independent director for another term with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,642,779	votes,	equivalent to	99.99	per cent
Disapproved	0	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

#### 5. **To consider and approve the increase in the number of directors of the Company and the election of new directors**

Mr. Prakob informed the Meeting that as the Company's business has grown continuously, in order to enhance its effectiveness, the member of the board should possess a wide range of qualifications, skills, experience and expertise of benefit to the Company. According to the recommendation from the Nominating Committee of the Company, it should increase the number of directors from 10 directors to 12 directors by electing two new directors i.e. Mr. Patrawut Panitkul and Mr. Li Shiqiang. These persons have suitable knowledge, capability and experience that will provide a benefit to the business operation of the Company and its shareholders and have all the qualification and do not have any prohibited characteristics as specified by law. In this regard, the profiles of the nominated directors of the Company are shown in Enclosure 4 of the notice of this Meeting.

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the increase in the number of directors of the Company and the election of new directors as following details;

##### 1. Mr. Patrawut Panitkul

After due consideration, the Meeting resolved to approve Mr. Patrawut Panitkul to be the new director of the Company with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,532,679	votes,	equivalent to	99.97	per cent
Disapproved	110,100	votes,	equivalent to	0.02	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

2. Mr. Li Shiqiang

After due consideration, the Meeting resolved to approve Mr. Li Shiqiang to be the new director of the Company with majority votes of the shareholders attending the Meeting and casting their votes as follows:

Approved	699,532,679	votes,	equivalent to	99.97	per cent
Disapproved	110,100	votes,	equivalent to	0.02	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

**6. To consider and approve the amendment of the Company's authorized director**

Mr. Prakob informed the Meeting that with respect to the election of new directors of the Company as mentioned in agenda 5, in order to provide flexibility of the business operation of the Company, it is deemed appropriate to amend the authorized directors of the Company as follows:

*“Mr. Viyavood Sincharoenkul, Mr. Chaiyos Sincharoenkul, Mr. Prasit Panidkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul, Mr. Paul Sumade Lee and Mr. Patrawut Panitkul, any two of these seven directors jointly sign with the Company's seal affixed”*

Mr. Prakob then allowed the shareholders to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the amendment of the Company's authorized director.

After due consideration, the Meeting resolved to approve the amendment of the Company's authorized director as per the details proposed in all respects, with the majority vote of the shareholders attending the meeting and casting their votes, as follows:

Approved	699,532,679	votes,	equivalent to	99.97	per cent
Disapproved	110,100	votes,	equivalent to	0.02	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

**7. To consider and approve the determination of remuneration of directors for the year 2014**

Mr. Prakob assigned Mr. Kitichai Sincharoenkul, a director of the Company, to inform the details of this agenda item for the consideration of the Meeting.

Mr. Kitichai informed the Meeting that according to the prudent consideration of the Remuneration Committee, it is deemed appropriate to propose that the shareholders approve the directors' remuneration for the year 2014, in a total of not exceeding Baht 6,494,400, with the details as follows:

**Annual Remuneration of Board of Directors**

- Chairman of the Board	Baht 633,600 / person/ annum
- Directors of the Company	Baht 475,200 / person/ annum

### Annual Remuneration of Audit Committee

- Chairman of the Audit Committee Baht 792,000 / person/ annum
- Audit Committee member Baht 633,600 / person/ annum

Information of the remuneration payment of directors compared with the year 2012 -2014:

	Remuneration of Directors (Baht)				
	2014			2013	2012
	Jan – Dec	May – Dec	Total		
<b>Total Directors</b>	10 Directors	Increase of 2 Directors	12 Directors		
Board of Directors	3,484,800.-	633,600.-	<b>4,118,400.-</b>	3,960,000.-	3,600,000.-
Audit Committee	2,059,200.-	-	<b>2,059,200.-</b>	2,059,200.-	1,872,000.-
Total	5,544,000.-	633,600.-	<b>6,177,600.-</b>	6,019,200.-	5,472,000.-

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the determination of remuneration of directors for the year 2014.

After due consideration, the Meeting resolved to approve the determination of remuneration of directors for the year 2014 as per the details proposed in all respects, with a vote of not less than two-thirds of the total number of votes of shareholders present at the Meeting, as follows:

Approved	699,638,679	votes,	equivalent to	99.99	per cent
Disapproved	4,100	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

### 8. To consider and approve the appointment of the auditor and determination of auditing fee for the year 2014

Mr. Prakob informed the Meeting that according to the Public Limited Companies Act, the Annual General Meeting of Shareholders shall appoint an auditor and determine the auditing fee of the Company every year. With the recommendation of the Audit Committee, it is recommended to approve the appointment of the following persons:

1. Mrs. Unakorn Phruithithada, Certified Public Accountant (Thailand) No. 3257, or
2. Miss Sakuna Yamsakul, Certified Public Accountant (Thailand) No. 4906, or
3. Mr. Boonlert Kamolchanokkul, Certified Public Accountant (Thailand) No. 5339

of PricewaterhouseCoopers ABAS Limited as the auditor of the Company and its subsidiaries for the year 2014 taking into account the satisfactory work of auditors of PricewaterhouseCoopers LLP for the previous year, having knowledge and understanding of the business of the Company and group of the Company as well as being an international audit firm, and determine the auditing fee for the year 2014 of the Company and its subsidiaries in an amount of Baht 7,854,000. The auditing fee is increased of 5% from the previous year because the Company and its subsidiaries have expanded their business

continuously thereby increasing the scope and quantity of audit services. The information of auditing fee compared with the previous year is shown below.

Auditing fee of the Company and its subsidiaries

Unit: Baht

	<b>2014</b>	<b>2013</b>
Auditing fee (year end)	3,954,000	3,810,000
Reviewing fee (quarterly)	3,900,000	3,670,000
<b>Total auditing fee</b>	<b>7,854,000</b>	<b>7,480,000</b>

Mr. Prakob then allowed the Meeting to raise questions. There were no questions raised by shareholders, and Mr. Prakob then requested the Meeting to consider and approve the appointment of the auditor and determination of the auditing fee for the year 2014.

After due consideration, the Meeting resolved to approve the appointment of the auditor and determination of auditing fee for the year 2014 as per the details proposed in all respects, with the majority vote of the shareholders attending the meeting and casting their votes, as follows:

Approved	699,638,679	votes,	equivalent to	99.99	per cent
Disapproved	4,100	votes,	equivalent to	0	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

**9. To consider and approve the conversion of the Company’s listing status from a primary listing to a secondary listing on the main board of Singapore Exchange Securities Trading Limited**

Mr. Prakob assigned Ms. Wilairat Srisakornborisut, Legal Division Manager, to inform the details of this agenda item for consideration of the Meeting.

Ms. Wilairat informed the Meeting that the Company is currently dual primary listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Stock Exchange of Thailand (the “SET”). The Company proposes to convert its listing status on the Main Board of the SGX-ST from primary listing to secondary listing (the “Conversion”). If the resolution in relation to the Conversion is approved by the shareholders at the Meeting, the Company shall continue its primary listing on the SET and it would have a secondary listing on the Main Board of the SGX-ST.

**Rationale and Benefits of the Proposed Conversion**

**1) Significantly Lower Trading Volumes on the SGX-ST**

The average daily trading volume of the shares of the Company and the number of shares traded on the Main Board of the SGX-ST from the time of the Company’s listing in Singapore to-date continues to be significantly lower than the trading volume of the shares on the SET, this is because of the migration of shares by the investors who traded their shares on the SGX-ST to the SET.

The tables below set out the number of shares traded and the average daily trading volume of the shares on both the SGX-ST and the SET for the relevant reference periods between 2011 to 2013.

	<b>Number of Shares Traded</b>		
	<b>1 February 2011 to 31 December 2011</b>	<b>1 January 2012 to 31 December 2012</b>	<b>1 January 2013 to 31 December 2013</b>
<b>SGX-ST</b>	155,386,000	11,780,000	12,909,000
<b>SET</b>	2,343,000,000	1,943,405,004	1,167,588,700

	<b>Average Daily Trading Volume</b>		
	<b>1 February 2011 to 31 December 2011</b>	<b>1 January 2012 to 31 December 2012</b>	<b>1 January 2013 to 31 December 2013</b>
<b>SGX-ST</b>	780,834	89,924	89,646
<b>SET</b>	10,459,821	7,932,265	4,765,668

Given the trends as shown above, the Company expects that, following the Conversion, the trading volume of the shares on the Main Board of the SGX-ST will continue to be lower than that on the SET.

**2) Large Proportion of the Company's New Investors Trades Shares on the SET**

As the Company is incorporated in Thailand and carries out its principal business activities in Thailand as well as the number of shares currently trading mainly on the SET, the Company expects a continuing trend where a large proportion of investors, including new investors, will trade shares on the SET rather than the SGX-ST

**3) Compliance Costs**

Given the Company's dual primary listing status on both the Main Board of the SGX-ST and the SET, where there is any conflict between the listing rules of the SGX-ST and the SET, the Company is required to comply with the stricter requirement. As a result, the Company has to incur higher costs in order to comply with its continuing listing obligations under the listing rules of both the SGX-ST and the SET, as compared to other dual-listed companies which have a primary listing on only one stock exchange.

The Conversion will streamline its compliance obligations, reduce its legal and compliance costs, and re-direct such cost savings into the business operations of the Company.

**4) Flexibility in the Company's activities**

The Conversion will allow the Company greater flexibility in its activities and will be able to increase shareholder value in the Company.

On 23 January 2014, the SGX-ST has granted in-principal approval to the proposed Conversion subject to the following conditions:

- (a) Shareholders' approval for the proposed Conversion;
- (b) compliance with the SGX-ST's listing requirements;
- (c) the Company maintaining its primary listing on the SET;
- (d) submission of a written undertaking from the Company that it will comply in full with the delisting requirements in the Listing Manual in the event that the Company is delisted from the Official List of the SGX-ST within three years of the proposed Conversion;
- (e) submission of a written undertaking from the Company that it will comply with the following as set out in Rule 217 of the Listing Manual:
  - (i) to release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released on the SET;
  - (ii) to inform the SGX-ST of any issue of additional ordinary shares and the decision of the SET on the listing and quotation of the additional securities issued by the Company; and
  - (iii) to comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing);
- (f) submission of a written undertaking from the Company that an announcement via SGXNET will be made as soon as there is any change in the law of Thailand, which may affect or change shareholders' rights or obligations over its securities, including:
  - (i) the right to attend, speak, vote at Shareholders' meetings and the right to appoint proxies;
  - (ii) the right to receive rights offering and any other entitlements;
  - (iii) withholding taxes on its securities;
  - (iv) stamp duties on its securities; and
  - (v) obligations to file documents or make declarations in respect of its securities; and
- (g) submission of a written undertaking from the Company that in the event of a need for a trading halt or suspension in its shares, it will request a trading halt or suspension on all exchanges on which its Shares are traded at the same time.

On 14 March 2014, the Securities Industry Council (SIC) also ruled that the Singapore Code on Take-overs and Mergers (the “**Singapore Code**”) will cease to apply to the Company after



the completion of the Conversion to a secondary listed company on the Main Board of the SGX-ST. The Company will thereafter be subject to Thai take-over laws and regulations and not the Singapore Code.

With respect to the trading of the shares and rights of shareholders, shareholders can continue to trade their shares on the Main Board of the SGX-ST after the Conversion and the shareholders will continue to enjoy the same rights as they did prior to the Conversion.

In conclusion, if the Conversion is approved by the shareholders:

- (a) the Company would no longer be required to comply with the listing manual of the SGX-ST, save for Rules 216(2) and 217, and would only be required to comply with the listing rules of the SET.
- (b) the Company would no longer be required to comply with the Singapore Code on Take-over and Mergers, and would only be required to comply with the Thai take-over laws and regulations.

However, the Company will comply in full with the delisting requirements in the listing manual of the SGX-ST in the event that the Company is delisted from the Official List of the SGX-ST within three years of the Conversion.

With the aforementioned reasons, it was thus proposed that the Meeting to approve the Conversion of the Company's listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST and authorize the Managing Director, or any person(s) as the Managing Director may designate, to complete and do all such acts and things as they may consider expedient and necessary or in the interests of the Company to give effect to the proposed Conversion of listing status and/or this resolution.

Mr. Prakob then allowed the Meeting to raise questions.

Mr. Anurak Boonsawang, a shareholder of the company, asked about the amount of costs that would be reduced after Conversion.

Ms. Wilairat explained that the Company may not be able to state an exact amount for the direct costs which will be reduced. However, after the Conversion, the Company would no longer be required to comply with the regulations of the SGX-ST and the SET. The Company would only be required to comply with the regulations of the SET. Therefore, the costs to be reduced will be indirect costs, such as legal consultant fees or financial advisor fees in Singapore.

Mr. Kitichai further explained that, currently, when the Company makes any transaction, it has to check the regulations of both the SGX-ST and the SET, as explained by Ms. Wilairat. The cost of advisory fees in Singapore was high.

There were no questions raised by shareholders, Mr. Prakob requested the Meeting to consider and approve the Conversion.

After due consideration, the Meeting resolved to approve the conversion of the Company's listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST in all respects, with the majority vote of the shareholders attending the meeting and casting their votes, as follows:

Approved	697,246,179	votes,	equivalent to	99.65	per cent
Disapproved	2,396,600	votes,	equivalent to	0.34	per cent
Abstained	36,800	votes,	equivalent to	0.01	per cent

## 10. Other Matters

Mr. Prakob asked whether the shareholders had any questions or opinions.

Mr. Anurak Boonsawang, a shareholder, expressed concern that the decline in rubber prices might affect the Company's rubber plantation business and the cost of land for rubber plantations. He also asked what a reasonable rubber price was and the break-even point.

Mr. Viyavood Sincharoenkul, Chairman of the Board of Directors and Managing Director, replied that amid the climate of declining rubber prices, the Company has focused on increasing its rubber production. The Company has attempted to build an integrated rubber business by developing its own rubber plantations, but it would be another 4 or 5 years before the planted rubber trees enter their tapping period. Therefore, the Company was focused on improving the quality of the rubber trees planted at the moment.

Mr. Kitichai elaborated that the rubber trees in the Company's plantations were still in their early growth stages and should be ready for commercial tapping in 4 or 5 years. Therefore, the Company was now focused on management and administration of plantations and increasing its productivity. Mr. Kitichai further stated that the Company believed that its professional team would be able to achieve better results in regard to rubber plantations than rubber farmers. Mr. Kitichai also explained that when the Company raised funds in Singapore, it stated that it would utilize part of the proceeds to acquire land for a total of 50,000 Rai (approximately 8,000 Hectare) for the development of rubber plantations within 3 years and the Company had already accomplished that. The Management would now consider whether the Company should further acquire more land to develop as rubber plantations.

Mr. Anurak asked the Management to provide an update on the Company's current operations in Indonesia.

Mr. Viyavood elaborated that the Company allocated part of the proceeds from the funds raised in Singapore to acquire 50,000 Rai of land to develop as rubber plantations, as mentioned by Mr. Kitichai. Furthermore, the proceeds were utilized to expand facilities in Thailand and Indonesia, which would help bolster the Company's position in the global rubber market. Mr. Viyavood also stated that the Company's operations in Indonesia were well managed, with state-of-the-art technology for producing rubber. The Company might have had some difficulty obtaining permits, but the Company has been able to operate successfully for the past 9 years. Currently the Company has over 100 Thai employees working in Indonesia, all of whom are well adjusted to life in Indonesia and are able to

communicate in the native language in daily life. In summary, for the past 9 years, the Company has successfully operated the subsidiary in Indonesia.

Mr. Anurak asked about the possibility that the Company would be able to expand its production capacity by 14 percent in 2015.

Mr. Viyavood replied that the latest numbers from the government showed that Thailand would have an extra 1,000,000 Rai of rubber plantations, which meant that there would be an extra 300,000 tons of rubber supply, which was higher than anticipated. All of this means that the Company would not encounter supply problems in its expansion of production capacity. Rather, the success of the plan would depend on the Company's construction of new facilities.

Mr. Anurak asked whether the high level of supply would spell declining prices for rubber.

Mr. Viyavood agreed that it was possible for the high level of supply to negatively affect prices. For the prices to rebound, a control of supply must be instituted. Mr. Viyavood also explained that another factor affecting rubber prices was the speculation by a group of investors in China, which speculates on agricultural products e.g. rubber by taking out loans from financial institutions. If this group of investors was not given the loans, their activities would be reduced and the prices would rebound to normal levels.

Mr. Anurak further inquired about the land purchase for construction of new facilities in Chaiphum province; the fees collected by the Office of the Rubber Replanting Aid Fund (CESS); and the possibility that synthetic rubber, whose prices have been declining, might one day supplant natural rubber. He would like to know the view of the Management.

For the first question, Mr. Kitichai explained that the land in Chaiphum province was the matter in relation to the corporate social responsibility (CSR), therefore, it was only natural that there were both supporters and opponents. As a result, the Company has decided to postpone the project and will closely work with the local communities and authorities. In regard to CESS, Mr. Kitichai informed that the rate was unchanged and that the Company believed the government would not institute other measures in the near future. Mr. Kitichai further explained that the Office of the Rubber Replanting Aid Fund (ORRAF) still needed the fees to aid rubber farmers.

Mr. Viyavood elaborated that CESS provided ORRAF with the resources to use in the aid for rubber farmers which was good. But from the perspective of the Company, CESS is neither positive nor negative. The Company has to conduct its business with its best effort in accordance with the prescribed laws and regulations and the Company would not speculate on matters unrelated to the operations, e.g. CESS or currency exchange. As to synthetic and natural rubber, Mr. Viyavood explained that although the higher prices of natural rubber had led to increased consumption of synthetic rubber, there was now a trend towards natural rubber as consumers were satisfied with the quality and prices. It could therefore be said that consumption of natural rubber is at a strong level.

Miss Narathip Kannika, a shareholder, asked about the Company's Chinese customers, who account for approximately 30-40% of the Company's overall customers. She asked how the

high level of rubber stock had impacted demand and whether the Company would be able to expand its customer base, given the continuing expansion of production capacity.

Mr. Viyavood replied that judging from the latest numbers, the overall Chinese economy was still in trouble. Therefore, there was the possibility that rubber consumption might decrease. However, the Company's sales volumes remained unaffected. The only impact might be decreased revenues due to declining rubber prices.

Miss Narathip asked whether it was possible that the Company might not be able to achieve its sales target in China.

Mr. Viyavood replied that the Company was still capable of brisk business in China, but because of the current high level of rubber stock and declining prices, the Company believed that now might be a good time to try to make inroads into other markets that were more appealing.

Miss Narathip asked that how the Company managed to turn a profit despite declining rubber prices.

Mr. Viyavood thanked the shareholder for the compliment and explained that the Company had been focusing on increasing productivity without speculation. Mr. Viyavood elaborated that the Company has enough facilities to daily engage in the sale and purchase of rubber. The Company was therefore able to obtain the supply of raw materials at the average price. Mr. Viyavood summed up that, in short, the Company focused on increasing productivity and reducing costs, and daily engaged in the sale and purchase of rubber without speculating on rubber prices or currency exchange.

Miss Narathip asked whether the Company calculated its expected profits from the prices on the Singapore Commodity Exchange (SICOM) and the Tokyo Commodity Exchange (TOCOM).

Mr. Viyavood replied that the Company would only sell at an attractive price that brings a profit and used the prices on SICOM and TOCOM as a reference.

Miss Narathip asked if rubber trading is a seasonal activity.

Mr. Viyavood explained that rubber tapping is a seasonal activity and there would be less supply during the low season. But since the low season in Thailand coincides with the high season in Indonesia, the Company is able to take advantage of its production base in Indonesia during that time. The Company is therefore able to maintain supply for sale all year round.

There were no further questions or opinions raised by shareholders. The Chairman then adjourned the Meeting at 12.40 p.m.

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(Mr. Viyavood Sincharoenkul)

Chairman of the Meeting