

(Translation)

Minutes of the 20<sup>th</sup> Annual General Meeting of Shareholders  
of

***Union Textile Industries Public Company Limited***

Convened at the Meeting Room, 9<sup>th</sup> Floor, Saha-Union Head Office Building  
Sukhumvit Rd., Bangchak Sub-district, Phra Khanong District, Bangkok

No.1828  
April 23<sup>rd</sup>, 2013

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The Meeting started at 10.30 hrs

Miss Sriwarin Jirapakkana, Chairman of the Board of Directors, acting as the Chairman of the Meeting, reported to the Meeting that, in this shareholders' meeting, there were 77 common shareholders and proxies attending the Meeting and representing 33,354,413 shares; and there were 5 preferred shareholders and proxies attending the Meeting and representing 14,749,330 shares; in total, there were 82 common shareholders and preferred shareholders attending the Meeting and representing 49,103,743 shares or equal to 81.84% of the registered share capital, constituting a quorum, as per the Company's Article of Association.

The Chairman of the Meeting addressed to open the Meeting and introduced members of the Board of Directors, members of subcommittees, executives and meeting attendants to shareholders, as per the name list, as follows:

1. Miss Sriwarin Jirapakkana, Chairman of the Board of Directors;
2. Mrs. Boonserm Vimuktanandana, Independent Director/  
Chairman of the Audit Committee;
3. Mr. Pilastpong Subsermsri, Independent Director / Audit Committee /  
Chairman of the Nomination and  
Remuneration Committee;
4. Mrs. Suthinee Khunwongsa, Independent Director / Audit Committee /  
Nomination and Remuneration Committee;
5. Mr. Vichai Chaitaneeyachat, Managing Director;
6. Mr. Thitivat Suebsaeng, Director;
7. Mr. Dalad Saphavichaikul, Director;
8. Mr. Chutindhon Darakananda, Director;
9. Capt. Supich Sankhagowit, RTN, Director;

**The Company's auditor from Ernst & Young Office Limited:**

Mr. Narong                      Pantawong;

**The Finance and Accounting Manager:**

Miss Prayoon                      Sripraram;

**The Company Secretary:**

Mrs. Chadaporn                      Jeamsakulthip;

**The Company Assistant Secretary:**

Mr. Pruttipan                      Chayakul;

Before conducting the Meeting as per the agenda, the Chairman of the Meeting reported to the Meeting that a resolution in each session shall be passed on the basis of 1 (one) share per 1 (one) vote. Shareholders attending the Meeting in person or by proxies (who were entitled to cast the votes, either supportive votes, protest votes or abstentions, on behalf of the grantors) shall cast the votes in ballots received upon registration for the Meeting; and for proxies who already cast the votes in each session in the Proxy Form, the Company has collected the votes and shall include them with the votes cast in this Meeting Room; whereby, the Company shall report the vote counting results at the end of the Meeting; and for the purpose of rapidness, the Chairman of the Meeting shall count the protest votes or abstentions (whereby, shareholders who disagreed or abstained from voting shall cast the votes in ballots and shall show the ballots to be picked up by staff); and shall deduct such votes from the total votes; and the remaining votes shall be totally regarded as the supporting votes; and for the purpose of transparency, a voluntary shareholder was requested to witness the counting of votes; whereby, Mrs. Usana Soisaengchan, the proxy of Bangkok Bank (Public) Co., Ltd., volunteered to witness the counting of votes.

Then, the Chairman of the Meeting reported to the Meeting that as the Company has given shareholders an opportunity to propose matters beneficial to the Company to be included in the AGM agenda in advance as per the criteria and methods prescribed by the Company as from October 1<sup>st</sup>, 2012 until December 31<sup>st</sup>, 2012 through the Company's website, it appeared that there was no shareholder proposing any matter to be included in the AGM agenda.

After that the Chairman of the Meeting conducted the Meeting according to the meeting agenda, as follows:

**Session 1: Adoption of the Minutes of the 19<sup>th</sup> Annual General Meeting of Shareholders;**

The Chairman of the Meeting reported to the Meeting that the Company has prepared the Minutes of the 19<sup>th</sup> Annual General Meeting of Shareholders convened on April 25<sup>th</sup>,

2012, completely within 14 days as from the date of the meeting; and has submitted a copy of such minutes of the meeting to the Stock Exchange of Thailand (SET) and the Ministry of Commerce within the period prescribed by law; and has also released such minutes of the meeting on the Company's website; and asked if there was any shareholder wishing to amend the 19<sup>th</sup> Annual General Meeting of Shareholders as submitted together with the Invitation for Shareholders' Meeting for consideration in advance. It appeared that there was no shareholder wishing to amend such minutes of the meeting. The Chairman of the Meeting deemed it expedient to propose shareholders to adopt the Minutes of the 19<sup>th</sup> Annual General Meeting of Shareholders.

**Resolution :** The Meeting has considered the matter and has passed its unanimous resolution to adopt the Minutes of the 19<sup>th</sup> Annual General Meeting of Shareholders, with 49,103,743 supporting votes; 0 protest vote; and 0 abstention;

**Session 2: Acknowledgment of the Board of Directors' Report on the Operating Results of the Previous Year;**

The Chairman of the Meeting requested Mr. Vichai Chaitaneeyachat, Managing Director, to report the Company's operating results of the previous year to the Meeting for acknowledgment.

Mr. Vichai Chaitaneeyachat, Managing Director, reported to the Meeting that in 2012, it was generally known that the crisis of public debts in European countries continued for a long period of time; and governments tried to cut or reduce budgets and issued the austerity measures; the unemployment rates were high; and the consumer purchasing power declined. 3 Main customers of the Company were in Euro Zone; and 2 main currencies used in trading, i.e., USD and Euro were depreciated; meanwhile, Thai Baht currency were appreciated; as a result, offers of sale prices were troublesome; moreover, prices of competitive products were always compared by customers, i.e., manufacturers in Indonesia of which the currency was depreciated. According to the overview of the textile market, it continued to be sluggish since mid 2011; moreover, the policy governing minimum wages of 300 Baht/day was implemented as from April 1<sup>st</sup>, 2012; and the energy costs were adjusted during the year, resulting in a decrease of competitiveness; meanwhile, the costs of raw materials, i.e., cotton, in the world markets severely fluctuated. In the first half of 2011, the costs of cotton were increased continuously but were decreased in the latter half of 2012. The prices of cotton were decreased at a manageable level.

Impacts on the Company were summarized, as follows:

1. The total volume of domestic and overseas sales was decreased by 15%;

2. The unit sale prices were decreased by 24% in average;
3. Indirect impacts: customers in countries that purchased fabrics to be bleached and dyed as color fabrics and re-exported them to Europe suffered similar impacts;
4. The labor costs and energy costs were increased; as a result, the cost of production was increased by 6%;
5. The joint venture company, i.e., Ten Cate-Union Protective Fabrics Asia Co., Ltd. (TCUA) had cumulative losses continuously and suffered its severe lack of liquidity;

Figures of operating results of 2012 (as appeared in the Annual Report of 2012; Page 43) were summarized in comparison with those of 2011, as follows:

**Incomes** : The Company had its incomes from sale, amounted to 712 million Baht, which were decreased by 35% or equal to 378 million Baht; moreover, the overseas gross sales were amounted to 497 million Baht, which were decreased by 28% or equal to 189 million Baht; and the domestic gross sales were amounted to 214 million Baht, which were decreased by 47% or equal to 188 million Baht; and had other incomes amounted to 82 million Baht, decreased by 24% or equal to 25 million Baht. The Company had its total incomes of 794 million Baht, which were decreased by 34% or equal to 403 million Baht; the proportions of overseas sales were 63% or increased by 6%; meanwhile, the proportions of domestic sales were 27% or decreased by 7%; and the proportions of other incomes were 10% or increased by 1%.

**Costs and Expenses** : The Company had its costs of sale, amounted to 795 million Baht, which were decreased by 25% or equal to 271 million Baht; and had its selling and administrative expenses, amounted to 88 million Baht, which were increased by 38% or equal to 24 million Baht; and had its losses from depreciation of investments in 2 associated companies, totally 17 million Baht; and had its losses before other expenses, amounted to 107 million Baht, decreased by 259% or equal to 259%; and had its shares of profits from investments in associated companies, amounted to 17.5 million Baht, increased by 70% or equal to 7.2 million Baht; and the majority of financial expenses of the Company were interest expenses amounted to 3 million Baht, which were increased by 2 million Baht.

In summary, according to its consolidated financial statements of 2012, the Company had its losses amounted to 92 million Baht, when compared to those of 2011; the Company had its earnings after tax, amounted to 23 million Baht; and the operating results of the Company were decreased by 115 million Baht. Regarding the separate financial statements, the Company recorded its accounts as per the accounting standards and recognized the depreciation

of investments in its associated company, i.e., Ten Cate-Union Protective Fabrics Asia Co., Ltd. (TCUA), amounted to 186 million Baht, which was increased from those of the previous year; as a result, the depreciation of investments was totally 190 million Baht, which was equal to the full value of investment on the date of incorporation of TCUA; consequently, the separate financial statements showed the total losses of 277 million Baht; whereas, in the financial statements of 2012, on the closing date of accounts, the issue of TCUA's divestiture of business was not yet considered; however, on March 11<sup>th</sup>, 2013, in the Extraordinary Meeting of Shareholders No.1/2556 of TCUA, the resolution of TCUA's divestiture of business was passed; and 2 joint liquidators were appointed, i.e., Mr. Thanachote Kowasupat and Mr. Apiwat Chatpan.

Regarding the issue that the Company has recognized its shares of profits (losses) as per the proportions of investment from 2 associated companies, amounted to 17.5 million Baht, it was detailed, as follows:

1. Uni Fiber Co., Ltd. (UNF); the Company had its proportion of investment of 20.83%; and recognized its shares of profits as per the proportions of investment amounted to 75.8 million Baht obtained from profits from normal operating results, amounted to 6 million Baht and profits from special transactions from the sale of land and buildings, amounted to 70 million Baht in the 1<sup>st</sup> Quarter of 2012;

2. Ten Cate-Union Protective Fabrics Asia Co., Ltd. (TCUA); the Company had its proportion of investment of 49.35%; in 2012, the Company recognized its shares of losses as per the proportions of investment amounted to 58 million Baht; when combined with the shares of losses as per the proportions of cumulative investment in each of the previous years, amounted to 132 million Baht, the Company recognized its shares of losses as per the proportions of investment from TCUA, totally 190 million Baht, which was equal to the amount of investments on the date of incorporation of TCUA; as a result, investments in TCUA were equal to "zero" or used up;

Figures as reported for acknowledgment were the recording of accounts as per the accounting standards and based on the principle of conservativeness; whereas, figures in the Financial Statements of 2012 particularly those involved with associated companies, had no impacts on the financial position and financial liquidity of the Company; and figures of related financial ratios of 3 years in comparison, were as follows:

Financial Ratios			
	2012	2011	2010
Liquidity Ratios (times)	1.85	2.45	2.34
Debt-to-Equity Ratios (times)	0.36	0.31	0.38

According to the financial ratios as per the Table above, it showed that the liquidity in 2012 was in average; and the financial position of the Company was secure, despite diminishing operating results of the Company due to the outside factors which are difficult to be controlled;

Regarding other issues such as CSR activities, the Company has promoted and supported the organization of activities, particularly those depending on proactive cooperation from employees such as religious activities, educational activities, environmental awareness activities, health activities and labour relations activities; whereby, the Company was proud to inform you that the Company had been awarded by the Ministry of Labour with the Prize of Outstanding Workplace on Labour Relations and Welfare for 6 consecutive years during 2007-2012.

*Resolution* : The Meeting has acknowledged the Company's operating results in the previous year;

**Session 3**      **Consideration and Approval of Balance Sheets and Profit and Loss Accounts (Financial Statements) for the year ended on December 31<sup>st</sup>, 2012;**

The Chairman of the Meeting reported to the Meeting that, it was requested to amend the Annual Report, Page 65 under the topic of "risks from interest rates, financial statements which showed investments under the equity method" in the first table from "As of December 31<sup>st</sup>, 2011" to "As of December 31<sup>st</sup>, 2012"; and Page 66 "separate financial statements" in the second table from "As of December 31<sup>st</sup>, 2012" to "As of December 31<sup>st</sup>, 2011".

Then, the Chairman of the Meeting reported to the Meeting that, as per the Public Limited Companies Act and the Company's Article of Association, Section 44, prescribing that the Company must prepare balance sheets and profit and loss accounts for the year ended on the last date of the Company's financial year, which must be audited and certified by the auditor and must be submitted to the Annual General Meeting of Shareholders for consideration and approval.

The Board of Directors deemed it expedient to propose the matter to the shareholders' meeting for consideration and approval of balance sheets and profit and loss accounts (financial statements) for the year ended on December 31<sup>st</sup>, 2012, which were audited and certified by the auditor of Ernst & Young Office Limited and approved by the Audit Committee and the Board of Directors; details of financial statements appeared in the Annual Report of 2012 (from Page 40 onwards) as submitted together with the Invitation for Shareholders' Meeting for consideration in advance.

Miss Siriporn Siripaiboon, a shareholder, raised 3 issues which required explanations, as follows:

1. In the Annual Report, Page 42 "Statements of Financial Position", there were bank overdrafts and short-term loans in 2012, amounted to 60 million Baht, which were increased from 6,836 million Baht in 2011; the Company's current liabilities were increased due to the lack of liquidity or not;

2. In the Annual Report, Page 43 "Earnings Statements"; in 2012, there were transactions of reduction of value of inventory (reversed on the transfer) in brackets showing an amount of 148 million Baht as referenced in Notes to Financial Statements, Section 9; Page 57, showing the figures of net inventory and transactions of cost price reduction to the net value received; whereas, the figures shown were unable to clearly refer to the source of such amount of 148 million Baht;

3. In the Annual Report, Page 43 "Earnings Statements"; in 2011, there were administrative expenses amounted to 40 million Baht; and in 2012, such administrative expenses were increased to 62 million Baht; meanwhile, incomes were decreased; why?

Mr. Vichai Chaitaneeyachat, Managing Director, answered the first question that, in 2012, the Company's incomes were decreased; and in certain periods of time, the Company needed to spend money as its working capital for the purchase of cotton (raw materials), bank overdrafts and short-term loans as shown in the statements of financial position were mostly short-term loans, promissory notes and trust receipts of which amounts were not high all the time, thus, depending on the necessities of spending of money in each period of time. According to the financial ratios as reported earlier, it was obvious that the Company had its normal liquidity and secure financial position.

Mr. Narong Pantawong, the auditor, answered the second question that, in 2012, there were transactions of reduction of value of inventory (reversed on the transfer) amounted to 148 million Baht, as reserves thereof brought forwards from 2011, i.e., at the end of 2011, there were reserves of reduction of value of inventory brought forwards from early 2012, amounted to 151 million Baht. During 2012, the majority of raw materials (cotton) amounted to 148 million Baht were used for production and were recorded as the cost of products sold according to the actual prices of raw materials (cotton); therefore, it was necessary to reverse the transfer of transactions in the profit and loss statements at the same time, which were in conformity with figures of reserves of transactions of reduction of the cost prices to the net value as of the end of 2012, which was also found decreased to 13 million Baht; provided that such figures of 148 million Baht shown in the profit and loss statements did not appear in Clause 9 of the Notes which impliedly indicated that as of the end of 2012, the reserves of transactions of reduction of the cost prices to the net value receivable were decreased

from the balances brought forwards as of early 2012 as noticed by shareholders; for more clarity thereof, it should be specified in the Notes that during the year, the Company has transferred the transactions of reduction of value of inventory amounted to 148 million Baht into the profit and loss statements because the inventories have already used for production; and the matter was accepted for further consideration; however, it was confirmed that the Company has duly recorded the figures of such accounting transactions.

Mr. Vichai Chaitaneeyachat, Managing Director, answered the third question that, the Company invested in Union Business Management Co., Ltd. (UBM), with the proportions of shareholding of 19%; according to the operating results in the past, the Company suffered its losses; and the auditor recommended to set up allowances for impairment of investments. In early 2011, there were allowances for impairment of such investments as of the end of 2011; therefore, the transfer of transactions of allowances for impairment of investments was reversed, amounted to 21 million Baht.

Miss Siriporn Siripaiboon, a shareholder, requested for further explanations.

The Chairman of the Meeting further clarified that the reserves of allowance for impairment of investments were obtained from the valuation of assets which was increased or decreased from businesses invested by the Company as per the accounting standards. UBM had the decreasing value of assets because UBM had its investment of which value must be adjusted as per the market prices, i.e., UBM invested in stocks in the Stock Exchange of Thailand; and must adjust the value of stocks invested as per the market price at the end of the year, which might be increased or decreased; when the value of investments of UBM was reduced, the Company, in the capacity of a shareholder of UBM, must also reduce the value of investments in UBM by setting up allowances for impairment of investments as recorded by the Company in terms of administrative expenses.

As of early 2011, the Company set up allowances for impairment of investments in UBM which were brought forwards from 2010, amounted to 21 million Baht; and in 2011, the value of assets of UBM was increased from the revaluation of investments as per the market prices. The Company had to revalue the investments in UBM by means of reversed transfer of transactions of administrative expenses of 2011; as a result, the expenses were decreased by 21 million Baht. The figures which were increased or decreased as per present value of assets of UBM were the value of stocks invested by UBM; provided that the allowances of impairment of investments were not the actual figures of losses but they were considered as losses; and it must be recorded as expenses in the profit and loss statements, resulting in a decrease of profits.



Mr. Ekachai Pipittavej, a shareholder, noticed that the accounting system should be recorded as per the current transactions; if it was the matter of investments, why was it recorded as administrative expenses of which figures were not clearly shown; therefore, for the clarity thereof, a separate account should be provided for investment and should be recorded as its losses from investment.

Mr. Narong Pantawong, the auditor, further clarified that it was a key observation; but as per the accounting standards, it was prescribed that, in case, it was evaluated that the Company's investments tended to be impaired, allowances for impairment of investments must be set up as expenses in the profit and loss statements; whereas, the Company had previously recorded it as the administrative expenses; then, when the value of such investments was increased, the allowances for impairment of investments as earlier set up, the Company must reverse the transfer of such transactions as incomes in the same transactions hereof as per the accounting standards which required to be shown in the same section as same as earlier; therefore, it must be shown as revenues deducted with the administrative expenses; and the Company hereby confirmed that the figures shown as administrative expenses were correct and in accordance with the accounting standards that all companies reviewing the financial statements must record the accounts in a similar manner.

The Chairman of the Meeting further clarified that the Company must record and close its accounts as per the accounting standards prescribed in terms of details fully disclosed by the Company. Normally, the auditor shall display details thereof in the Notes to Financial Statements; in case, shareholders did not understand after the consideration thereof, they might be able to make inquiries thereof; and the Company was pleased to clarify the same;

(Note: In this Session, 4 more shareholders representing 1,646,600 shares attended the Meeting).

**Resolution** : The Meeting considered the matter and passed its unanimous resolution to approve balance sheets and profit and loss accounts (financial statements) for the year ended on December 31<sup>st</sup>, 2012, with 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote.

**Session 4**      **Consideration and Approval of Allocation of Profits;**

The Chairman reported to the Meeting that the Company had its policy of dividend payment, thus, depending on its operating results, at the rate of not less than one-third of the annual net profits after deduction of accumulated loss (if any) as per the separate financial

statements; whereby, the Public Limited Companies Act and the Company's Article of Association, Section 47, have prescribed that the Company shall allocate at least 10% of the annual net profits as reserves, deducted by the balance brought forwards of the accumulated loss (if any) until the amount of reserves shall be at least equal to 25% of the registered capital.

According to the separate financial statements of 2012 ended on December 31<sup>st</sup>, 2012, audited and certified by the auditor and approved by the Audit Committee, the Company had its net losses, amounted to 276.95 million Baht; whereby, the Company had its legal reserves equal to 25% of the registered capital as per the Company's Article of Association; therefore, the Board of Directors deemed it expedient to propose the matter to shareholders for consideration and approval of cessation of dividend payments of 2012; for dividends that preferred shareholders were entitled to receive at the rate of 14% p.a. shall be accumulated as eligible dividends of 2012 according to the entitlements thereof for not exceeding 7 years as per the Company's Article of Association.

Miss Siriporn Siripaiboon, a shareholder, would like to know the background of the preferred shares which were entitled to receive dividends at the rate of 14% p.a.; and eligible dividends could be accumulated according to the entitlements thereof for not exceeding 7 years. The Company was a listed company in the Stock Exchange of Thailand; but its new common shareholders were treated unfairly and having received unequal returns of investment to the preferred shareholders because common shareholders would receive the returns of investment according to the current conditions but the preferred shareholders were guaranteed with fixed rates of returns; therefore, Miss Siriporn Siripaiboon asked if it would be possible to equalize the status of the preferred shares and the common shares.

The Chairman of the Meeting answered that according to the obligations of the preferred shares under the Company's Article of Association, prescribing that the preferred shareholders shall be entitled to receive dividends before common shareholders at the rate of 14% p.a. of the value of the paid-up shares; and in any year, in case, the Company is unable to pay dividends to its preferred shareholders or having partially paid dividends according to the entitlements, the eligible dividends of 2012 or portions thereof not fully being received according to the entitlements shall be accumulated for not exceeding 7 years. In case, common shareholders have received the dividend payment at the rate of more than 14% p.a., the preferred shareholders shall also be entitled to receive the dividend payment in the portion exceeding to 14% p.a., equal to those received by common shareholders.

The Company has issued such preferred shares for over 20 years when there were problems of the world economy, particularly in the textile industry which suffered severe impacts

therefrom. The Company had its losses and lacked a lot of working capital; therefore, the Board of Directors has passed its resolution to increase the capital and to propose the same to shareholders to increase the capital as the preferred shares; whereby, the common shareholders shall be entitled to purchase the preferred shares proportionally because during the capital increase, the condition of the money market did not permit; meanwhile, the rate of returns for the preferred shareholders was fixed at the reasonable rate of 14% p.a., when compared to the interest rates of 15-18% p.a. at that time. Other than the rights relating to dividends, common shareholders and the preferred shareholders shall have other rights which are equal in all respects at that time, though the minimum dividend payment was guaranteed; and dividends could be accumulated for 7 years. The existing common shareholders shall be entitled to invest in and to purchase the preferred shares proportionally; but it appeared that a lot of common shareholders waived their rights of purchase of the preferred shares because they were not confident in the returns of investment and did not want to take those risks; but some common shareholders who accepted those risks decided to invest in and to purchase the preferred shares; when the situations have changed, it was not possible to derogate the existing rights of such preferred shareholders; therefore, the issue must be carefully studied because they were conditions according to the law; however, according to the dividend payments in the previous years of the Company, the Company had its good operating results that dividends could be paid to its shareholders; and the preferred shareholders also received the dividends at the rates equal to those of the majority of common shareholders.

When the Company encountered problems of continuous losses, before making its decision to reduce the production capacity, the financial position of the Company did not permit it to pay dividends to shareholders; meanwhile, the preferred shareholders still had their accumulated dividends under the entitlements thereof for not exceeding 7 years; when such period of 7 years expired, the entitlements to such dividends of the preferred shareholders were partially deprived for common shares traded in the Stock Exchange of Thailand subsequently or presently. Investors have clearly acknowledged the conditions of preferred shares, which were disclosed by the Company in the Company's Article of Association.

Miss Siriporn Siripaiboon, a shareholder, commented that, in the next meeting, the Board of Directors should present the historical data relating to the equal rates of dividends as clarified by the Company that the preferred shareholders and the common shareholders used to receive, thus, for transparency and reliability.

**Resolution** : The Meeting considered the matter and passed its unanimous resolution to cessation of the dividend payments of 2012; for dividends according to the

entitlements that the preferred shareholders are eligible to receive in 2012 at the rate of 14% p.a., shall be accumulated for not exceeding 7 years as per the Company's Article of Association, with 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote.

**Session 5**      **Consideration and Election of Directors; Determination of Director's Powers and Remunerations;**

**5.1 Consideration and Election of Directors;**

The Chairman reported to the meeting that, according to the Public Limited Companies Act and the Company's Article of Association, Section 19, it is prescribed that at each of the annual general meetings of shareholders, one-third of the total number of directors shall be released from office; and the retiring directors may be re-elected.

At present, the Company has 9 directors. At the 20<sup>th</sup> Annual General Meeting of Shareholders, there were 3 directors being released from office by rotation, as follows:

1. Miss Sriwarin Jirapakkana;
2. Mrs. Boonserm Vimuktanandana;
3. Mr. Chutindhon Darakananda;

The Board of Directors, not including the stakeholder directors, considered the matter and passed its resolution to approve according to the guidelines for consideration as proposed by the Nomination and Remuneration Committee; therefore, it was deemed expedient to nominate them to shareholders to consider and re-elect all 3 retiring directors as the Company's directors for another term in office; whereas, the above-mentioned persons were fully qualified according to the Articles of Association, the Public Limited Companies Act and the criteria as prescribed by the Company.

Provided that Mrs. Boonserm Vimuktanandana, Independent Director, who was nominated for re-election and return to the said office, was a person who had no interest with companies/subsidiaries/affiliates or juristic persons who may have conflicts of interest; and had the qualifications of an independent director as per the criteria of SEC and SET; details of histories of persons nominated for re-election and return to the director's office of the Company are as per the Enclosures No.3, 4 and 5, submitted together with the Invitation to the Meeting.

Before the passing of resolution for election of directors, the Chairman requested shareholders to consider the methods of director election whether directors should be elected wholly or individually; whereby, the Board of Directors proposed that directors should be wholly elected; and all 3 retiring directors as per the said name list should be reelected and returned to the director's office.

Mrs. Gingkarn Vorachaikunakorn, the proxy, proposed that directors should be wholly elected; and all 3 retiring directors should be reelected and returned to the director's office.

**Resolutions** : The Meeting considered the matters and passed its resolutions, as follows:

1. The Meeting passed its resolution to approve the method of director election in whole, with 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote;

2. The Meeting passed its resolution to reelect of all 3 retiring directors as the Company's directors for another term in office, according to the name list, as follows:

1. Miss Sriwarin Jirapakkana;
2. Mrs. Boonserm Vimuktanandana;
3. Mr. Chutindhon Darakananda;

With 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote;

At present, the Company has 9 directors, according to the name list, as follows:

1. Miss Sriwarin Jirapakkana;
2. Mrs. Boonserm Vimuktanandana;
3. Mrs. Suttinee Khunwongsa;
4. Mr. Pilasphong Sapsermsri;
5. Mr. Vichai Chaithaneeyachart;
6. Mr. Thitiwat Suebsaeng;
7. Miss Dalad Saptaweechaikul;
8. Mr. Chutindhon Darakananda;
9. Captain Suphit Sangkhakowit, Ror.Nor.;

#### **5.2 Consideration and Determination of Powers of Directors;**

The Chairman reported to the Meeting that the Board of Directors had deemed it expedient to propose the matter for shareholders' consideration and determination of powers of directors, as follows: "Two directors jointly affixing signatures and the common seal of the Company, except for Mrs. Boonserm Vimuktanandana, Mr. Pilasphong Sapsermsri and Mrs. Suttinee Khunwongsa, who are members of the Audit Committee and/or independent directors".

**Resolution** : The Meeting considered the matter and passed its resolution to determine powers of directors, as follows: "Two directors jointly affixing signatures and the common seal of the Company, except for Mrs. Boonserm Vimuktanandana, Mr. Pilasphong Sapsermsri and Mrs. Suttinee Khunwongsa, who are members of the Audit Committee and/or independent directors" with 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote.

#### **5.3 Consideration and Determination of Directors' Remunerations;**

The Chairman reported to the Meeting that the Board of Directors had deemed it expedient to propose the matter for shareholders' consideration and approval of remunerations of the Board of Directors for the year 2012, duly considered by the Nomination and Remuneration

Committee, with the amount of not exceeding 1,500,000 Baht per year (equal to those of 2012); and that the Board of Directors had been assigned to consider and allocate the directors' remunerations as it may think fit.

*Resolution* : The Meeting considered the matter and passed its resolution to approve the remunerations of the Board of Directors for the year 2012, with the amount of not exceeding 1,500,000 Baht per year and to assign the Board of Directors to consider and allocate the directors' remunerations as it may think fit, with 50,750,343 "agree" votes; 0 "disagree" vote; and 0 "abstain" vote.

*Session 6      Consideration and Appointment of the Auditor of 2013; and Determination of Remunerations;*

The Chairman reported to the Meeting that, according to the Public Limited Companies Act and the Company's Article of Association, Section 52, it is prescribed that the Annual General Meeting of Shareholders shall appoint the auditor and shall fix the Company's audit fees on a yearly basis; provided that the existing auditor may be reappointed.

The Board of Directors considered the matter and passed its resolution to approve the same as proposed by the Audit Committee; therefore, it was deemed expedient to propose the matter to shareholders for consideration and appointment of Mr. Narong Pantawong, the Certified Public Accountant; Registration No.3315 or Mr. Termphong Opanaphan, the Certified Public Accountant; Registration No.4501 or Mr. Kritsada Lertwana, the Certified Public Accountant; Registration No.4958 of Ernst & Young Office Limited as the Company's auditor of 2013 (the 3<sup>rd</sup> year auditor). The above-mentioned auditors were CPAs approved by the Office of Securities and Exchange Commission (OSEC) and had no relationship and/or interest with companies/ subsidiaries/executives/major shareholders or the related parties; and the Board of Directors considered and fixed the Company's audit fees, including reviews of financial statements for 3 quarters, amounted to 960,000 Baht (equal to those of 2012); and no other service fees was included.

*Resolution* : The Meeting considered the matter and passed its resolution to appoint Mr. Narong Pantawong, the Certified Public Accountant; Registration No.3315 or Mr. Termphong Opanaphan, the Certified Public Accountant; Registration No.4501 or Mr. Kritsada Lertwana, the Certified Public Accountant; Registration No.4958 of Ernst & Young Office Limited as the Company's auditor of 2013; and to fix the Company's audit fees, including reviews of financial statements for 3 quarters, amounted to 960,000 Baht; and no other service fees was included, with

50,750,343 “agree” votes; 0 “disagree” vote; and 0 “abstain” vote.

The Chairman reported to the Meeting that the Meeting was completely conducted according to the agenda; and the vote counting results would be given to shareholders when the Meeting was concluded; and some advice or any other notices of shareholders would be welcomed.

Mr. Ekachai Pipittavej, a shareholder, asked, according to the Company’s operating results with severe losses, whether there would be guidelines for improvement or correction thereof; and also questioned the trends of these losses.

Mr. Vichai Chaitaneeyachat, Managing Director, answered that if we looked back to Thailand’s economic crisis in 1997, the textile market was still doing well; but in the current situations, though the Company had improved its internal organization, categorized the machines, properly adjusted the production capacity, the textile market was still depressed and the volume of sales was decreased because 3 main customers in Europe were affected by the crisis of public debts in European countries; were indirectly affected from customers in countries that purchased fabrics and re-exported them to Europe; another significant factor was the severe impact from appreciation of Thai Baht. If the directions were still like this, we would have tremendous troubles; and would have to discuss about options of doing other businesses; and we should make use of vacant and unused plots of land by negotiating for letting of partial plots of land under short-term lease contracts.

Mr. Kamjorn Arunwilairat, a shareholder, asked about the current situation of appreciation of Thai Baht; if we manufactured our products for exportation, we would definitely suffer losses and would not be able to compete with rivals in the markets; and wanted to know (if possible) how many plots of land were currently owned by the Company and which parts of the plots of land would be let out and how much the rentals would be; and according to negative factors in 2013, including appreciation of Thai Baht, increasing labour costs, etc., how could the Company manage its businesses without suffering losses.

Mr. Vichai Chaitaneeyachat, Managing Director, answered that one case of the letting of partial plots of land in Bangpu District was agreed; meanwhile, another case was under negotiation of conditions; and the estimated incomes from rentals were 20 million Baht per year; the plots of land in Bangpu District were approximately 218 rai; when combined with plots of land in Bangpakong District, the Company had the total plots of land of approximately 303 rai. Regarding the operating results of 2013, in the 1<sup>st</sup> Quarter thereof, the operating results were above the plan and were better than those of the 1<sup>st</sup> Quarter of 2012; meanwhile, in the 2<sup>nd</sup> Quarter of 2013, the

Company already had purchase orders and would simultaneously enter into forward contracts with the Bank, as per purchase orders received from customers, in order to reduce its potential risks; and there would be no speculations of currencies or exchange rates.

Mr. Ekachai Pipittavej, a shareholder, asked about impacts that the Company had received from uncontrollable factors such as appreciation of Thai Baht, increasing labour costs; and also asked whether the Company had an idea of relocating its production base to neighboring countries; or could it be possible for the Company to adjust its production line to other types of textile such as curtains, car seats, furniture, which would possibly have their brighter future.

The Chairman answered that the Company had no idea of relocating its production base because a lot of investments must be spent thereon; and the textile businesses in the entire world markets would encounter problems because the business had quite small margins and investment returns but rather had high risks. For ideas of adjustment of production line to other types of fabrics as above-mentioned, the Company had never been in these types of businesses and would have several disadvantages and the marketing of new types of products was not easy and it would take considerable periods of time for marketing of new products and the Company had to compete with more-experienced rivals in the existing markets.

Mr. Preecha Ninthavornkul, a shareholder, commented that, despite the economic crisis in USA or Europe and potential reduction of purchase orders, Thai woven fabrics were still acceptable to foreign customers, particularly in the bleaching and dyeing businesses which had very few rivals in Asia; and since the textile businesses have been developed for such a long time in Thailand, the Company should be able to expand other markets. At present, the Company still maintained its great leadership in the textile industry, with its highly skilled and experienced executives in the textile business; and as a shareholder, I would like to give my supports and encouragements to all executives and employees for brainstorming and exercising their best efforts and cooperation of works.

Mr. Vichai Chaitaneeyachat, Managing Director, addressed to thank all shareholders for their supports and encouragements. Since this year would be the 36<sup>th</sup> anniversary of the Company, as I always addressed to all employees every year that the Company's continuous business operations for over 30 years had been quite exceptional. The Company had been through hard times and a lot of crises so far. However, we would be pleased to accept all recommendations and observations given to us for careful consideration and we would try to do our best.



Mr. Surachai Ratithong commented that the textile business has now been depressed; therefore, it would be difficult to make profits out of the textile business operation alone because the Company had suffered continuous losses; but the Company had a lot of plots of land; therefore, the Company would make use of its existing assets to generate good investment returns – that’s an idea that we had to start considering. In addition to letting of land, we had to consider other business opportunities, as the Company’s plots of land were in good locations by seaside; therefore, we should brainstorm and think about how to use the Company’s assets which were plots of land rather than the textile businesses and make plans or directions on how to use these plots of land most effectively.

The Chairman clarified that during a certain period of time when the textile business was depressed, the Company tried to adapt itself by ceasing to do those businesses with limited competitiveness and properly reducing its production capacity and terminating the production line of some non-profitable products. At the time when the Company decided to cease to do the bleaching and dyeing business, our customer, i.e., Ten Cate Advanced Textiles BV of the Netherlands who had its potentials in bleaching and dyeing technologies, was interested to do such business; the Company therefore valued the assets of the bleaching and dyeing factory to be a joint-venture partner; and it was regarded as the Company’s generation of profits when starting the joint venture; then, TCUA, the joint-stock company, decided not to use special value-added goods in the production as planned due to the economic crisis in Europe; as a result, the joint-stock company continuously suffered its accumulated losses; and finally, it could no longer run the business; therefore, shareholders had passed their resolution to cease to do the business. The Company did not take part in management of this joint-stock company and this portion of losses was appraised by the Company as assets for investment; and according to the results of losses of the Company in 2012, the majority of the figures of losses were from investment in TCUA; moreover, the Company’s operating results were not satisfactory; and the Company also suffered losses from stocks of expensive cotton; meanwhile, the cotton prices were highly fluctuated; and the cotton prices were decreased rapidly; however, despite having figures of losses in its operating results, they did not have significant impacts on the Company’s cash flow. At present, the Company has used more machines in its operation and resulting in the inflow of cash flow into the Company; however, these factors as above-mentioned had been manageable for the Company, though the textile markets were still depressed in 2013, it was believed that there would be no significant damage to the Company, unlike those in the previous year.

Plots of land were the most valuable assets of the Company, particularly those in Bangpu District, which had potentials of development. The Company had followed up the road development plans, covering new road construction, MRT/Sky Train projects, which increased the value of land; but the Company had to wait for the right timing; if the Company has considered that its plots of land had enough added value or full potentials of development, in the future, the Company's plots of land in Bangpu District might not be used for the textile industry alone; but, at present, there has been no clear guidelines of operations; therefore, while the Company has been waiting for the right timing of investment, it would use these plots of land for other purposes such as letting of land; or in case, there are new potential investors without any long-term charges on the plots of land, it would be possible to do such businesses.

Then, the Chairman summarized the vote counting results in each session and reported the same to the Meeting for acknowledgment.

When there was no shareholder inquiring or giving additional comments, the Chairman addressed, on behalf of the Board of Directors, to thank all shareholders for their participation in the Meeting and for their comments which were beneficial to the Company; and to close the Meeting.

The Meeting was concluded at 12.30 hrs.

(Signed) Miss SriwarinJirapakkana, Chairman of the Meeting  
( Miss SriwarinJirapakkana )

(Signed) Mrs. Chadaporn Jeamsakulthip , the Company's Secretary  
( Mrs. Chadaporn Jeamsakulthip )