

(Translation)

**Minutes of the Annual General Meeting of Shareholders No. 24**

of

**Union Textile Industries Public Company Limited**

Convened at the Meeting Room, 9<sup>th</sup> Floor, Saha-Union Head Office Building,  
No.1828 Sukhumvit Road, Bangchak Sub-district, Phra Khanong District, Bangkok

18 April 2017

---

The Meeting started at 10.30 hrs.

Miss Dalad Saphavichaikul, Chairman of the Board of Directors, chaired the Meeting and informed the meeting that there were 18 shareholders present in person representing 871,600 common shares and 330 preferred shares; 47 shareholders by proxy representing 34,391,770 common shares and 14,981,660 preferred shares. In total, there were 65 shareholders representing 50,245,360 shares, equivalent to 83.74% of the registered share capital, constituting a quorum under the Company's Article of Association.

The Chairman opened the Meeting and introduced the Directors, members of subcommittees, executives and the attendees as follows:

**Attending directors**

- |                                   |  |
|-----------------------------------|--|
| 1. Miss Dalad Saphavichaikul,     | 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<br>Nomination and Remuneration Committee |
| 4. Mr. Preecha Wattanasaranon,    | Independent Director/Audit Committee/ Nomination and<br>Remuneration Committee                 |
| 5. Mrs. Pimporn Chotirattanakul,  | Managing Director  |
| 6. Mr. Chutindhon Darakananda,    | Director   |
| 7. Capt. Supich Sankhagowit, RTN, | Director   |
| 8. Mrs. Chantrontree Darakananda, | Director   |
| 9. Mrs. Saranya Darakananda       | Director   |

## **Attendees**

- |   |                                |  |
|---|--------------------------------|--|
| 1 | Mrs. Poonnard Paocharoen,      | Company auditors from EY Office Limited. |
| 2 | Miss Utjanotai Poosanasuwansri | Assistant auditor.                       |
| 3 | Miss Prayoon Sripraram         | Finance and Accounting Manager.          |
| 4 | Mrs. Chadaporn Jeamsakulthip:  | Company Secretary.                       |

Before proceeding with the agenda of the Meeting, the Chairman advised that a resolution in each agenda shall be passed on the basis of 1 (one) share per 1 (one) vote. For Shareholders present in person or proxies who were entitled to cast the votes, in favor, objections or abstentions, shall cast the vote in ballot received upon registration. For proxies who already cast the votes in each agenda in the Proxy Form, the Company already collected and to be added to the votes in this Meeting. The Company would report the result of vote counting of each agenda when completed the Meeting conduct. For convenience, only votes of objections or abstentions will be counted, so shareholders who cast theirs voted objection or abstention in ballots and show the ballots so that the company staff could picked up. These picked-votes should be deducted from the total votes of the shareholders and the remaining votes would be counted as in favor votes. For transparency of votes counting, invited a volunteer shareholder acting the vote counting witness whom Mr. Sinmahut SukJit, a proxy from the Bangkok Bank Public Company Limited, accepted.

The Chairman then informed the Meeting that, as the Company offered shareholders with an opportunity to propose matters that may be beneficial to the Company to be included in the AGM agenda in advance as per the criteria and methods prescribed by the Company during 1 October 2016 to 31 December 2016 through the Company's website. Finally there was no shareholder proposing any matter to be considered as a meeting agenda.

The Chairman then proceeded with the agenda of the Meeting as follows:

### **Agenda 1 Certifying the Minutes of the Annual General Meeting of the Shareholders No. 23**

The Chairman informed the Meeting that the Company prepared the Minutes of the Annual General Meeting of Shareholders No.23 convened on 19 April 2016, completely within 14 days after the meeting date and submitted a copy of the minutes of the meeting to the Stock Exchange of Thailand (SET) and the Ministry of Commerce within the period prescribed by law, and also disclosed on the Company's website. And sent the minutes of the meeting together with the invitation letter for consideration in advance. The Chairman thus proposed the Meeting to certify the Minutes of the Annual General Meeting of Shareholders No.23.

Resolution: The Meeting unanimously certified the Minute of the Annual General Meeting of the Shareholders No.23, with 50,245,360 votes in favor; 0 objection; 0 abstention; and 0 invalid.

**Agenda 2 Acknowledging the report on the Company's operating performances of the previous year.**

The Chairman of the Meeting requested Mrs. Pimporn Chotirattanakul, Managing Director, reported the Company's operating results of the previous year to the Meeting for acknowledgment.

Mrs. Pimporn Chotirattanakul, Managing Director, reported as follows;

General situations in 2016:

- The EU economy recovery still slowdown.
- The result of Brexit referendum worried in uncertainty about political and economic prospects.
- Fluctuations in global financial markets followed the rise of US interest rates.
- Thailand economic situation: Exports still subdued as the economic of trading country slowdown.

Factors that affect business operations:

- Cotton world market prices varied according to cotton inventories in the world market.
- Economic crisis of the trading countries affect volume of sales orders.
- Crude oil prices increased.
- Fluctuations of exchange rates affect price determinations and revenue.

The operating results in 2016, the Company had incomes from sales and services 734 million Baht, increased 5 million Baht or 1% from the previous year, comprising export sales 618 million Baht, local sales 116 million Baht, and other incomes 58 million Baht. The Company had total revenue of 792 million Baht, increased 16 million Baht or 2%. The costs and expenses consisted of the costs of sales 682 million Baht, the selling expenses 22 million Baht, administrative expenses 58 million Baht, and financial costs 1 million Baht, and expenses of tax revenue 3 million Baht. The Company had 32 million Baht net profit in the Separate financial statements and realized share of profit from investment in associated company 4 million Baht. Then, the Company's net profit, according to the financial statement in which the equity method is applied, amounted to 36 million Baht.

Regarding assets management, financial position and liquidity as of 31 December 2016, the Company had total assets of 992 million Baht, total liabilities of 137 million Baht and shareholders' equity of

855 million Baht. D/E ratio was equal to 0.16:1 times and the liquid ratio was equal to 4.27 times which indicated that the financial status of the Company was secured and high liquidity.

Regarding cash flow and capital adequacy, the Company obtained net cash flows from the operating activities amounted to 108 million Baht and used in the investing activities amounted 15 million Baht. In summary, the cash and cash equivalents increased from the beginning balance amounted 93 million Baht due to the operating results improved.

Mr. Anu Wongsankit, a shareholder, asked about:

1. Effect of exchange rate on business.
2. The Company has rented spinning machines; it is not in use and to be sold or not.
3. Handling sales objections when cotton prices increased; reasons for decreasing the gross profit margin and increasing the net profit margin.

The Managing Director answered as follows;

1. In 2016, export sales to Europe increased; Euro exchange rate fluctuated a lot; the Company follow up closely; to reduce exchange rates risk, the Company uses forward contract measure. For products sold in US dollars, the Company uses matching measure with cotton purchased in US dollars and forward contract measure for the excess. In the past year, the Company could manage risk, resulting gain from exchange rate.
2. At present, the renting spinning machines is not in use; resulting from determining the breakeven point to keep production costs down and capable to competitive; the Company has additional income from this renting.
3. There will be sale negotiations every quarter; sales prices will be determined based on cotton prices; profits came from better management of other costs, making total cost of production decreased.

Resolution: The Meeting acknowledged the Board of Directors' report on the previous year's performance.

**Agenda 3 Approving the Balance Sheet and Statements of Profit and Loss or Report and financial statement for the year ended 31 December 2016.**

The Chairman informed the Meeting that, according to the Public Limited Companies Act and the Company's Article of Association, Section 44, the Company shall prepare the balance sheets and the profit and loss accounts for the year ended on the Company's accounting period; and shall provide the audit and certification from the auditor to be proposed to the Annual General Meeting of Shareholders for consideration

and approval.

The Board of Directors considered the matter and deemed to propose the Meeting consider and approve the balance sheets and the profit and loss accounts (financial statements) for the year ended 31 December 2016 audited by the Company auditor of EY Office Limited and certified by the Audit Committees and Board of Directors. Details of the financial statements appeared in the Annual Report of 2016 from Page 52 onwards.

Mr. Anu Wongsankit, a shareholder, asked if there is any plan to use 105.35 million Baht bank deposits and bonds; details about the 11-million Baht restricted bond and investment in available-for-sale securities.

The Chairman replied that doing business need to generate cash flow; there might be investment in the future, but not decided yet.

The Managing Director added if there is no investment plan in a short period of time, there might be buying Bank of Thailand Bond, to get better interest than bank deposit and tax-exempt. The 11-million Baht restricted bond is pledge with Metropolitan Electricity Authority to guarantee the usage of electricity, better benefit than bank guarantee: no fee and gain interest. The Investment in available-for-sale securities is investment in Saha-Union plc.

(Remark: On this agenda, there were 2 additional shareholders attending the Meeting, representing 160 shares)

Resolution: The Meeting unanimously endorsed the Balance Sheet and Profit and Loss Statement for the year ending 31 December 2016, with 50,245,520 votes in favor; 0 objection; 0 abstention; 0 invalid.

#### **Agenda 4 Approving the appropriation of profit allocation.**

The Chairman informed the Meeting that the Company has a policy of dividend payment based on 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 legal 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 2016 ended 31 December 2015, audited and certified by the auditor and approved by the Audit Committees, the Company had net profit amounted to

32,533,605 Baht. The Company had legal reserves equal to 25% of the registered capital as per the Company's Article of Association and still had cumulative losses amounted to 98,710,526 Baht. Therefore, the Board of Directors proposed the matter to the shareholders for consideration and approval of cessation of dividend payment for the Common Shareholders for the year 2016 due to the Company still had accumulated loss. According to the Company's Article of Association, the dividend which the Preferred Shareholders were entitled to receive at 14% annually, would be accumulated, as the 2016 rightful dividend, for a period not longer than 7 years.

Mr. Anu Wongsankit, a shareholder, asked about alternative ways to eliminate the accumulated deficit: business management or sales of property.

The Chairman replied that managing business to have profits and use of property to the maximum benefit need to take times to meet those objectives; sales of property is an alternative way to eliminated the accumulated deficit, but the potential of the property must be taken into consideration; if there is good opportunity to develop or take more benefit, should it be a better alternative; the Company will do as best as possible.

Resolution: The Meeting resolved to cease of dividend payment for the Common Shareholders for the year 2016 due to the Company still had accumulated loss. According to the Company's Article of Association, the dividend which the Preferred Shareholders were entitled to receive at 14% annually, would be accumulated, as the 2016 rightful dividend, for a period not longer than 7 years, with 50,245,520 votes in favor; 0 objection; 0 abstention; and 0 invalid.

## **Agenda 5 Appointing the new Directors, defining their authorities and fixing remuneration.**

### **5.1 Appointing the new Directors.**

The Chairman advised the meeting that, according to the Public Limited Companies Act and the Company's Article of Association, Section 19, prescribed that at each Annual Shareholders' General Meetings, one- third of the directors shall be retired and may be re-elected.

At present, the Company has 9 directors. In this Annual General Meeting of Shareholders, there were 3 directors to be released from office by rotation, namely: 1. Capt. Supich Sankhagowit RTN; 2. Mrs. Chantrontree Darakananda; 3. Mrs. Saranya Darakananda.

The Board of Directors, excluding the relevant directors, considered the matter and passed 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. For more details, please see Attachment 3 and 4 provided with the notification to attend the Shareholders' General Meeting.

Before the passing of resolution for election of directors, the Chairman requested shareholders to consider the procedure of director election whether directors should be elected wholly or individually.

Mr. Wittaya Chankum, a proxy of minority shareholders, proposed that election method would be wholly elected and re-elect the 3 retired directors, proposed by the Board of Directors, for another term in office.

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

1. The Meeting passed unanimous resolution to approve the method of director election in whole, with 50,245,520 votes in favor; 0 objection; 0 abstention; and 0 invalid.
2. The Meeting unanimously approved the appointment of the retired Directors to re-elect for another term in office, namely: 1. Capt. Supich Sankhagowit RTN; 2. Mrs. Chantrontree Darakananda; 3. Mrs. Saranya Darakananda; with 50,245,520 votes in favor: 0 objection; 0 abstention; and 0 invalid.

The Company then has 9 directors as follows:

1. Miss Dalad Saphavichaikul
2. Mrs. Boonserm Vimuktanandana
3. Mr. Pilastpong Subsermsri
4. Mr. Preecha Wattanasaranon
5. Mrs. Pimporn Chotirattanakul
6. Capt. Supich Sankhagowit, RTN
7. Mr. Chutindhon Darakananda
8. Mrs. Chantorntri Darakananda
9. Mrs. Saranya Darakananda.

## 5.2 Defining the Directors' Authorities.

The Chairman reported to the Meeting that the Board of Directors proposed the matter for shareholders' consideration and determination of Directors' authorities, as follows: "Two Directors, with the

exceptions of Mrs. Boonserm Vimuktanandana, Mr. Pilastpong Subsermsri and Mr. Preecha Wattanasaranon, who are the Audit Committee and/or Independent Directors, co-sign and affix the Company Seal”.

Resolution: The Meeting unanimously defined the scope of Directors’ authority as follows: “Two Directors, with the exceptions of Mrs. Boonserm Vimuktanandana, Mr. Pilastpong Subsermsri and Mr. Preecha Wattanasaranon, who are the Audit Committee and/or Independent Directors, co-sign and affix the Company Seal” with 50,245,520 votes in favor; 0 objection; 0 abstention; and 0 invalid.

### **5.3 Fixing the Directors’ Remuneration.**

The Chairman informed the Meeting that the Board of Directors deemed proposing for shareholders’ consideration and approval of remunerations of the Board of Directors for the year 2017, duly considered by the Nomination and Remuneration Committee, with the amount of not exceeding 1,500,000 Baht per year (same as the year 2016); and The Board of Directors was assigned to handle its proper allocations (details of the remuneration of each member of the Board of Directors and subcommittees was shown in the Annual Report of 2016; Page 20).

Resolution: The Meeting unanimously approved to fix the 2017 Directors’ remuneration at an amount not exceeding 1.5 Million Baht per year. The Board of Directors was assigned to handle its proper allocations, with 50,245,520 votes in favor; 0 objection; 0 abstention; and 0 invalid.

### **Agenda 6 Appointment of the Auditors for 2017 and Fixing their 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 fix auditing fees on an annual basis; provided that the existing auditor may be reappointed.

The Board of Directors considered the matter and passed resolution to approve the proposal of Audit Committee. Therefore, the Board of Directors proposed the matter to shareholders for consideration and appointment auditors of EY Office Limited to be company auditor for the fiscal year 2017 as follows;

- 1 Mrs. Poonnard Paocharoen CPA No.5238 (Company auditor year 3)or
- 2 Miss Tippawan Nananuwat, CPA No. 3459 or
- 3 Miss Vissuta Jariyathanakorn CPA No. 3853 or
- 4 Mr. Khitsada Lerdwana CPA No.4958.

The above mentioned auditors have qualifications that comply with the guidelines of The Securities

and Exchange Commission (SEC). In addition, there is no relationship and/or interest with companies/ subsidiaries/ executives/major shareholders or the related parties. Therefore, they had adequate independence to provide audit and to express their opinions on the Company's financial statements. The Board of Directors considered and fixed the auditing fees, including reviews of financial statements for 3 quarters, amounted to 1,100,000 Baht, increased 80,000 Baht from the year 2016, due to the auditor had extra working hours to review other information to define key audit matters and give opinion in the audit report as defined by Thai Standard on Auditing; there is no other service fees.

(Remarks: The 1,020,000 Baht auditing fee of the year 2016 is 100,000 Baht increased from the approved auditing fee since the auditor had extra working hours to review the annual report to identify material inconsistencies, if any, as defined by Standard on Auditing regarding the auditor's responsibility in relation to other information).

Mr. Anu Wongsankit, a shareholder, asked if the auditing fee increased in accordance with working auditing hours or inflation rate and cost of living.

As assigned by the Chairman, Mrs. Poonnard Paocharoen, the company auditor, clarified the reason of increasing the auditing fee; the increasing audit working hours come from the changes of accounting standards, including requirements of the regulator agencies and the Standard on Auditing defined the auditor's responsibility in relation to other information; the auditor shall read the other information to identify material inconsistencies, if any, with the audited financial statements.

Resolution: The Meeting considered the matter and passed resolution to appoint

1. Mrs. Poonnard Paocharoen, CPA No.5238 (company auditor year 3) or
2. Miss Tipawan Nananuwat, CPA No. 3459 or
3. Miss Vissuta Jariyathanakorn, CPA No.3853 or
4. Mr. Khitsada Lerdwana, CPA No.4958

Above auditors are of EY Office Limited as the company auditor of 2017; and to fix the Company's audit fees, including reviews of financial statements for 3 quarters, amounted to 1,100,000 Baht increased 80,000 Baht from the year 2016 and no other service fees, with 50,245,520 votes in favor; 0 objection; 0 abstention; and 0 invalid.

The Chairman informed that the Meeting was completely conducted according to the agenda.

In addition, the Chairman presented the Company's anti-corruption policy and whistle-blowing policy; reasons for not yet to join in volunteer CAC project, but the Company has aware of the importance of implementing not to involve and against corruption: having internal control system, communication channel

to report if found suspicion wrong-doing in order to manage the business operations with efficiency, transparency, and auditability; creating anti-corruption awareness and education with employee to acknowledge, adhere to policy and procedure in routine practice.

The Chairman informed the result of the counting of votes in each agenda; thanked, on behalf of the Board of Directors, Mr. Sinmahut Sukjit, proxy from Bangkok Bank Public Company Limited, for acting the witness of vote counting; thanked the shareholders for attending the Meeting, advising some useful comments; the Chairman then declared the meeting adjourned.

The meeting was adjourned at 11.45 hrs.

(Signed)	-signed-	Chairman of the Meeting
	(Miss Dalad Saphavichaikul)	
(Signed)	-signed-	Company Secretary
	(Mrs. Chadaporn Jiemsakultip)	