



**MINUTE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2015  
AAPICO HITECH PUBLIC COMPANY LIMITED**

**Time and Place**

The Annual General Meeting of Shareholders for the year 2015 of AAPICO Hitech Public Company Limited (“the Company”) was convened on Monday, April 27, 2015 at 14:30 Hrs., at Meeting Room 1101, 11<sup>th</sup> Floor, the Stock Exchange of Thailand, located at 62 Ratchadapisek Road, Klongtoey, Bangkok 10110.

**The Meeting**

Mr. Supasak Chirasavinuprapand, Independent Director and Member of Audit Committee welcomed shareholders and announced that there were 90 shareholders attending the meeting, of which 43 shareholders by present and 47 shareholders by proxy, representing 191,466,075 shares out of total 322,583,844 shares, accounting for 59.354% of total shares of the Company. This was deemed to satisfy the quorum of the general meeting of shareholders in accordance with the Articles of Association of the Company, thus the quorum was constituted.

Mr. Supasak informed shareholders the voting regulations, the voting procedures, the counting and announcement of the vote. One share equals to one vote. Shareholders who do not approve or abstain the agenda shall mark on voting card and give to staff for counting. If the voting card has not been handed in, the vote will be counted as approve. The voting card that has been modified without certified signatory or mark more than one box will be regarded as a void card. For proxy, the Company has included their votes in the system accordingly. For each agenda, the vote is deemed final after the vote has been announced.

Next, Mr. Supasak introduced the member of the Board of Directors attending the meeting as follows:

- |                                   |  |
|-----------------------------------|--|
| 1. Mr. Yeap Swee Chuan            | Chairman and Executive Director                      |
| 2. Mrs. Teo Lee Ngo               | Executive Director                                   |
| 3. Mr. Wichian Mektrakarn         | Independent Director                                 |
| 4. Mr. John Parker                | Independent Director                                 |
| 5. Mr. Pipat R. Punya             | Independent Director and Chairman of Audit Committee |
| 6. Mr. Kenneth Ng                 | Independent Director and Member of Audit Committee   |
| 7. Mr. Hideo Hatada               | Non-Executive Director                               |
| 8. Mr. Supasak Chirasavinuprapand | Independent Director and Member of Audit Committee   |

Mr. Supasak also introduced auditors from EY Office Limited attending the meeting to witness the count of votes for the agendas of the meeting.

Mr. Yeap Swee Chuan, the Chairman of the meeting, thanked shareholders for attending the meeting and declared the meeting duly convened. Mr. Yeap then requested Mr. Supasak to conduct the meeting for convenient and efficiency of the meeting. For transparency of the meeting, Mr. Supasak has informed shareholders to return all voting cards to the Company after the meeting is closed, and proceeded the meeting with the following agendas:

**Agenda 1** To consider and approve the Minutes of the Extraordinary General Meeting of Shareholders No.1/2015 held on Friday, January 9, 2015

The Extraordinary General Meeting No.1/2015 was held on Friday, January 9, 2015. The Minute was arranged and submitted to the Stock Exchange of Thailand according to the requirement of laws.

**Board Opinion** The Minute of the Extraordinary General Meeting of Shareholders No.1/2015, which was held on Friday, January 9, 2015 was recorded correctly and accurately and should be submitted to the Annual General Meeting of Shareholders for the year 2015 and should be approved. The said minute has been submitted to the Stock Exchange of Thailand in compliance with the related laws and regulations and has been provided to the shareholders together with the notice to the Annual General Meeting of Shareholders for the year 2015. For this agenda, the matter shall be resolved by the majority vote of shareholders who attend the meeting and cast their votes.

Mr. Supasak asked the meeting if any shareholders would like to raise any questions or concerns. As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote by handing voting card for those not approve or abstain the agenda. For this agenda, there were in total 92 shareholders (43 shareholders and 49 proxies), representing 192,665,175 shares.

After due consideration, the meeting unanimously resolved that the Minute of the Extraordinary General Meeting of Shareholders No.1/2015 held on Friday, January 9, 2015 as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

Approved	192,665,175	Votes, representing	100.000%
Not Approved	0	Votes, representing	0%
Abstained	0	Votes, representing	0%

**Agenda 2** To acknowledge the performance of the Company for the fiscal year 2014

The performance of the Company for the fiscal year 2014 is described in the 2014 Annual Report, which was submitted together with the notice of the Annual General Meeting.

**Board Opinion** The performance of the Company for the fiscal year 2014 as presented in the Annual Report should be submitted to the Annual General Meeting for acknowledgement.

Mr. Yeap Swee Chuan, Chairman of the meeting, informed the meeting that the year 2014 was very serious for the car business as total car production volume declined by 23.5% compared to 2013. As a result of smaller revenues, profit has also affected. Profit margin in 2014 was 2.5% compared to 3.7% in 2013. Also, we have observed that crisis is seen to happen every 1-2 years, where in the past, the trend was around every 4-5 years. This has made it more difficult to manage the business.

The Company's revenues from the automotive parts business was down by 18.0%, while car dealerships' revenues were up by 20.4%. The 20.4% increase came from car dealerships in Malaysia, which can sell very well and was almost the top seller in Malaysia for Honda. In terms of percentage to total revenues, the proportion of revenues from automotive parts business decreased from 70.7% in 2013 to 62.2% in 2014.

For the year 2015, the Company expects the car industry to grow at around 10% year-on-year, with total car production volume of around 2.2 million units. The Company's revenues are expected to grow in line with the growth of car industry.

The Company has achieved some awards in the year 2014. It has received the Q1 award, which is a very difficult award to achieve and qualifies AAPICO Hitech to be a Ford global supplier. We have also achieved awards from General Motors and Toyota for lean manufacturing. In Malaysia, we also achieved awards for good performance dealers.

These were brief information for shareholders about the Company's direction for last year and this year. Mr. Yeap then asked the meeting if there would be any questions or concerns on the Company's performance in the past year.

Khun Rungsri Chiaranaikajorn, representative from Thai Investors Association, raised a question about the progress of the certification process of Thailand's Private Sector Collective Action Coalition Against Corruption following the declaration of intent.

Mr. Yeap asked Mr. Pipat, Chairman of Audit Committee, to answer this question. Mr. Pipat commented that this matter has been on the Company's attention. We are currently in the process of certification and expect that this shall be finalized around the 3<sup>rd</sup> quarter of this year.

Khun Kriengkamol, shareholder, asked about the reason of gross margin decreases in 2014 (refer to financial highlights in Annual Report). Khun Kriengkamol commented that gross margin in 2013 may have impact from insurance income, but gross margin in 2012 should be comparable to 2014, given almost the same sales level for both years. Why did gross margin in 2014 dropped to 4.2% compared to 6.6% in 2012?

Mr. Yeap has explained that, in general, the Company has increased capacity during 2012. With investments, the Company's break-even is therefore increased. In 2012, the Company has purchased new machineries due to the flood in 2011 and many machines were installed and started depreciation around end of year. Prior to the flood, almost all machines had fully depreciated. This investment in new machines therefore increased depreciation expenses. In addition, the production volume has declined in 2014, while the Company's overhead was high.

There were no other questions from shareholders. Mr. Supasak informed the meeting that this agenda is for acknowledgement and therefore proceeding to the next agenda.

**Agenda 3 To consider and approve the audited financial statements for the fiscal year 2014 ended as of December 31, 2014 and the auditor's opinion**

The audited financial statements for the fiscal year 2014 ended as of December 31, 2014 were prepared in accordance with the general accepted accounting principle and were examined and certified by a Certified Public Accountant, EY Office Limited, as stated in the 2014 Annual Report and Financial Statements.

**Board Opinion** The audited financial statements for the fiscal year 2014 ended as of December 31, 2014 and the auditor's opinion should be submitted to the Annual General Meeting and should be approved. For this agenda, the

matter shall be resolved by the majority vote of shareholders who attend the meeting and cast their votes.

Mr. Supasak asked the meeting if any shareholders would like to raise any questions or concerns. As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote by handing only voting card for those who are against or abstain. For this agenda, there were in total 96 shareholders (46 shareholders and 50 proxies), representing 205,414,175 shares.

After due consideration, the meeting unanimously resolved that the audited financial statements for the fiscal year 2014 ended as of December 31, 2014 and the auditor's opinion as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

Approved	205,414,175	Votes, representing	100.000%
Not Approved	0	Votes, representing	0%
Abstained	0	Votes, representing	0%

**Agenda 4 To acknowledge the interim dividend payment and to consider and approve the dividend payment from the performance in the fiscal year 2014**

The Company has a policy to pay dividend of not less than 10% of net profit after taxes. However, the decision for dividend payment is subjected to future investment plans and other necessities as the Company deems appropriate.

For the performance of fiscal year 2014, the Company has net profit attributable to shareholders of Baht 367 million. The Company therefore proposed the payment of dividend to shareholders for the performance of July to December of fiscal year 2014 at the rate of Baht 0.10 per share, or in total amount of up to Baht 32,258,384.40, for a total of 322,583,844 ordinary shares. The payment will be made in cash.

The Company has made an interim dividend payment for the performance of January to June of fiscal year 2014 at the rate of Baht 0.20 per share, or in total amount of Baht 64,516,768.80, for a total of 322,583,844 ordinary shares. This will add up total dividend payment for the fiscal year 2014 to be at the rate of Baht 0.30 per share, which is equivalent up to Baht 96,775,153.20, representing around 26.3% of the Company's net profit for the year 2014.

The record date for determining the shareholders entitled to receive cash dividend is scheduled on March 27, 2015 and the closing date of the Share Register Book for collecting shareholders names under Section 225 of the Security and Exchange Act is on March 30, 2015. The payment of cash dividend is scheduled on May 12, 2015.

**Board Opinion** The payment of dividend for the performance of July to December of fiscal year 2014 should be submitted to the Annual General Meeting and should be approved. The payment is in accordance with the Company's dividend policy which states that the company shall pay dividend of not less than 10% of the net profit after tax.

Mr. Supasak asked the meeting if any shareholders would like to raise any questions or concerns. For this agenda, the matter shall be resolved by the majority vote of shareholders who attend the meeting and cast their votes. For this agenda, there were in total 96 shareholders (46 shareholders and 50 proxies), representing 205,414,175 shares.

As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote by handing only voting card for those who are against or abstain.

After due consideration, the meeting acknowledged the interim dividend payment and unanimously resolved that the dividend payment from the performance in the fiscal year 2014 as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

Approved	205,414,175	Votes, representing	100.000%
Not Approved	0	Votes, representing	0%
Abstained	0	Votes, representing	0%

**Agenda 5 To consider and approve the appointment of directors replacing the retired directors**

As per Clause 16 of the Company's Articles of Association, one-third of total number of directors must retire from the office at the Annual General Meeting. If it is not possible to divide total number of directors evenly by three, the number closest to one-third will be applied. In choosing directors to retire, the director who have served the longest years are the most eligible to retire. Nevertheless, the retiring directors are eligible for re-election.

At the Annual General Meeting for the year 2015, there are 3 directors to be retired from their positions, namely:

1. Mr. Yeap Swee Chuan Chairman and Executive Director
2. Mrs. Teo Lee Ngo Executive Director
3. Mr. Supasak Chirasavinuprapand Independent Director, Member of Audit Committee, and Member of Nomination and Remuneration Committee

Where Mr. Supasak Chirasavinuprapand will be retired and has expressed his intention not to be re-elected for another term.

The Nomination and Remuneration Committee proposed to have the following two (2) retired directors to be re-elected as directors of the Company for another term, and also the appointment of a new director to replace the retiring director, Mr. Supasak Chirasavinuprapand. They believe that these persons are competent with good experience beneficial to the Company.

1. Mr. Yeap Swee Chuan Chairman and Executive Director
2. Mrs. Teo Lee Ngo Executive Director
3. Mr. Wichian Mektrakarn Independent Director

For this agenda, the matter shall be resolved by the majority vote of shareholders who attend the meeting and cast their votes and the appointment of directors will be considered on individual basis.

Mr. Supasak asked the meeting if any shareholders would like to raise any questions or concerns. As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote for the appointment of each director, namely Mr. Yeap Swee Chuan, Mrs. Teo Lee Ngo and Mr. Wichian Mektrakarn respectively, by handing only voting card for those who are against or abstain. For this agenda, there were in total 97 shareholders (47 shareholders and 50 proxies), representing 205,415,175 shares, out of a total of 322,583,844 shares, which is accounted for 63.678% of total shares of the Company.

After due consideration, the meeting unanimously resolved that the appointment of directors replacing retired directors as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

1. Mr. Yeap Swee Chuan	Chairman and Executive Director			
Approved	205,415,175	Votes, representing	100.000%	
Not Approved	0	Votes, representing	0%	
Abstained	0	Votes, representing	0%	
2. Mrs. Teo Lee Ngo	Executive Director			
Approved	205,415,175	Votes, representing	100.000%	
Not Approved	0	Votes, representing	0%	
Abstained	0	Votes, representing	0%	
3. Mr. Wichian Mektrakarn	Independent Director			
Approved	205,415,175	Votes, representing	100.000%	
Not Approved	0	Votes, representing	0%	
Abstained	0	Votes, representing	0%	

**Agenda 6 To consider and approve the directors' remuneration**

Under Section 90 of the Securities and Exchange Act B.E. 2535, directors' remuneration must be approved by the shareholders' meeting with a vote of not less than two-third (2/3) of total votes of the shareholders attending and entitled to vote for the meeting.

The Nomination and Remuneration Committee considered the directors' remuneration for the fiscal year 2015. The proposal is based on the comparison of directors' remuneration of other listed companies engaged in the same industry with similar size of business, directors' accountability and net income. The directors' remuneration for the year 2015 is proposed with details per the following:

(Unit: Baht)

Directors' Remuneration	Annual Remuneration (per person / per year)			Attendance Fee (per person / per meeting)		
	2014	2015	Change	2014	2015	Change
Board of Directors						
- Independent Directors	275,000	275,000	0%	15,000	15,000	0%
Audit Committee						
- Chairman	50,000	50,000	0%	10,000	10,000	0%
- Member	25,000	25,000	0%	10,000	10,000	0%
Nomination and Remuneration Committee	-	-	-	7,500	7,500	0%
Risk Management Committee	-	-	-	7,500	7,500	0%

**Board Opinion** The Board of Directors considered the director's remuneration for the fiscal year 2015 should be submitted to the Annual General Meeting and should be approved.

Mr. Supasak asked the meeting if any shareholders would like to raise any questions or concerns. As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote by handing only voting card for those who are against or abstain. For this agenda, the matter shall be resolved by a vote of not less than two-third (2/3) of shareholders who attend the meeting and cast their votes

After due consideration, the meeting unanimously resolved that the director's remuneration as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

Approved	205,415,175	Votes, representing	100.000%
Not Approved	0	Votes, representing	0%
Abstained	0	Votes, representing	0%

**Agenda 7 To consider and approve the appointment of the auditor and the auditor's remuneration**

Under Section 120 of the Securities and Exchange Act B.E.2535, shareholders are asked to appoint the auditor and approve the auditor's remuneration on an annual basis. Shareholders can also appoint the same auditor as last year. The Audit Committee proposed the appointment of auditor to be the Company's auditor for the fiscal year 2015 based on expertise and effectiveness in their work.

**Board Opinion** The Board of Directors considered and proposed that the appointment of EY Office Limited for the following auditors to be the auditor of the Company for the fiscal year 2015, with the remuneration for not exceeding Baht 1,800,000 for the audit fee of the Company, should be approved by the Annual General Meeting.

1. Mr. Termphong Opanaphan CPA Registration No. 4501
2. Ms. Manee Rattanabunnakit CPA Registration No. 5313
3. Mrs. Poonnard Paucharoen CPA Registration No. 5238
4. Ms. Watoo Kayankannavee CPA Registration No. 5423

In the event these auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the company's financial statements in their place.

For this agenda, the matter shall be resolved by a majority vote of shareholders who attend the meeting and cast their votes. Mr. Supasak then asked the meeting if any shareholders would like to raise any questions or concerns. As there were no comments from shareholders, Mr. Supasak then requested shareholders to vote by handing only voting card for those who are against or abstain.

After due consideration, the meeting unanimously resolved that the appointment of the auditor and the auditor's remuneration as proposed by the Board of Directors be adopted and approved to the number of votes as follows:

Approved	205,415,175	Votes, representing	100.000%
Not Approved	0	Votes, representing	0%
Abstained	0	Votes, representing	0%

**Agenda 8 To consider other business (if any)**

There was no other business to consider. Mr. Supasak then asked the meeting if any shareholders have any comments or would like to raise any questions or concerns.

A shareholder asked about the performance of Hyundai in the year 2014, whether it reported a loss or profit.

Mr. Yeap answered that Hyundai is still doing well compared to the car industry and better than expected.

A shareholder further asked if the Company can disclose the numbers about Hyundai's performance.

Mr. Yeap replied that this may not be good to discuss the numbers as the Company is minority shareholder. However, he informed that Hyundai is one of good investment of AAPICO Group as shareholders can see from dividend that the Company received from Hyundai every year which was very high.

A shareholder further asked about Eco-cars which the production will start in 2 years. If every car assemblers run their production at full capacity of 100,000 units per year, how much of these shares that the Company expects to benefit from these volume increases?

Mr. Yeap commented that there are five new Eco-cars in Thailand, which means a volume of 500,000 units. Meanwhile, the 4 Eco-cars assemblers from the first phase are still continuing their production. It is expected that the Eco-car phase 2 will increase the vehicle production volume in Thailand. However, it is still at the beginning stage for quotation and may take another 2 years before the start of mass production.

A shareholder further asked if the production of 500,000 units is forecasted for the first year.

Mr. Yeap commented that the rule for Eco-cars mentioned that the production must reach 100,000 units by the 5<sup>th</sup> year. It does not require that production must reach 100,000 units in the first year.

A shareholder asked if the Company has plan for investments, joint ventures, or any plans for new factory this year.

Mr. Yeap replied that the Company will have new factory for Ford this year as Ford has been granted the new Eco-cars. This factory will be near Ford assembly plant in Rayong. The Company has received orders from Ford. However, it will be another two years for mass production. Apart from that, the Company is always looking for good opportunities. At the moment, some are still confidential.

Mr. Yeap also explained about the Company's strategy, which not only focusing on being a strong company in Thailand, but also be present in China and India. Mr. Yeap mentioned that the Company currently employs about 500 people in China and the operations in China are running well, as well as in Malaysia. Therefore, the Company must be looking at India, where there will be big automotive growth. The Company is aiming to be a strong Asean company, not only a strong Thai company, and is planning to have its presence in Thailand, Malaysia, Indonesia, China and India.

Furthermore, Mr. Yeap added that China has no more incentive for any company invested in China, while Thailand has



some incentives from BOI. Currently, India has the best incentive for automotive in Asia. Mr. Yeap commented that India is quite an interesting country based on his visits to India during the past few months.

Next, Mr. Supasak informed the meeting about the company visit, which is scheduled on June 3, 2015 at Hitech Industrial Estate. Interested shareholders can sign up their names, email and telephone number by sending information to [ir@aapico.com](mailto:ir@aapico.com). The Company will confirm their participation by May 18, 2015.

Khun Yossapon, proxy from shareholder, asked about the current situation of automotive industry as he understood that export volume was doing well in March, while domestic sales were still not doing well. What is the Company's view on the current automotive market?

Mr. Yeap commented that Thailand automotive industry was very bad last year due to the protest in the first half and small recovery in the second half. This year is expected to be better. In the past 3 months, it has been some improvements for overall economy in general. However, these improvements were not as big as expected last year. For the automotive industry, this year's growth will be supported by the launch of new models. Nissan has launched its new model last year. Toyota is going to launch new model for pick-up in Thailand in a few months, with the production volume for the world market at around 1.1 million cars (700,000 cars to be produced in Thailand and another 500,000 cars to be produced in other parts of the world). The Mitsubishi pick-up has also just launched. Therefore, the incremental volume will be depending on whether the Company supplies to these customers with new models.

Mr. Yeap further commented that the export market has always been a success for Thailand. However, Thailand has some disadvantages due to its strong currency. Overall, he is feeling that this year is better than last year and based on the forecast, it is foreseen that volume will be higher than last year.

Khun Yossapon then asked about the volume whether it is the official figure from the Thai Automotive Institute or input that the Company received from customers.

Mr. Yeap replied that the Company supplies a lot to Nissan, Toyota and some to Mitsubishi. Information is mainly based on these three new models.

Khun Yossapon also questioned about investments in India, timing of the projects, and joint venture partners if any.

Mr. Yeap replied that it is too early to comment as India is very complicated country. Everything must take some times as the Company is not familiar with the country and regulations are different from Thailand. There is also another challenge on placing people in India as Thai people do not like to go to India.


Next, Mr. Supasak informed the meeting the update information following the resolution of the extraordinary general meeting of shareholders on the issuance of debentures with the value up to 1.5 billion baht. The Company has issued the debenture of AAPICO Hitech Public Company Limited No.1/2558 at the amount of Baht 800 million to institutional and high net worth investors (II&HNW). Type of debenture is senior, unsecured and specify name of debenture holders. It is issued in Thai Baht currency at an interest rate of 4.34% with a tenor of 3 years. The issue date is on 29 April 2015.

Khun Yossapon further asked about the Company's gross margin. Compared to other listed companies such as Somboon Advance and Thai Stanley, the Company's gross margin is quite low. Does the Company have any plan to improve gross margin?

Mr. Yeap explained that this is because the Company has car dealerships business where profit is very low. When the sales from car dealerships are high, the Company will have low gross margin. In addition, the margins in the auto parts business are also low, due to the legacy problem from the acquisition of public company in the past, which caused very serious issues. The Company has been cleaning up these problems and is confident that it can improve operations and results in the future.

There were no more questions from shareholders. Mr. Yeap then thanked shareholders for their time and warm and friendly meeting, and expressed his gratitude to Khun Supasak who has been on the Board of Directors for 13 years and has decided to retire from his position. Khun Supasak also thanked shareholders for their support in the past years. At the same time, Mr. Yeap also welcomed Khun Wichian as a new member to the Board of Directors to help support and strengthen the Company's operations in the future.

The Chairman thanked all shareholders once again and declared the meeting closed and adjourned at 16:15 hrs.

Sign \_\_\_\_\_  
  
(Mr. Yeap Swee Chuan)  
Chairman of the Meeting