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**Minutes of the 2016 Annual General Meeting of Shareholders**

**Sermsuk Public Company Limited**

**Venue:** Grand Hall, Plaza Athénée Bangkok, A Royal Méridien Hotel, 2<sup>nd</sup> Floor, No. 61  
Wireless Road, Lumpini Subdistrict, Pathum Wan District, Bangkok

**Date and Time:** Tuesday, 26 April 2016, at 10.00 hrs.

**Preliminary proceedings:**

Miss Arunrat Tungteerapatharakij, Secretary of the Company, acted as the Secretary of the Meeting (the “**Secretary**”) and informed the Meeting of the information regarding the amount of capital and number of shares of Sermsuk Public Company Limited (the “**Company**”), as follows:

Registered capital	Baht	265,900,484
Paid-up registered capital	Baht	265,900,484
Issued ordinary shares		265,900,484 shares
Par value of	Baht	1 per share

In this regard, 9 March 2016 was scheduled as the date to record the names of the shareholders entitled to attend the 2016 Annual General Meeting of Shareholders (Record Date); and 10 March 2016 was scheduled as the date to close the register book to list the names of shareholders (Closing Date) in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992).

The Secretary informed the Meeting that at the commencement of the Meeting, there were 76 shareholders attending the Meeting in person or by proxy, representing 251,551,459 shares, or equivalent to 94.6036 percent of the total number of issued shares. A quorum was thus constituted according to Article 31 of the Company’s Articles of Association which provides that there shall be shareholders and proxies present at the meeting in a number of not less than 25 persons or not less than half of the total number of shareholders holding in aggregate not less than one-third of the total number of shares sold.

To ensure that the Meeting would be conducted in compliance with the Good Corporate Governance Principles with respect to the voting and counting of votes, the Secretary informed the Meeting of the guidelines and procedures of voting and counting of votes as follows:

1. For voting in the Meeting, a shareholder will have the number of votes equivalent to the number of shares he/she holds in the Company, whereby one share is equivalent to one vote.

2. The shareholders attending the Meeting in person, or the proxies appointed in the form prescribed by law, will cast their votes in accordance with the following procedures:

- Before voting on each agenda item, the shareholders will sign their names on the ballot cards for the purpose of transparency in voting.
- With respect to voting on all agenda items, with an exception for Agenda Item 6 concerning the appointment of the directors in replacement of the directors who were due to retire by rotation, which the Meeting will be informed of later, if no shareholder votes against or abstains from voting, the vote will be treated as a vote for approval or in favour of the relevant proposed agenda item. If a shareholder votes against or abstains from voting, he/she will mark his/her ballot and raise his/her hand to signify the staff to collect the relevant ballot.
- For the counting of votes, the Company will deduct the number of ballots with a vote against or abstention from the total number of votes. The remaining votes shall be considered as votes in favour. A shareholder who votes in favour for each agenda item shall keep his/her ballot and return it to the Company's staff after the Meeting. It shall be noted that the voting in this Meeting shall be conducted openly, not by the method of secret ballot, but all ballots will be collected for transparency purposes.
- Any votes cast in the following manner shall be considered invalid:
  - 1) A ballot card that is filled with more than one mark in the space provided;
  - 2) A ballot card that casts a vote expressing a conflict of intent;
  - 3) A ballot card with a vote that has been crossed out with no signature;
  - 4) A ballot card that casts a vote exceeding the number of voting right to which the shareholder is entitled.

A shareholder who wishes to correct his/her vote on the voting ballot should cross out the existing vote on the voting ballot and affix his/her signature thereto.

3. If a shareholder has exercised his/her rights though Proxy Form B or C, to assign another person to attend the Meeting, or granted a proxy to an independent director to vote on his/her behalf, and determined that the proxy vote in accordance with such shareholder's intention or the proxy's intention, the

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Company will count such vote in accordance with the intention of the shareholder or the proxy.

In the case of a foreign shareholder who has appointed a custodian in Thailand to be a share depository and custodian, his/her vote would be separated whether in favour, against or abstention on each agenda item, with the number of votes to be separated equivalent to the number of shares he/she holds.

4. With respect to Agenda Item 6 which consider the appointment of new directors in replacement of those who were due to retire by rotation:
  - 4.1 If a shareholder has exercised his/her rights though Proxy Form B, to assign another person to attend the Meeting, or granted a proxy to an independent director to vote on his/her behalf, the Company will count such vote in accordance with the intention of the shareholder or the proxy.
  - 4.2 Voting for this agenda item will be on an individual basis. The shareholders are requested to vote regardless of whether such votes are approved, disapproved, or in abstained. The ballots of the shareholders or proxies who vote disapproved or abstained from voting shall be collected first, followed by those who vote approved.
5. Article 32 of the Company's Articles of Association provides that: "In the ordinary event, the majority vote of the shareholders who attend the Meeting and were entitled to vote shall be considered, whereby, one share shall be equivalent to one vote. In the case of an equality of votes, the Chairman of the Meeting shall have an additional vote as a casting vote".

In order to consider whether an agenda item is approved by majority votes, only the votes of "approved" of the shareholders who attend the Meeting and were entitled to their votes will be counted. If the shareholders cast the votes of "disapproved" or "abstained", it shall be deemed that the shareholders have voted against that particular agenda item.

6. A shareholder who wishes to leave the Meeting before the Meeting is adjourned or who is not present in the meeting room during any agenda item, can exercise his/her rights by submitting the voting ballot to the staff in advance before he/she leaves the meeting room.
7. The total number of votes of the shareholders cast on each agenda item may varies as there will be shareholders and proxies entering the meeting room from time to time. Therefore, the number of persons attending the Meeting during each agenda item may change.

After informed the procedures of voting and counting of votes, the Secretary informed the Meeting that for the vote counting, there was a representative from Weerawong, Chinnavat &

Peangpanor Ltd., the Legal Advisor, namely, Miss Kulnisha Srimontien, acting as a witness to the vote counting together with two shareholders. Before casting a vote on each agenda item, the Chairman will give an opportunity to the shareholders attending the Meeting to raise questions relevant to that agenda item as appropriate. The shareholders who wished to raise questions were requested to state their names and surnames before raising questions or expressing opinions on each occasion.

If a shareholder has questions which are irrelevant to the agenda item being considered, the shareholder should do so during the agenda item for other matters towards the end of the Meeting. Questions raised or opinions expressed should be concise and not repetitive in order that other shareholders will be able to exercise their rights and so that the Meeting would be conducted within the time frame.

The directors, executives, and advisors who attended the Meeting were as follows:

**Directors present at the Meeting:**

- |   |  |
|---|--|
| 1) Mr. Photipong Lamsam                   | Chairman of the Board of Directors and Independent Director  |
| 2) Mr. Thapana Sirivadhanabhakdi          | Chairman of the Nominating and Corporate Governance Committee  |
| 3) Mr. Vivek Chhabra                      | President  |
| 4) Mr. Dhitivute Bulsook                  | Director   |
| 5) Prof. Dr. Khunying Suchada Kiranandana | Chairman of the Audit Committee, Chairman of the Risk Management Committee, and Independent Director |
| 6) Prof. Rawat Chamchalerm                | Independent Director   |
| 7) Mr. Sakchai Thanaboonchai              | Director   |
| 8) Mr. Rangsarn Thammaneeuwong            | Director   |
| 9) Mr. Somchai Bulsook                    | Chairman of the Executive Committee and Chief Executive Officer                                      |
| 10) Mr. Suchin Wanglee                    | Chairman of the Compensation Committee, Independent Director, and Member of the Audit Committee      |
| 11) Mrs. Siripen Sitasuwan                | Independent Director and Member of the Audit Committee   |

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|----------------------------------|----------|
| 12) Mr. Sithichai Chaikriangkrai | Director |
| 13) Mr. Chotiphat Bijananda      | Director |
| 14) Mr. Marut Buranasetkul       | Director |
| 15) Mr. Pramoad Phornprapha      | Director |

**Executives present at the Meeting:**

- |                              |                               |
|------------------------------|-------------------------------|
| 1) Mr. Arthakrit Visudtibhan | Human Resources Director      |
| 2) Mr. Parinya Permpanich    | Sales Director                |
| 3) Mr. Phromson Ayanaputra   | Business Development Director |
| 4) Mr. Peerapong Krinchai    | Operations Director           |
| 5) Miss Tienthip Narach      | Finance Director              |
| 6) Mr. Noppakhun Dansuwan    | Deputy Finance Director       |
| 7) Mrs. Prangnee Chaipidej   | Deputy Marketing Director     |

**Auditors from KPMG Phoomchai Audit Ltd. present at the Meeting:**

- 1) Mr. Nirand Lilamethwat
- 2) Miss Nittaya Chetchotiros
- 3) Miss Napaporn Sathitthammaporn

**Legal Advisor from Weerawong, Chinnavat & Peangpanor Ltd. present at the Meeting:**

- 1) Miss Peangpanor Boonklum

Mr. Photipong Lamsam, Chairman of the Board of Directors, presided as the Chairman of the Meeting (the “Chairman”).

The Chairman welcomed the shareholders and participants attending the Meeting and introduced a brief profile of a new director, namely, Mr. Vivek Chhabra who had been the Director Group Finance for Asia Pacific for 20 years in the company manufacturing “Heineken” beverages and had been working for 10 years in RJR Nabisco, Inc.

The Secretary informed the Meeting of the amendment to the Annual Report as follows:

Page 35, 21<sup>st</sup> line from the top, the term shall be revised **from** “Thai Drinks Company Limited: an indirect subsidiary of Thai Beverage Public Company Limited” **to** “Thai Drinks Company Limited: a direct subsidiary of Thai Beverage Public Company Limited”.

The Chairman declared the 2016 Annual General Meeting of Shareholders duly convened and conducted the Meeting in accordance with the following agenda items:

**Agenda Item 1:**      **To consider and adopt the Minutes of the 2015 Annual General Meeting of Shareholders held on April 23, 2015**

The Chairman informed the Meeting that this agenda item was to adopt the Minutes of the 2015 Annual General Meeting of Shareholders convened on 23 April 2015. The Company has prepared the Minutes of the Meeting of which the Board of Directors deemed it was completely and correctly recorded. Therefore, it was appropriate to propose that the Meeting adopt the Minutes of the 2015 Annual General Meeting of Shareholders. In this regard, the copy of the Minutes was set out on Attachment 1.

The Chairman gave the shareholders and proxies attending the Meeting an opportunity to raise questions or express their opinions.

There were no shareholders who raised questions or expressed opinions.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements and the Chairman then proposed that the Meeting adopt the Minutes of the 2015 Annual General Meeting of Shareholders convened on 23 April 2015.

**Resolution:**      After due consideration, the Meeting resolved to adopt the Minutes of the 2015 Annual General Meeting of Shareholders convened on 23 April 2015 as proposed, in accordance with the following votes:

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being eligible to vote</b>
Approved	251,568,562	100.0000
Disapproved	0	0.0000
Abstained	0	0.0000

Remarks:      1) The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and being eligible to vote.

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- 2) In this agenda item, there were shareholders in addition to those who had been present since the commencement of the Meeting, resulting in a total of 251,568,562 votes.
- 3) There were no invalid ballots in this agenda item.

**Agenda Item 2: To acknowledge the operational results for the year 2015**

The Chairman informed the Meeting that this agenda item was to report the Company's operational results for the year 2015, which was set out in the Annual Report in Attachment 2, which had been delivered to the shareholders together with the invitation letter. The Chairman then requested Mr. Vivek Chhabra ("**Mr. Vivek**"), President, to report the Company's operational results for the year 2015 to the Meeting.

Mr. Vivek reported the operational results for the year 2015 which can be summarized as follows:

At present, the strengths relating to the business operations of the Company are as follows:

- There are a total of nine trademarks which have been registered under the Company's name, which is sufficient considering the consumers' needs;
- The Company has seven production plants and 51 warehouses that are able to accommodate the manufacturing and delivery of products to all regions nation-wide;
- The products of the Company are distributed via 1,000 sales trucks and over 100 transport trucks;
- The Company uses the network of Thai Beverage Public Company Limited ("**ThaiBev Group**") as a supporting network, which covers marketing, finances, goods distribution (inclusive of modern trade stores, sales trucks and distribution);
- The Company organizes marketing promotional programs in order to increase its potential and competitiveness; and
- The Company has a team of knowledgeable and highly-experienced team of executives.

With respect to the operational results of the Company for the year 2015, the Company's revenue from sales was recorded at Baht 10,515 million, which increased from the revenue from sales in 2014 by one percent. The Company incurred a loss before tax of Baht 408 million, which increased from the loss before tax in 2014 by Baht 379 million. However, if

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the revenue from sales of the “est” trademark of Baht 1,281 million in 2015 and the revenue from the land sale of Baht 446 million are not taken into account, the Company incurred a loss before tax of Baht 854 million in 2015, which is a decrease from the loss before tax incurred in the previous year by 35 percent.

During the previous year, the Company implemented measures in order to increase the revenue and sales volume of carbonated soft drinks and non-carbonated beverages by launching new products and organizing activities for increasing the sales as follows:

- The Company launched the following products: 100 Plus, est play (lychee-pear flavor), Jub jai, Oishi Frutto green tea, Oishi Kabusecha green tea, and watermelon-flavored Oishi green tea;
- The Company began exporting the “Ranger” beverage to Malaysia; and
- The Company launched campaigns for boosting the sales of the “est” carbonated beverages, e.g. the lucky draw for the Mercedes Benz, exchanging caps for merchandise with stores (trade loyalty program), and the lucky draw for the Honda HRV of the “Crystal” drinking water brand.

Furthermore, the Company decreased the manufacturing costs and other expenses. It benefited from the steady decrease in oil prices, which consequently reduced the bottling costs for plastic containers or PET bottles as well as the transportation costs. In addition, the Company reduced the weight of the PET bottles and purchased aluminum cans for use as the primary type of container for the beverages of the ThaiBev Group as another means to reduce the Company’s expenses. The Company also processed the existing containers of its products to be able to re-use them and improved the efficiency of its warehouses and production plants.

In addition, Mr. Vivek gave a report on the strategies and action plan for the year 2016 to the Meeting, which comprised the following four key topics:

1. Revenue growth, launching of promotional campaigns for products, sales promotions with restaurants and wholesale stores, as well as sales representatives, as incentives for maintaining sales;
2. Increasing the potential of the sales and sales process by placing emphasis on the format and potential of the sale and distribution of the products by means of:
  - Building a strong sales team;
  - Organizing more sales training for the employees;



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- Managing the inventory (obsolete stock) to ensure freshness and adherence to the First In First Out (FIFO) principle;
  - Using tablets for work;
  - Implementing more internal control systems; and
  - Applying the KPI system;
3. Controlling the costs and managing the inventory with a view to increase the profits by means of conducting analyses on each warehouse to determine which warehouses are able to make profits for the Company; and
  4. Strengthening the goods distribution capacity by placing emphasis on the following: working with the sales trucks of the ThaiBev group in order to increase the coverage of the market and stores; increasing the number of distribution channels, particularly in respect of restaurants and shops; expanding the distribution zones to as many areas as possible; setting up a commando team which shall be responsible for finding new customers, as well as appointing representatives of the Company who shall be responsible for overseeing the primary target customer group of the Company; and the management of beverage coolers is deemed to be the most important tool for the sale of carbonated soft drinks.

The Secretary informed the Meeting of the Company's anti-corruption policy as follows: The Company sent the Secretary-General of the Office of the Securities and Exchange Commission (the "SEC Office") the letter dated 27 February 2015 to inform the SEC of its anti-corruption efforts. The Company disclosed the information on its anti-corruption initiatives in the Annual Report (Form 56-1) and stated that it has a clear policy against fraud, bribery, and all forms of corruption, as well as that the Company cooperated or worked with various organizations in combating corruption as it deemed appropriate. Moreover, the Company strictly prohibits its directors, executives and employees from engaging in any corruption, offering or accepting bribes from/to officers in both the public and private sectors, whether directly or indirectly, in order to obtain or maintain business or competitive advantage, and the use of donations and charitable activities in the interest of or in support of corruption. Furthermore, the Company became a member of the Thai Chamber of Commerce, which also has a clear policy against corruption. The Company will promote and participate in the various initiatives organized by the Thai Chamber of Commerce in order to promote the establishment and implementation of concrete anti-corruption measures both within organizations and at the national level.

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The Chairman gave shareholders attending the Meeting the opportunity to raise questions or express their opinions.

The shareholders' questions and comments can be summarized as follows:

Mr. Siriwat Woravetvuttikhun, a shareholder, raised questions and commented as follows:

- It was found that the beverage cooler of the Company in a restaurant was not used to display and sell the carbonated soft drinks of the Company. After having asked the restaurant owner about this observation, he was told that the sales volume of the products of the Company was low and, as a result, deliveries of the Company's products decreased. The sales volume was low because the size of the product container was too big. How will the Company resolve this issue?
- The Company should maximize the use of its resources considering that it has a high manufacturing and distribution potential, but the sales volume requires improvements.

Mr. Vivek gave the following explanation:

- The Company set up a "Commando Team" which is responsible for conducting market research and on-site surveys in order to seek potential stores. These stores also included stores that sold products of the Company in the past, some of which may have also continued to use the beverage coolers of the Company even though they no longer sell the Company's products.
- In addition to having set up the Commando Team, the Company has also initiated a sales promotion activity with restaurants called "FSR". Under this initiative, restaurant owners collect the caps of the product containers and exchange them for prizes from the Company, whereby each cap is worth one Baht.
- A new product which the Company has launched is the "est" Grape Berry drink. The sales volume and quantity of products sold following est grape berry's launch demonstrate good potential.
- In case that the restaurant did not sell company's product, the company will further search for the solution.

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Mr. Kittiyos Apakiatwong, a shareholder, raised questions and commented as follows:

- Emphasis is placed on delivering the Company's products to large stores rather than small stores. It is also difficult to return the product containers to the Company and for the Company to issue tax invoices (invoicing) when compared with its competitors.

Mr. Vivek gave the following explanation:

- The Company will take the suggestions of the shareholder into consideration. The Company has appointed a sales unit which is specifically responsible for receiving advance purchase orders via a system that is directly connected to the system of the Company. Under this system, goods are dispatched for delivery to the stores on the day following receipt of the purchase order. This is an example which clearly demonstrates the Company's continuous efforts in improving its sales and distribution processes.

Mr. Chadin Julinrak, a shareholder, commented as follows:

- The Company should introduce technologies to offer new methods to be used by the stores for making payments to the Company.
- He reiterated that new technologies should be introduced into the production line in order to increase the efficiency of the process.

Mr. Vivek gave the following explanation:

- At present, the Company has already begun using the electronic payment option for receiving payments, particularly with 25 large outlets. The Company expects to increase the number of stores by another 200 around 1 July 2016. The Company will encourage the use of electronic cash collection in the future.
- At present, the Company is reducing the use of paper-based (manual) invoicing.
- With respect to the supply chain, the Company has a policy to distribute products that were manufactured first before those that were newly-manufactured (FIFO). Particular emphasis is placed on the freshness of the products that are introduced into the market.

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- Some of the strategies in relation to the drinking water has already been implemented: firstly, the Company has conducted studies on and sought potential areas in 5 years in which it plans to expand its business and construct more factories in the future. Secondly, the Company is paving the way for additional investment options, such as the use of the existing production plants in its group. For example, Oishi was asked to produce beverages for the Company in order to respond to the consumers' needs in the case of a significant market expansion.

Mr. Chadin Julinrak, a shareholder, additionally commented as follows:

- The Company should adapt the Fourth Dimension Matrix Analytical Model because this method allows for the analysis of profits for each distribution channel, product, and region. The use of electronic payment methods between the Company and the stores will also enable the Company to analyze the potential of its competitors.

Ms. Boosakorn Ngampasuthadon , a proxy, commented as follows:

- The Company should set up a research group for conducting on-site research on the actual market conditions so as to better understand and be more aware of the actual demand of the consumers and existing issues.

There were no shareholders raising further questions or expressing opinions.

This agenda item was to report the operational results for the year 2015; therefore, no vote was required.

**Agenda Item 3: To consider and approve the Financial Statements for the fiscal year ending December 31, 2015**

The Chairman informed the Meeting that the Financial Statements for the year ending 31 December 2016 as detailed in the Annual Report in Attachment 2 had been audited by the Certified Public Accountants from KPMG Phoomchai Audit Ltd., considered by the Audit Committee, and approved by the Board of Directors. The Board of Directors, therefore, proposed that the shareholders' meeting approve the Financial Statements for the year ending 31 December 2016, and asked Miss Tienthip Narach (“**Miss Tienthip**”), Finance Director, to inform the Meeting of the details of this matter.

Miss Tienthip clarified to the Meeting that the Financial Statements for the year ending 30 December 2015 had been audited by the Certified Public Auditors who were of the opinion that it correctly represented the operational results in compliance with the

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Generally Accepted Accounting Principles. The material information can be summarized as follows:

Assets of the Company showed a decrease due to the sale of a non-current asset (land located in Thon Buri District) in April.

Liabilities of the Company showed a decrease in current liabilities due to the repayment of all short-term loans secured from financial institutions in the past year (currently, the Company has no outstanding loans).

There was a slight change in shareholders' equity on the retained earnings (deficit) incurred during the year.

The financial position of the Company as at 31 December 2015 showed continuous stability which will support the growth of core products and business expansion in the future. Net cash flow for the year ending 31 December 2015 showed Baht 295.3 million obtained from the sale of non-current assets held for sale of Baht 1,736.3 million. Such obtained cash is being used to repay short-term loans from financial institution of Baht 1,000 million and in the acquisition of fixed assets of Baht 468.2 million, as well as to enhance liquidity in the business operation.

The Company's operational results for the year ending 31 December 2015 set out in the Consolidated Financial Statements showed a net loss of Baht 304.9 million, whereby this amount included profit from the sale of non-current assets held for sale of Baht 445.8 million. Net loss was increased to Baht 593 million compared to net profit of Baht 288.1 million of the previous year, whereby this amount included profit derived from the sale of "est" brand of Baht 1,280.8 million. After calculating the incurred loss before being deducted by tax, excluding profits from the sale of non-current assets held for sale of Baht 445.8 million in 2015 and profits derived from the sale of "est" brand of Baht 1,280.8 million, the operational results showed a decrease in loss by 35 percent due to the business restructuring of the "est" beverage.

The significant changes are as follows:

- 1) Revenue from the sale of goods and rendering of service in 2015 was Baht 10,514.6 million, an increase of 1 percent due to the growth of Crystal drinking water and the sale of the new beverage products named "100 Plus" and "Jub Jai" during the first quarter.
- 2) The cost of the sale of goods in 2015 was Baht 8,333.33 million, an increase of 8.1 percent due to the change in the product sale proportion and the new business structure of the "est" beverage.
- 3) Selling and administrative expenses in 2015 were Baht 3,386.1 million, a decrease of 20.1 percent due to the business restructuring of the "est" beverage.

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4) Other income in 2015 was Baht 256.5 million, most of such income was derived from the realization of revenue on rendering consultation services for the “est” beverage of Baht 130 million, and income derived from the sale of waste materials.

In this regard, the operational results for the year ending 31 December 2015 incurred basic losses per share at Baht 1.15, and losses increased by Baht 2.23 per share compared with basic earnings per share of the previous year, with the book value per share of Baht 31.77 compared with the previous year of Baht 32.89.

The Chairman gave the shareholders an opportunity to raise questions or express their opinions.

There were shareholders who raised questions and expressed their opinions which can be summarized as follows:

Mr. Nithichai Charoenphol, a shareholder, raised questions and commented as follows:

- Is the increase in sales cost due to the excessive introduction of new products, and if so, how?
- Is the Company able to clarify the marketing expenses for each brand?

Mr. Vivek gave the following explanation:

- The increase in sales cost is because of the increase in the cost for the est concentrate, and it is also due to the reorganization of the business structure of the Company. The Company now owns the products and is responsible for the sales and marketing expenses considering that all of such expenses are borne by Thai Drinks Co., Ltd., which is a wholly-owned subsidiary of the ThaiBev Group. In the case of Pepsi in the past, the sales and marketing expenses were equally shared (50/50 ratio) between the Company and Pepsi. Therefore, after deducting the increased sales cost and taking into account the decrease in sales and marketing expenses, the Company will gain excess benefits of approximately between Baht 200 million and baht 300 million per year.

Mr. Kiate Sumongkolthanakul, a shareholder and proxy, raised questions and commented as follows:

- With respect to the details of the financial statement, particularly the accounts receivable on page 140 and the obsolete stocks on page 142: the allowance for doubtful accounts is an issue that needs to be addressed. What are the types of products that are

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related to this issue, and how will the Company lower the allowance for doubtful accounts?

Ms. Tienthip gave the following explanation:

- With respect to the accounts receivable on page 140, this figure was based on accounts receivable aging and is in line with the accounting standards. The figure for the obsolete stocks on page 142 takes into account the reduced value of the goods, which may be a result of a number of factors. In regards to the expenses, the Company uses a dual approach for managing the products that are in its inventory (FIFO) and also carefully manages the quantity of the goods produced and the estimated sales volume so as to ensure a good balance and so that the consumers are confident that the Company's products are always fresh.

Mr. Kiate Sumongkolthanakul, a shareholder and proxy, additionally raised questions and commented as follows:

- Why has the figure for the obsolete stocks increased from Baht 70 million in 2014 to over Baht 200 million in 2015?
- According to the Notes of the Financial Statements, there is pending litigation against the employees who were terminated with an obligation of approximately Baht 50 million. What is the progress on this matter?

Ms. Tienthip gave the following explanation:

- The Company began applying the FIFO approach to its management strategies and became aware of the potential problems arising from the significant increase in the allowance for the reduced value of the goods in the past year. This issue may have been a consequence of a number of factors: firstly, the sales volumes of some of the products are in decline; secondly, the switch to applying the FIFO approach; and thirdly, the Mercedes Benz sales promotion activity during the second half of the year resulted in a higher allowance for the reduced value of the goods when compared with the same value under normal circumstances. The Management endeavors to reduce the expenses accordingly.

Mr. Chadin Julinrak, a shareholder, additionally commented as follows:

- He requested that the Management prepare the information relating to the management of Company's assets at the next

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shareholders' meeting in order to determine how they can be used to obtain benefits.

- There is an issue relating to the sales promotion via modern trade stores: the distributors chose to purchase the products from the modern trade stores rather than directly from the Company, which had an impact on the sale of the products at small grocery stores or retail shops.
- The Company should consider other types of promotions rather than being limited to lucky draws, which are sell-out promotions, in order to involve the consumers. For example, the Company should consider promotions with Berli Jucker Public Company Limited as same as other competitors.

Mr. Arthakrit Visudtibhan, Human Resources Director, gave the following clarification:

- With respect to the progress on the lawsuit which had been filed by the employees, the details can be summarized as follows. The Company terminated 45 of its employees, and the claim amount for each employee is Baht one million. The Company terminated their employment due to their poor health, which impeded their ability to perform work for the Company. This case is currently under the Court's consideration.

There were no shareholders raising further questions or expressing opinions.

The Chairman expressed his appreciation to the shareholders and assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, and the Chairman proposed that the Meeting approve the Financial Statements for the year ending 31 December 2015.

**Resolution:**

After due consideration, the Meeting resolved to approve the Financial Statements for the year ending 31 December 2015, in accordance with the following votes:

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being eligible to vote</b>
Approved	251,605,972	100.0000



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Disapproved	0	0.0000
Abstained	0	0.0000

- Remarks:
- 1) The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and being eligible to vote.
  - 2) In this agenda item, there were shareholders in addition to those who had been present since the commencement of the Meeting, resulting in a total of 251,605,972 votes.
  - 3) There were no invalid ballots in this agenda item.

**Agenda Item 4:**      **To consider and approve no allocation of profits and no dividend payments**

The Chairman delegated Miss Tienthip to present the details of this matter to the Meeting.

Miss Tianthip informed the Meeting that, the Company's dividend payment policy is to distribute dividends to its shareholders at the rate of no less than 40 percent of the net profit after deduction of the legal reserve and accumulated losses brought forward (if any) under the Consolidated Financial Statements, provided that the dividend payment was subject to cash flow, investment plan, conditions, and provisions in the agreements into which the Company has entered, including any other necessity and appropriateness in the future.

In 2015, the Company's net loss under the Separated Financial Statements showed Baht at 400.41 million, and cash flow from operating activities under the Consolidated Financial Statements showed at Baht -32.4 million.

As a result, the Board of Directors deemed it appropriate to propose that the shareholders' meeting not allocate the profits from the operational results of 2015, and not distribute dividends, in accordance with the following details:

- Not to allocate profits from the operational results of 2015 as a legal reserve, as the Company's legal reserve has reached the amount required by Law.
- Not to distribute dividends from the operational results of 2015, as the Company incurred losses under the Separated Financial Statements and it is necessary for the Company to manage its cash flow.

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The Chairman gave the shareholders an opportunity to raise questions or express their opinions.

There was no shareholders raising questions or expressing opinions on this agenda item.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, and the Chairman then proposed that the Meeting approve no allocation of profits and no dividend payment.

**Resolution:**

After due consideration, the Meeting approved the suspension of the allocation of profits and dividend payment

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,672	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

Remarks:

- 1) The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and being eligible to vote.
- 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 251,605,972 votes.
- 3) There were no invalid ballots in this agenda item.

**Agenda Item 5:**

**To consider and approve the remuneration of the directors**

In this agenda item, the Chairman asked Mr. Suchin Wanglee (“Mr. Suchin”), the Chairman of the Compensation Committee, to inform the Meeting of the details of this matter. Mr. Suchin informed the Meeting that the determination of the directors’ remuneration was required to be approved by the shareholders’ meeting. After the matter was scrutinized by the Compensation Committee, the Board of Directors considered the dividends’ remuneration by taking into account the operational results along with other factors which would affect the operational results, as well as the appropriateness, duties, and responsibilities of the

(Translation)

Board of Directors. Therefore, it is deemed appropriate to propose that the shareholders' meeting approve:

- No payment of the directors' bonus as the Company incurred net loss as detailed in the Financial Statements for the business.
- The remuneration for the Board of Directors and other subcommittees at the same rate as approved by the 2015 Annual General Meeting of Shareholders convened on 23 April 2015. The details of which are as follows:

	<b>Annual Remuneration</b>	<b>Meeting Allowance</b>
<u>Board of Directors</u>		
Position - Chairman of the Board	Baht 240,000	Baht 40,000 / meeting
- Vice Chairman of the Board	Baht 180,000	Baht 30,000 / meeting
- Chief Executive Officer	Baht 240,000	Baht 40,000 / meeting
- Director	Baht 120,000	Baht 20,000 / meeting
<u>Audit Committee</u>		
Position - Chairman of the Audit Committee	Baht 160,000	Baht 50,000 / meeting
- Director	Baht 80,000	Baht 25,000 / meeting
<u>Nominating and Corporate Governance Committee</u>		
Position - Chairman of the Nominating and Corporate Governance Committee	Baht 80,000	Baht 25,000 / meeting
- Director	Baht 40,000	Baht 15,000 / meeting
<u>Compensation Committee</u>		
Position - Chairman of the Compensation Committee	Baht 80,000	Baht 25,000 / meeting
- Director	Baht 40,000	Baht 15,000 / meeting
<u>Risk Management Committee</u>		
Position - Chairman of the Risk Management Committee	Baht 80,000	Baht 25,000 / meeting
- Vice Chairman of the Risk Management Committee	Baht 60,000	Baht 20,000 / meeting
- Director	Baht 40,000	Baht 15,000 / meeting
<u>Executive Committee</u>		

(Translation)

	<b>Annual Remuneration</b>	<b>Meeting Allowance</b>
Position - Chairman of the Executive Committee	Baht 80,000	Baht 25,000 / meeting
- Vice Chairman of the Executive Committee	Baht 60,000	Baht 20,000 / meeting
- Director	Baht 40,000	Baht 15,000 / meeting

The Chairman gave the shareholders attending the Meeting an opportunity to raise questions or express their opinions.

There were no shareholders raising questions or expressing opinions on this agenda item.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, and the Chairman then proposed that the Meeting approve the directors' remuneration.

**Resolution:**

After due consideration, the Meeting resolved to approve the directors' remuneration as proposed, in accordance with the following votes:

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting</b>
Approved	251,602,672	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

- Remarks:
- 1) The resolution on this agenda item shall be passed by the votes of no less than two-thirds of the total votes cast by the shareholders attending the Meeting.
  - 2) In this agenda item, there were shareholders and proxies attending the meeting, representing 251,605,972 votes.
  - 3) There were no invalid ballots in this agenda item.

**Agenda Item 6:**

**To consider and approve the appointment of directors in replacement of those who are due to retire by rotation**

(Translation)

In this agenda item, the Chairman asked Prof. Dr. Khunying Suchada Kiranandana (“**Khunying Suchada**”), Chairman of the Audit Committee, Chairman of the Risk Management Committee, and Independent Director, to present the details of this matter to the Meeting.

In this regard, at the commencement of this agenda item, the directors who were due to retire by rotation, left the Meeting, namely, Mr. Dhitivute Bulsook, Mr. Suchin Wanglee, Mr. Somchai Bulsook, Mr. Thapana Sirivadhanabhakdi, and Mr. Chotiphat Bijananda.

Khunying Suchada informed the Meeting that, according to Section 71 of the Public Limited Companies Act B.E. 2535 (1992) and Article 14 of the Company’s Articles of Association provid that, at every annual general meeting of shareholders, one-third of the directors shall retire. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall retire. The directors retiring by rotation may be reelected as directors for another term.

At this 2016 Annual General Meeting of Shareholders, there were five directors who were due to retire by rotation as follows:

1. Mr. Dhitivute Bulsook                      Director;
2. Mr. Suchin Wanglee                      Director;
3. Mr. Somchai Bulsook                      Director;
4. Mr. Thapana Sirivadhanabhakdi      Directors;
5. Mr. Chotiphat Bijananda                Directors.

The Board of Directors of the Company (by a majority vote, without counting the votes cast by the directors who were due to retire by rotation) considered the qualifications, experience, and expertise of all of the directors who were due to retire by rotation and was of the opinion that the five directors possess knowledge, competence, and experience which would be advantageous to the Company’s business operations. Thus, it was proposed that the Meeting approve the appointment of such directors to act as directors of the Company for another term. The directors proposed for re-election are as follows:

1. Mr. Dhitivute Bulsook                      Director;
2. Mr. Suchin Wanglee                      Director;
3. Mr. Somchai Bulsook                      Director;
4. Mr. Thapana Sirivadhanabhakdi      Directors;
5. Mr. Chotiphat Bijananda                Directors.

(Translation)

The details in relation to profiles, education, and professional experience of the directors who were due to retire by rotation and had been nominated for re-election are set out in Attachment 3. The appointed directors under this agenda item shall receive remuneration at the rates approved by the Meeting in Agenda Item 5 of this meeting.

The Chairman gave the shareholders attending the Meeting an opportunity to raise questions or express their opinions.

There were no shareholders raising questions or expressing opinions on this agenda item.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, and the Chairman then proposed that the Meeting approve the appointment of directors in replacement of the directors who were due to retire by rotation, provided that the voting shall be conducted on an individual basis.

**Resolution:**

After due consideration, the Meeting resolved to approve the appointment of five directors, namely:

1. Mr. Dhitivute Bulsook                      Director;
2. Mr. Suchin Wanglee                      Director;
3. Mr. Somchai Bulsook                      Director;
4. Mr. Thapana Sirivadhanabhakdi      Directors;
5. Mr. Chotiphat Bijananda                Directors,

in accordance with the following votes:

**1. Mr. Dhitivute Bulsook**

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

**2. Mr. Suchin Wanglee**

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<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

**3. Mr. Somchai Bulsook**

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

**4. Mr. Thapana Sirivadhanabhakdi**

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

**5. Mr. Chotiphat Bijananda**

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

(Translation)

- Remarks:
- 1) The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and being eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 251,605,976 votes.
  - 3) There were no invalid ballots in this agenda item.

**Agenda Item 7: To consider and approve the amendment to the Company's Articles of Association in Article 34 regarding the fiscal year of the Company**

The Chairman asked Miss Tienthip, Finance Director, to present the details of this matter to the Meeting.

Miss Tienthip explained that Board of Directors' Meeting No. 1, convened on 24 February 2016, resolved to approve the change of the fiscal year from the commencement on 1 January and end on 31 December to the commencement on 1 October and end on 30 September of every year. The change shall be effective from 2016 onwards, provided that, the first fiscal year after the change would commence on 1 January 2016 and end on 30 September 2016, and the subsequent fiscal year would be the new fiscal year of a full 12 months commencing on 1 October 2016 and ending on 30 September 2017.

The policy on submission of Financial Statements shall remain unchanged, that is, within the period of 45 days from the last day of each quarter (31 December, 31 March, and 30 June), and within the period of 60 days from the last day of the fiscal year (30 September).

In this regard, the change in the fiscal year is for the fiscal year of the Company to be coincided with the change in the fiscal year of Thai Beverage Public Company Limited which is its parent company.

It is, therefore, proposed that the Meeting approve the amendment to Article 34 of the Articles of Association regarding the fiscal year, in order to be in line with the change of the fiscal year.

From

“Article 34. The fiscal year of the Company shall commence on 1 January and end on 31 December of every year.”

To

“Article 34. The fiscal year of the Company shall commence on 1 October and end on 30 September of every year.”

The Chairman gave the shareholders attending the Meeting an opportunity to raise questions or express their opinions.



(Translation)

There were no shareholders raising questions or expressing opinions on this agenda item.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, and the Chairman then proposed that the Meeting approve the amendment to Article 34 of the Articles of Association regarding the fiscal year.

**Resolution:**

After due consideration, the Meeting resolved to approve the amendment to Article 34 of the Articles of Association regarding the fiscal year as proposed, in accordance with the following votes:

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

- Remarks:
- 1) The resolution on this agenda item shall be passed by the votes of no less than three-quarters of the total votes cast by the shareholders and proxies attending the Meeting and being eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 251,605,976 votes.
  - 3) There were no invalid ballots in this agenda item.

**Agenda Item 8: To consider and approve the appointment of the auditor and determine the auditor's remuneration for the year 2016**

The Chairman asked Khunying Suchada, Chairman of the Audit Committee, to present the details of this matter to the Meeting.

Khunying Suchada informed the Meeting that, the Audit Committee has considered the appointment of the auditors for the year 2016, as well as proposed to the Board of Directors to propose that the shareholders' meeting approve the appointment of Miss Nittaya Chetchotiros, Certified Public Account No. 4439, or Mrs. Wilai Buranakittisophon, Certified Public Account No. 3920, or Mr. Ekkasit Chuthamsatid, Certified Public Account No. 4195, or

(Translation)

Miss Napaporn Sathitthammaporn, Certified Public Account No. 7494 of KPMG Phoomchai Audit Ltd. (“KPMG”) as an auditor of the Company, with the determination of the audit fee for the year 2016 for the nine-month period (1 January – 30 September 2016) at Baht 1,335,000, whereby this amount of audit fee was increased from the same nine-month period of 2015 by Baht 75,000 or a 6 percent increase. KPMG provided the reason that, the increase was due to the Company manufacturing the new product named “100 Plus” for the other company, resulting in an increase in connected transactions and more complications in accounting transactions, as well as the new accounting policy.

The Chairman gave the shareholders attending the Meeting an opportunity to raise questions or express their opinions.

There were no shareholders raising questions or expressing opinions on this agenda item.

The Chairman assigned the Secretary to inform the Meeting of the voting requirements.

The Secretary informed the Meeting of the voting requirements, the Chairman then proposed that the Meeting approve the appointment of the auditor and fixing of the auditor’s remuneration for the year 2016.

**Resolution:**

After due consideration, the Meeting resolved to approve the appointment of the auditor and fixing of the auditor’s remuneration for the year 2016, in accordance with the following votes:

<b>Result</b>	<b>No. of votes (1 share = 1 vote)</b>	<b>Percentage of shareholders attending the Meeting and being entitled to vote</b>
Approved	251,602,676	99.9986
Disapproved	3,300	0.0013
Abstained	0	0.0000

- Remarks:
- 1) The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and being eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 251,605,976 votes.
  - 3) There were no invalid ballots in this agenda item.

**Agenda Item 9: Other matters**

The Chairman informed the Meeting that the Board of Directors deemed it appropriate to give an opportunity to the shareholders who wished to propose other matters other than those indicated by the Board of Directors in the Notice of the Meeting, given that the proposal of additional matters shall be subject to the criteria and methods prescribed by law. The Chairman then asked if any shareholder wished to propose any matter in addition to the agenda items.

There were no shareholders who proposed other matters for the consideration of the Meeting.

The Chairman gave the shareholders attending the Meeting an opportunity to raise questions or express their opinions.

The shareholders' questions and comments can be summarized as follows:

Mr. Nitipon Moongman, a shareholder, raised questions and commented as follows:

- He requested that the Company re-clarify the matter regarding anti-corruption.

The Secretary of the Meeting gave the following explanation:

- The Company sent the Secretary-General of the Office of the Securities and Exchange Commission (the "SEC Office") the letter dated 27 February 2015 to inform the SEC of its anti-corruption efforts. The Company disclosed the information on its anti-corruption initiatives in the Annual Report (Form 56-1) and stated that it has a clear policy against fraud, bribery, and all forms of corruption, as well as that the Company cooperated or worked with various organizations in combating corruption as it deemed appropriate. Moreover, the Company strictly prohibits its directors, executives and employees from engaging in any corruption, offering or accepting bribes from/to officers in both the public and private sectors, whether directly or indirectly, in order to obtain or maintain business or competitive advantage, and the use of donations and charitable activities in the interest of or in support of corruption. Furthermore, the Company became a member of the Thai Chamber of Commerce, which also has a clear policy against corruption. The Company will promote and participate in the various initiatives organized by the Thai Chamber of Commerce in order to promote the establishment of

(Translation)

concrete anti-corruption measures both within organizations and at the national level.

Ms. Naowarat Ananrak, a shareholder, commented as follows:

- At present, there are many signboards advertising Coca-Cola near the fresh market in Wong Wian Yai, Taksin Hospital, and Bangkok Naval Hospital (Somdech Phra Pinklao Hospital). The Company should ensure that there are more advertisements for the “est” beverage in Thonburi.
- The Company should organize its Commando Team without delay so as to provide support in organizing sales promotion activities.
- There are problems relating to the receipt of purchase orders and delivery of the products to the stores.
- The Company should accept the use of credit cards in lieu of cash in order to prevent errors in receiving payments and to be able to check the payments made.
- The Company’s initiative (promotion) whereby caps can be collected and exchanged for prizes is a good sales promotion activity and an excellent incentive for the sellers to boost their sales.

The Chairman thanked the shareholders for their suggestions, which will be beneficial to the Management.

There were no shareholders who raised further questions or expressed opinions.

The Chairman expressed his appreciation to all shareholders, proxies, and participants for their dedication in attending the meeting as well as their suggestions and opinions which were beneficial to the Company, and declared the 2016 Annual General Meeting of Shareholders adjourned.

The Meeting was adjourned at 12.20 hrs.

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Mr. Photipong Lamsam  
Chairman of the Meeting