

**Sermsuk Public Company Limited**  
**Minutes of the 2014 Annual General Meeting of Shareholders**

**Venue:** Chaophaya Ballroom, the Chaophaya Park Hotel, 2<sup>nd</sup> Floor, No. 247 Rachadapisek Road, Din Daeng, Bangkok

**Date and Time:** Tuesday, April 29, 2014 at 10.00 hrs.

**Preliminary Proceedings**

Miss Arunrat Tungteerapatharakij, acting as the Secretary of the Meeting (the “**Secretary of the Meeting**”), informed the Meeting of the amount of capital and the 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
Ordinary shares sold		265,900,484 shares
Par value	Baht	1.00 per share

The Company had determined the names of the shareholders entitled to attend the 2014 Annual Meeting of Shareholders on 12 March 2014 (Record Date) and the date to collate the names of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E. 2535, by means of closing the share register book on 13 March 2014.

The Secretary of the Meeting informed the Meeting that, at the commencement of the Meeting, there were 50 shareholders present in person and by proxy, holding a total of 247,918,914 shares, representing 93.2375 percent of the Company’s total shares sold, thus forming a quorum, pursuant to Article 31 of the Company’s Articles of Association, which prescribes that there shall be shareholders and proxies present at the meeting in a number of not less than 25 persons and such shareholders shall hold shares amounting not less than one-third of the total number of shares sold of the Company.

In order to comply with the Principles of Good Corporate Governance in respect of the voting and the counting of votes in the Meeting, the Secretary of the Meeting informed the shareholders of the rules and procedures for voting and the counting of the votes as follows:

- 1) In respect of the voting in the Meeting, each shareholder was entitled to vote according to the number of shares held by such shareholder, on the basis of one share per one vote.
- 2) The shareholders attending the Meeting in person or the proxies, appointed in the form prescribed by law, would cast their votes in accordance with the following procedure:
  - Before voting on each agenda item, the shareholders would sign their names on the voting cards for the purpose of transparency in voting.
  - With respect to voting on all agenda items, if no shareholder voted for disapproval or abstention, the vote would be treated as approval or consent of the

relevant proposed agenda item in accordance with the combined number of votes. If a shareholder voted for disapproval or abstention, he/she would mark his/her voting card and raise his/her hand to signify to the staff to collect the relevant voting card, with the exception of voting for *Agenda Item 7: To consider and approve the appointment of the directors to replace the directors who will retire by rotation*, which will be explained later.

- For the counting of votes, the Company will deduct the number of voting cards with a vote of disapproval or abstention from the total number of votes. The remaining votes shall be considered as votes of approval. A shareholder who has voted to approve each agenda item shall keep his/her voting card and return it to the Company's staff after the Meeting has been adjourned. In this regard, the voting in this Meeting shall be conducted openly, not in secret, but all voting cards would be collected for transparency purposes.
- Any votes made in the following manner shall be considered invalid:
  - 1) A voting card on which more than one mark is placed;
  - 2) A voting card that casts a vote expressing a conflict of intent;
  - 3) A voting card with any crossing-out without a signature thereon; or
  - 4) A voting card with votes in excess of the number of shares held by such shareholder.

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

- 3) If a shareholder has exercised his/her rights through Proxy Form B or C, to assign another person to attend the Meeting, or granted a proxy to a director or an independent director to vote on his/her behalf, and determined that the proxy vote be in accordance with such shareholder's intention or the proxy's intention itself, the 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 approval, disapproval 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 voting on *Agenda Item 7: To consider and approve the appointment of the directors to replace the directors, who will retire by rotation*,
  - 4.1 With respect to the shareholders who have authorized another person by Proxy Form B or authorized the directors to vote and determined that proxies vote in accordance with the shareholders' intention or proxies' intention, the Company would count the votes according to the shareholders' intention or the proxies' intention.
  - 4.2 The Company would propose that the Meeting consider the appointment of each director and request every shareholder to vote for approval, disapproval, or

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abstention. Subsequently, the staff would collect from each shareholder the voting cards disapproving or abstaining for the appointment of each director first, and would then collect the voting cards from the shareholders who voted for approval.

- 5) Article 32 of the Company's Articles of Association provides that "In normal circumstances, a resolution shall be adopted by the majority vote of the shareholders who are present and are entitled to vote. One share shall be equal to one vote. In the case of a tied vote, the Chairman of the meeting shall have a casting vote."

Therefore, in this regard, a majority vote of the shareholders approving each agenda item shall be counted only from the "approved" votes of the shareholders attending the Meeting and entitled to vote. If a majority vote of the shareholders represents "disapproved" or "abstained", it shall be deemed that the shareholders disapprove such agenda item.

- 6) The shareholders who wish to leave the meeting before its adjournment or wish to leave the meeting room during the consideration of any agenda item shall vote by presenting their voting cards to the Company's staff prior to leaving the meeting room.
- 7) The number of votes of shareholders on each agenda item may not be the same due to shareholders and proxies entering the meeting room one by one which may make the number of shareholders present for consideration of each agenda item different.

The Secretary of the Meeting then informed the Meeting that the vote counting on each agenda item of the Meeting would be witnessed by the representatives from Weerawong, Chinnavat and Peangpanor Ltd., the Company's legal advisor, Miss Sawita Peetawan and Miss Woramon Kengtanomsak. The Secretary of the Meeting also invited two representatives of the shareholders to witness the vote counting. Prior to the vote casting on each agenda item, the attendees would have the opportunity, as it may be deemed appropriate, to raise questions in relation to such agenda item. The shareholders or proxies who wished to raise questions were requested to state their first and last names to the Meeting prior to raising questions or making comments.

In the case of any question or comment other than those related to such agenda item, the shareholders or proxies shall raise such question or comment in the agenda item "Other Business", prior to the adjournment of the Meeting. The shareholders or proxies shall make their comments or questions concise, comprehensive and refrain from asking repeated questions, so that other shareholders may exercise their right to raise question or comments and the Meeting time can be managed within the schedule.

The directors, the Management and the advisors of the Company who attended the Meeting, were as follows:

**Directors present at the Meeting**

- 1) Mr. Photipong Lamsam  
Chairman of the Board of Director and  
Independent Director

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|-----|--|---|
| 2.  | Mr. Suchin Wanglee                     | Independent Director and Chairman of Compensation Committee |
| 3.  | Prof. Dr. Wissanu Krue-Ngam            | Chairman of Risk Management Committee                       |
| 4.  | Mr. Somchai Bulsook                    | Chairman of Executive Committee and Chief Executive Officer |
| 5.  | Mr. Thapana Sirivadhanabhakdi          | Chairman of Nominating and Corporate Governance Committee   |
| 6.  | Mr. Dhitivute Bulsook                  | President   |
| 7.  | Prof. Dr. Khunying Suchada Kiranandana | Independent Director and Chairman of Audit Committee        |
| 8.  | Honorary Prof. Rawat Chamchalerm       | Independent Director  |
| 9.  | Mrs. Siripen Setasuwan                 | Independent Director  |
| 10. | Mr. Pramoad Phornprapha                | Director  |
| 11. | Mr. Sakchai Thanaboonthai              | Director  |
| 12. | Mr. Sithichai Chaikriangkrai           | Director  |
| 13. | Mr. Rangsan Thammaneeuwong             | Director  |
| 14. | Mr. Chotiphat Bijananda                | Director  |
| 15. | Mr. Marut Buranasetkul                 | Director  |

**Executives present at the Meeting**

- |    |                            |   |
|----|----------------------------|---|
| 1. | Mr. Thanongsak Osathanonth | Finance Director                        |
| 2. | Mr. Parinya Permpanich     | Marketing and Sales Operations Director |
| 3. | Mr. Arthakrit Visudtibhan  | Human Resources Director                |
| 4. | Mr. Peerapong Krinchai     | Operations Director                     |
| 5. | Mr. Noppakun Dansuwan      | Deputy Finance Director                 |

**Auditors from KMPG Phoomchai Audit Ltd.**

- |    |                           |
|----|---------------------------|
| 1. | Mr. Nirand Lilamethwat    |
| 2. | Mrs. Nittaya Chetchotiros |

**Legal Advisor from Weerawong, Chinnavat & Peangpanor Ltd.**

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| 1) | Miss Peangpanor Boonklum |
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The Secretary of the Meeting informed the Meeting that the following amendments had been made to the Annual Report:

Thai version:

Page 12, first line from the bottom of the page, the number showed in the column 'Increase/(decrease) in production volume (%)' was changed from "(46.77)%" to "(52.23)%".

Page 151, fifth line from the bottom of the page, the number showed in the column 'Liabilities/Equity' was changed from "2556 0.34 2555 0.36 Change (0.02)" to "2556 0.51 2555 0.56 Change (0.05)".

English version:

Page 23, changed from "7.3 The Company Executives" to "7.2 The Company Executives"

Mr. Photipong Lamsam, Chairman of the Board of Director presided as the Chairman of the Meeting (the "Chairman").

The Chairman gave the welcoming remarks to the shareholders and attendees participating in the Meeting and declared the 2014 Annual General Meeting of Shareholders open, and the following agenda items were considered:

**Agenda Item 1: To consider the adoption of the minutes of the Annual General Meeting of Shareholders No. 1/2013 held on April 29, 2013**

The Chairman informed the Meeting that this agenda item was for the consideration of the adoption of the Minutes of the Annual General Meeting of Shareholders No. 1/2013 held on April 29, 2013. The Company had prepared the minutes of the meeting and the Board of Directors considered that the minutes were completely and accurately prepared and thus deemed it appropriate for the shareholders to adopt these minutes. A copy of these minutes was enclosed in Enclosure 1.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

There was no shareholder raising questions or giving comments.

The Chairman proposed that the Meeting consider the adoption of the minutes of the Annual General Meeting of Shareholders No. 1/2013 held on April 29, 2013.

**Resolution:** After due consideration, the Meeting resolved to adopt the minutes of the Annual General Meeting of Shareholders No. 1/2013 held on April 29, 2013, as proposed, in accordance with the following votes:

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<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,031,218	99.9995
Disapproved	1,000	0.0004
Abstained	0.000	0.0000

- Remarks:
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,032,218 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 2: To acknowledge the report on the operating results of the Company for the year 2013**

The Chairman informed the Meeting that this agenda item is to acknowledge the report of the operating results of the Company for year 2013, which is shown in the Annual Report as enclosed in Enclosure 2, which had been distributed to the shareholders along with the invitation letter. The Chairman then requested Mr. Dhitivute Bulsook (“**Mr. Dhitivute**”), President, to report the operating results of the Company for the year 2013 to the Meeting.

Mr. Dhitivute informed the Meeting that the Company engaged in the manufacturing and distribution of its carbonated drinks throughout 2013. After the Company commenced the distribution of its carbonated drinks at the end of 2012, the distribution of new branded carbonated drinks faced fierce competition in the market, coupled with other factors. As a result, the Company’s financial operating results for the year 2013 recorded the total income of Baht 11,458 million, a decrease of 50.6 percent. Accordingly, the Company’s Consolidated Financial Statements in 2013 showed a net loss of Baht 329 million. In this regard, Mr. Dhitivute requested Mr. Thanongsak Osathanonth (“**Mr. Thanongsak**”), Director of Finance, to present the details of the financial statement to the Meeting for acknowledgement in the next agenda item.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

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

- Why were the 2013 operating results of the Company recorded as a loss?
- Did the Company experience a loss for the first time in 2013 since its incorporation?
- The Company’s operating results had been profitable for the past 20 years. Notwithstanding the foregoing, in 2013 the Company’s revenue from sales decreased by 50 percent and the Company incurred a loss for which the shareholders require a detailed

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explanation from the Company. Nevertheless, as this matter is related to the Company's financial statement, questions would be raised during the next agenda item.

The Chairman gave the following explanation:

- In the past, the Company had experienced losses to an extent greater than those of 2013, and the Company was able to recover from such losses.

There was no shareholder raising further questions or giving comments.

This agenda item is to acknowledge the Company's report on the operating results for the year 2013; and voting was not required for this agenda item.

**Agenda Item 3: To consider and approve the financial statement for the fiscal year ending 31 December 2013**

The Chairman informed the Meeting that the financial statement for the fiscal year ending 31 December 2013 as shown in the Annual Report in Enclosure 2 has been audited by the Certified Public Accountants, KPMG Phoomchai Audit Ltd., reviewed by the Audit Committee and approved by the Board of Directors. The Board of Directors thus deemed it appropriate to propose that the shareholders approve the financial statement for the fiscal year ending 31 December 2013. The Chairman then asked Mr. Thanongsak, Director of Finance, to present the information to the Meeting.

Mr. Thanongsak informed the Meeting that the Company's financial statement for the fiscal year ending 31 December 2013 had been audited by the Certified Public Accountants who have the opinion that the financial statement presented the Company's operating results in accordance with the General Accepting Accounting Principle (GAAP), to the Meeting as follows:

**Statement of Financial Position**

According to the Consolidated Financial Statements, the Company's total assets were recorded at Baht 12,701 million, an increase of Baht 893 million or 7 percent from the previous year; the Company's total liabilities were recorded at Baht 4,298 million, a decrease of Baht 567 million or 12 percent; and the Company's total shareholders' equity was recorded at Baht 8,403 million, a decrease of Baht 326 million or 4 percent.

**Income Statement:**

According to the Consolidated Financial Statements, the Company's total income was recorded at Baht 11,458 million, a decrease of Baht 11,749 million or 50.6 percent; the Company's total expenses were recorded at Baht 12,099 million, a decrease of Baht 10,556 million or 46.6 percent. In 2013, the Company received the share of profit of an associate of Baht 162 million. After deducting the corporate income tax of Baht 151 million, the Company's loss was recorded at Baht 329 million. The difference between the 2013 operating result and that of 2012, where the Company earned profit, was approximately Baht 933 million or 154.3 percent.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

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

- In 2013, the Company's revenue from sales decreased by 50 percent and the Company incurred a loss. According to the Company's separated financial statements, in 2012 the Company earned a profit of Baht 494 million while in 2013 the Company incurred a loss of Baht 652 million. Notwithstanding the foregoing, the Company earned a profit from its investment in a subsidiary. Therefore, according to the Consolidated Financial Statements, the Company's loss was recorded at Baht 479 million was a result of the Company's management.
- From the total revenue from sales and services of approximately Baht 11,000 million, how much was the revenue from the sales of the "est" beverage and what was the percentage?
- The Company had given an interview to the media stating that the Company had set a target that the Company's revenue from sales of carbonated beverages would be approximately Baht 8,000 million. Why was the Company's revenue from the sales of carbonated beverages recorded at Baht 5,800 million only, a huge discrepancy from the target?
- What was the Company's market value share in the carbonated beverage market in comparison with Pepsi, Coke, and Big Cola?
- In the comparison of the income and expenses from sales and services, the Company's cost of sales and service, the selling expenses, and the administrative expenses increased; these three items resulted in the Company's loss. The Management was then requested to give an explanation.
- As a minority shareholder, Mr. Siriwat was of the view that the Management should deliver a better performance because the Company had all the potentials to operate its business in all respects. However, the operating result in 2013 was far below the target. Personally, he was not confident in the Management and demanded that the Management should consider improving the 2014 operating results.

Mr. Dhitivute gave the following explanation:

- The revenue from sales of goods and rendering of services was Baht 11,000 million, comprising the revenue from the sales of two groups of beverages: the carbonated beverages and the non-carbonated beverages. The revenue from sales of the carbonated beverages was approximately Baht 5,800 million and the sales of the non-carbonated beverages, such as the drinking water under the "Crystal" trademark, the beverages under the trademarks "Oishi", "Lipton", and "Wrangyer" etc, was approximately Baht 5,300 million, as detailed on Page 134 of the Annual Report.
- Based on the future business plan announced by the Company, the Company's products were categorized into four groups: (1) the carbonated beverages under the "est" trademark; (2) the drinking water under the "Crystal" trademark; (3) the non-carbonated beverages under the Company's own trademarks and its partners' trademarks such as



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“Lipton” and “Oishi” trademarks, the energy drink under the “Wrangyer” trademark for which the Company had acquired the business and launched the product in 2013.

- The Company had set the target of revenue from sales of the carbonated beverages of approximately Baht 8,000 million but the factors in Thailand’s carbonated beverages business in 2013 changed to a great extent. The factors which caused the Company’s revenue to greatly deviate from the target were:

First Factor: The carbonated beverage market would normally grow at the rate of 4 – 5 percent annually, except in an economic crisis. During the first half of 2013, the carbonated beverage market enjoyed a satisfactory growth rate of 5-6 percent but the market experienced a decline towards the year end.

Second Factor: The competition in the carbonated beverage segment became more intense: previously there were three brands in the market but after the Company launched the “est” carbonated beverage, there were four brands competing in the market. Thus, the competition increased.

Third Factor: The “est” carbonated beverage was a new product and had to compete with the carbonated drinks currently in the market. The Company had to adjust its strategies in the second and third years to increase the market share for the product.

- The Company’s market value share of the cola carbonated beverages was approximately 15 percent, ranking at the third in the market in 2013. Based on the surveys conducted in the carbonated beverage market, Coke had the highest market share of approximately 50 percent and Pepsi had the market share of approximately over 20 percent.
- The factors that are used to consider whether the Company earned a profit or incurred a loss are: the revenue from sales which depended on the sales volume, the gross profit margin, and the expenses. With respect to the gross profit margin, the Company’s production of the “est” carbonated beverage considerably increased its gross profit margin. Notwithstanding the foregoing, with respect to the Company’s expenses, what remained after the Company’s change of its product were the infrastructures such as the employees. The considerable decrease in the 2013 Company’s revenue resulted in a substantial decrease in the proportion of the 2013 revenue and the 2013 expenses. With respect to the marketing expenses, the increase in the marketing expenses arose from the Company’s effort to build the brands of “est”, “Crystal”, “Wrangyer” and the brands of other products of the Company in order for them to be more widely recognized and accepted, which would increase the Company’s sales revenue in the interest of the Company’s products and business in the long term.

Mr. Thapana Sirivadhanabhakdi, Vice Chairman and Chairman of the Nomination and Corporate Governance Committee (“**Mr. Thapana**”) gave the following explanation:

- In the year 2013, the Company targeted the revenue from sales of the carbonated beverage of Baht 8,000 million but the Company’s comprehensive income statement showed that the Company’s revenue decreased by half from that of 2012.

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Notwithstanding the foregoing, the year 2013 marked the first year in which the Company did not have “Pepsi” products under its operation. At present, the Company was in the phase of building its businesses and products, therefore, the Company would take considerable time to build its business and products.

- As the Company experienced a loss in 2013, the employees did not receive the kind of remuneration they received in the previous years. As a result, the employees would dedicate themselves and were committed to regain the Company’s market share in the carbonated beverage market.
- In 2013, the Company’s revenue from the sales of carbonated beverages was considered to an extent to be within the range even though it did not meet the target of Baht 8,000 million. If the Company earned the revenue from sales of carbonated beverages Baht 8,000 million, the Company’s revenue from the total sales would have been approximately Baht 13,000 – 14,000 million which would cover the total costs in the system.
- At present, the Company’s share of the carbonate beverage market was ranked at the third position, following “Coke” and “Pepsi” and the competition with “Coke” and “Pepsi” was considerably intense. Notwithstanding the foregoing, the Company’s accumulated experience of over 60 years, coupled with the commitment of the Management and the employees and the Company’s effort to build its own brand, the Company’s sales volume was considerably satisfactory for the “est” beverage and other non-cola beverages when compared to its competitors.
- With respect to the management, the Board of Directors and the Management worked closely and the Board of Directors was satisfied with the performance in the first year in which the Company did not have Pepsi under its business operation.
- In term of expenses, the Company used its best effort to decrease expenses. Nevertheless, the Company made a significant investment in marketing expenses because the Company focused on the long-term return. If the shareholders embrace the idea of the Company’s investment in the brand of the product, the shareholders should look for the opportunity for the Company’s growth in the medium and long term because investment in its product brand would not generate an immediate return to the Company.
- The Management reported the presale activities to the Executive Committee to avoid the cost of empty trucks running. However, with a transportation trip, the Company must be able to deliver goods and increase the Company’s sales volume immediately and the Company was trying to turn around the situation in order to be able to carry out the business operation within its own capacity.
- According to the Company’s financial statements, to compare the Company’s gross margin in 2012 and that of 2013, it was apparent that the Company’s overall gross margin had improved, that is, the Company’s gross profit margin had improved in comparison with the same period when the Company had the “Pepsi” product under its operation. Notwithstanding the foregoing, the Company still had to bear the cost of maintaining the

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same coverage for its goods distribution; therefore, the Company could not earn profit within a short time.

- The Company's target was that the Company intended to be in the second ranking in the market. How soon the Company would be able to achieve that depended on the dedication and follow up by the Management. However, the Company was confident that the Company would be able to compete with "Coke" and "Pepsi", products that had been in the market for over 100 years, because the Company was an operator in the local sales areas and able to penetrate and provide services to shops and build connections and relationships with locals. In addition, the Company aimed to develop areas for sales of products and expand the sales of its products overseas. The Company was ready to launch its products in the AEC markets. The aforementioned actions, as well as investment in production of the Company's own brands would take more time and return could not be generated within 12 months.
- The overview of the business competition in the beverage business in 2013 could be described as intense. The overall beverage market at the end of 2013 experienced a decline. The beverage segment which faced intense competition was the green tea beverage segment. In general, the market was largely dependent on consumer decision making. With regard to the Company, the Company was the distributor for the "Oishi" tea beverages; therefore, the Company would benefit from the growth in the tea beverages, especially in respect of the distribution margin.
- In practice, the Board of Directors worked closely with the Management and consistently oversaw the operating results. The Board of Directors also had an aim for the Company to grow along with its shareholders. As a member of the Executive Committee, Mr. Thapana would like to thank Mr. Siriwat for raising questions and giving his opinion to the Management and would take such view and opinion for application to the business management. Mr. Thapana requested the shareholders to give moral support and cooperation in any actions of the Board of Directors and the Management.

Professor Dr. Khunying Suchada Kiranandana, Chairman of Audit Committee ("**Khunying Suchada**") gave the following explanation:

- Khunying Suchada explained that the opinion expressed by Mr. Siriwat was beneficial to the Company and as an independent director and being responsible for overseeing the interest of the minority shareholders, she would like to clarify that the Board of Directors had expressed concern since the middle of 2013 that the Company's revenue would not meet the target because there were several factors beyond the Company's control but the Company had made an effort to recover the situation.
- The Company focused on brand-building, and the expenses incurred in brand building were considerably high. The Executive Committee had made an effort to decrease the transportation expenses, the personnel expenses, and the expenses incurred in internal management. But the Company could not generate profit as targeted immediately because it took time for brand-building. Notwithstanding the foregoing, the Board of Directors, the Management, and the employees, as well as the shareholders would join hands to turn around the situation and bring the Company to be the leader in the carbonated beverage

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segment in order that the Company would be profitable and able to give appropriate return to the shareholders.

Mr. Siriwat raised questions and gave comments as follows:

- Mr. Siriwat did not agree with the idea of decreasing personnel expenses and the Company should better consider how to increase its sales volume.
- Would the Company be able to confirm that the operating results for the year 2014 would be better than those of 2013?
- Mr. Siriwat would like to give his moral support to the Board of Directors and requested the Management to deliver a better performance in 2014 than that of 2013.

The Chairman gave the following explanation:

- Every company needed time in building new brands. With respect to the Company, the setting of the target revenue of Baht 8,000 million in 2013 might have been overstated. Notwithstanding the foregoing, the Company was able to push the “est” carbonated beverage to gain the third place ranking in term of the market share in the carbonated beverage segment, winning over the “Big Cola” carbonated beverage. In view of this, the Company had achieved a success to a certain extent. To exceed “Coke” and “Pepsi”, both of which had been in the carbonated beverage market for a long time, within the first year was a difficult task. The Company needed more time in brand-building.
- To respond to the question of whether the Company’s operating results in 2014 would be better than those of 2013, the Chairman explained that it was a business speculation. Notwithstanding the foregoing, the Board of Directors, the Executive Committee, and the Management would exercise their best effort in order for the Company to turn around its operating results and become profitable. The Chairman requested the shareholders to wait for the 2014 Company’s operating results in the 2015 Annual General Meeting of Shareholders.

There was no shareholder raising further questions or giving comments.

The Chairman proposed that the Meeting consider and approve the financial statement for the fiscal year ending December 31, 2013.

**Resolution:** After due consideration, the Meeting resolved to approve the financial statement for the fiscal year ending December 31, 2013, in accordance with the following votes:

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,128,407	99.9964
Disapproved	6,500	0.0026
Abstained	2,200	0.0008

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- Remarks:
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,107 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 4: To consider and approve the allocation of appropriated retained earnings as the general reserve to unappropriated retained earnings**

The Chairman asked Mr. Dhitivute, President, to present this agenda item to the Meeting as follows:

Mr. Dhitivute informed the Meeting that the Company would allocate appropriated retained earnings as the general reserve to unappropriated retained earnings in the amount of Baht 500 million in order to have sufficient unappropriated retained earnings to support the future business plan of the Company. Therefore, the Board of Directors deemed it appropriate to propose that the Meeting consider and approve the allocation of appropriated retained earnings as the general reserve to the unappropriated retained earnings in the amount of Baht 500 million.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

Mr. Thitipong Sophonudomporn, a shareholder, asked the following questions:

- Please state the reason for the Company's allocation of the appropriated retained earnings as the general reserve to the unappropriated retained earnings in the amount of Baht 500 million?
- For what purpose are the aforementioned unappropriated retained earnings used?

Mr. Thanongsak, Finance Director, clarified that:

- The Company's appropriated retained earnings as set out in the Consolidated Financial Statement currently amounted to Baht 555.9 million, and the total amount of unappropriated retained earnings as set out in the Separated Financial Statement was currently Baht 163.5 million. Such amounts were considered to be relatively low in comparison to the amounts set out in the Company's Financial Statement of the previous year, whereby the unappropriated retained earnings at the end of 2012 amounted to Baht 868 million. Therefore, the Company deemed it appropriate to proceed with the additional allocation of the unappropriated retained earnings.

Miss Peangpanor Boonklum, Legal Advisor ("Miss Peangpanor"), clarified that:

- In term of general legal principles, companies would not typically allocate funds as general reserve. However, in the case of the Company, given that the Company did not have any obligations and made a profit, the Company therefore requested the Meeting to approve the Company to allocate the funds in this part as a general reserve for use in its

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business operations and the Meeting had approved the allocation of the funds in this part. In order for the Company to use the appropriated funds as the general reserve for its business operations, the approval of the Meeting for transferring the appropriated retained earnings as the general reserve to the unappropriated retained earnings was required.

Mr. Sithichai Chaikriangkrai, a director (“**Mr. Sithichai**”), clarified that:

- The purpose of allocating the unappropriated retained earnings is for the benefit of the shareholders of the Company, whilst the allocation of the funds in the general reserve is for use in the business operations of the Company, such as for future projects. Therefore, to ensure that the unappropriated retained earnings is proportionate, the Company deemed it appropriate to allocate the appropriated retained earnings in the general reserve in the amount of Baht 500 million, which is an appropriate amount, to be unappropriated retained earnings. Consequently, the unappropriated retained earnings of the Company would be Baht 663 million.
- There was no shareholder raising further questions or giving comments.

The Chairman proposed that the Meeting consider and approve the allocation of the appropriated retained earnings as the general reserve to be unappropriated retained earnings in the amount of Baht 500,000,000.

**Resolution:** After due consideration, the Meeting resolved to approve the allocation of the appropriated retained earnings as the general reserve to be unappropriated retained earnings in the amount of Baht 500,000,000, as proposed, in accordance with the following votes:

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,134,907	99.9991
Disapproved	0	0.0000
Abstained	2,200	0.0008

- Remarks:**
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,107 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 5: To consider and approve no allocation of profit and no dividend payment**

The Chairman asked Mr. Dhitivute, President, to present the details of this agenda item to the Meeting.

Mr. Dhitivute clarified that the Company has a policy to pay dividends at the rate of not less than 40 percent of the net profit of its consolidated financial statement in each fiscal period, after deducting the

legal reserve and accumulated loss (if any). The dividend payment of the Company would also depend on the Company's cash flow, investment plans, terms and conditions of agreements to which the Company is committed, including any other necessity and appropriateness of the Company in the future.

In 2013, the Company's Separated Financial Statement showed a loss amounting to Baht 506.7 million and the Company's Consolidated Financial Statement showed a loss amounting to Baht 328.5 million. The Company thus did not have enough cash flow for a dividend payment.

Therefore, the Board of Directors deemed it appropriate to propose that Meeting consider and approve no appropriation of profit from the operating results of the year 2013 as well as no dividend payment as follows:

- No appropriation of profit from the operating results of the year 2013 as a legal reserve, given that the existing reserve of the Company had reached the amount required by law.
- No dividend payment would be made from the operating results of the year 2013 as the Company suffered a loss and did not have sufficient cash flow for the dividend payment.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

Mr. Sirivat Voravetvuthikun, a shareholder, asked the following questions:

- What was the debt to equity ratio of the Company?
- He recommended that the Company remove the wording, "the Company does not have sufficient cash flow for the dividend payment".

Mr. Thanongsak, Finance Director, informed the Meeting that:

- The debt to equity ratio of the Company was currently 0.5.
- The reason the Company uses the wording, "the Company does not have sufficient cash flow for the dividend payment" was to comply with the dividend payment policy of the Company, which provided that the Company had a policy to pay dividends at the rate of not less than 40 percent of the net profit of its consolidated financial statement in each fiscal period after deducting the legal reserve and accumulated loss (if any). The dividend payment of the Company would also depend on the Company's cash flow and investment plans.

There was no shareholder raising further questions or giving comments.

The Chairman proposed that the Meeting consider and approve no allocation of the profit and no dividend payment for the year 2014.

**Resolution:** After due consideration, the Meeting resolved to approve no allocation of the profit and no dividend payment for the year 2014, as proposed, in accordance with the following votes:

(Translation)

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,107,607	99.9881
Disapproved	29,300	0.0118
Abstained	200	0.0000

- Remarks:**
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,107 votes.
  - 3) There were no invalid voting cards in this agenda item.

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

In this Agenda Item, the Chairman asked Mr. Suchin Wanglee, the Chairman of the Compensation Committee (“**Mr. Suchin**”) to present the details to the Meeting. Mr. Suchin informed the Meeting that the fixing of the directors' remuneration required the approval of the shareholders' meeting and the Board of Directors has, having taken into account the opinion of the Compensation Committee, considered the directors' remuneration with regard to the Company's yearly operation and the factors affecting its business operations. The Board of Directors therefore deemed it appropriate to propose that the Meeting consider and approve the following:

- To approve no bonus payment for the directors as the Company suffered a loss from its operations.
- To approve the remuneration of the Board of Directors and Subcommittees at the same rates approved by the Annual General Meeting of Shareholders No. 1/2013, held on April 29, 2013 as follows:

	<b>Annual fee</b>	<b>Meeting Allowance</b>
<b><u>Board of Directors</u></b>		
Position		
- Chairman	240,000 baht	40,000 baht/meeting
- Vice Chairman	180,000 baht	30,000 baht/meeting
- Chairman of Executive Committee	240,000 baht	40,000 baht/meeting
- Other board members	120,000 baht	20,000 baht/meeting
<b><u>Audit Committee</u></b>		
Position		
- Chairman	160,000 baht	50,000 baht/meeting
- Member	80,000 baht	25,000 baht/meeting



(Translation)

<u>Nominating and Corporate Governance Committee</u> Position - Chairman - Member	80,000 baht 40,000 baht	25,000 baht/meeting 15,000 baht/meeting
<u>Compensation Committee</u> Position - Chairman - Member	80,000 baht 40,000 baht	25,000 baht/meeting 15,000 baht/meeting
<u>Risk Management Committee</u> Position - Chairman - Vice Chairman - Member	80,000 baht 60,000 baht 40,000 baht	25,000 baht/meeting 20,000 baht/meeting 15,000 baht/meeting
<u>Executive Committee</u> Position - Chairman - Vice Chairman - Member	80,000 baht 60,000 baht 40,000 baht	25,000 baht/meeting 20,000 baht/meeting 15,000 baht/meeting

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

There was no shareholder raising questions or giving comments.

The Chairman proposed that the Meeting consider and approve the directors' remuneration.

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

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,130,437	99.9972
Disapproved	4,500	0.0018
Abstained	2,400	0.0009

- Remarks:
- 1) The resolution of this agenda item shall be adopted with the votes of no less than two-thirds of the total votes of the shareholders attending the Meeting.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,337 votes.

(Translation)

- 3) There were no invalid voting cards in this agenda item.

*There was a necessity requiring the Chairman to leave the meeting. Mr. Suchin Wanglee, Vice Chairman No.1, was therefore delegated to act as the Chairman of the Meeting.*

**Agenda Item 7: To consider and approve the appointment of the directors to replace the directors who will retire by rotation**

In this agenda item, the Chairman asked Mr. Thapana Sirivadhanabhakdi, Chairman of Nominating and Corporate Governance Committee (“**Mr. Thapana**”), to present the details to the Meeting.

Mr. Thapana informed the Meeting that, pursuant to Section 71 of the Public Limited Companies Act B.E. 2535, and Article 14 of the Articles of Association of the Company, at every annual general meeting of shareholders, one-third (1/3) of directors shall retire. If the number of directors cannot be divided exactly into three parts, the number of directors closest to one-third (1/3) shall retire. Directors retiring by rotation may be re-elected.

At the 2014 Annual General Meeting of Shareholders of the Company, the following five directors were to retire by rotation:

- |    |  |          |
|----|--|----------|
| 1. | Mr. Photipong Lamsam                   | Director |
| 2. | Honorary Prof. Rawat Chamchalerm       | Director |
| 3. | Prof. Dr. Wissanu Krue-Ngam            | Director |
| 4. | Mr. Sakchai Thanaboonchai              | Director |
| 5. | Prof. Dr. Khunying Suchada Kiranandana | Director |

The Board of Directors of the Company (by means of a majority vote and excluding the director who were to retire by rotation in this agenda item) had considered the qualifications and experience of all of the directors who are to retire by rotation and was of the opinion that the five directors possessed knowledge, ability, and experience which were advantageous to the Company’s operations. Thus, it was proposed that the Meeting approve such directors to be re-instated as directors of the Company for another term. The directors proposed for re-election are as follows:

- |    |  |          |
|----|--|----------|
| 1. | Mr. Photipong Lamsam                   | Director |
| 2. | Honorary Prof. Rawat Chamchalerm       | Director |
| 3. | Prof. Dr. Wissanu Krue-Ngam            | Director |
| 4. | Mr. Sakchai Thanaboonchai              | Director |
| 5. | Prof. Dr. Khunying Suchada Kiranandana | Director |

The details of the biography, education and work experience of the directors who were to retire by rotation and whose names had been nominated for re-election were set out in Enclosure 3. The directors

(Translation)

who were to be elected in this agenda item shall receive remuneration at the rates approved by the Meeting in Agenda Item 6 of this meeting.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

There was no shareholder raising questions or giving comments.

The Chairman proposed that the Meeting consider and approve the appointment of new directors in place of those who are to retire by rotation, whereby voting shall be conducted for each individual director.

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

- |    |  |          |
|----|--|----------|
| 1. | Mr. Photipong Lamsam                   | Director |
| 2. | Honorary Prof. Rawat Chamchalerm       | Director |
| 3. | Prof. Dr. Wissanu Krue-Ngam            | Director |
| 4. | Mr. Sakchai Thanaboonchai              | Director |
| 5. | Prof. Dr. Khunying Suchada Kiranandana | Director |

In accordance with the following votes:

**1. Mr. Photipong Lamsam**

Vote Result	Number of votes (1 share = 1 vote)	Percentage of votes of shareholders attending the Meeting and eligible to vote
Approved	248,074,337	99.9746
Disapproved	0	0.0000
Abstained	63,000	0.0253

**2. Honorary Prof. Rawat Chamchalerm**

Vote Result	Number of votes (1 share = 1 vote)	Percentage of votes of shareholders attending the Meeting and eligible to vote
Approved	248,074,337	99.9746
Disapproved	1,000	0.0004
Abstained	62,000	0.0249

(Translation)

**3. Prof. Dr. Wissanu Krue-Ngam**

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,074,337	99.9746
Disapproved	0	0.0000
Abstained	63,000	0.0253

**4. Mr. Sakchai Thanaboonchai**

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,074,337	99.9746
Disapproved	1,000	0.0004
Abstained	62,000	0.0249

**5. Prof. Dr. Khunying Suchada Kiranandana**

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,074,337	99.9746
Disapproved	0	0.0000
Abstained	63,000	0.0253

- Remarks:
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,337 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 8: To consider and approve the appointment of the auditor and the determination of the auditor's remuneration for the fiscal year 2014**

The Chairman asked Khunying Suchada, Chairman of the Audit Committee to present the information to the Meeting.

Khunying Suchada informed the Meeting that the Audit Committee had considered the appointment of the auditor and the determination of the auditor's remuneration for the year 2014 and had proposed to the Board of Directors for consideration and to propose to the Meeting to appoint Mr. Nirand

(Translation)

Lilamethwat, Certified Public Accountant No. 2316 or Mrs. Wilai Buranakittisopon, Certified Public Accountant No. 3920 or Mr. Bunyarit Thanormcharoen, Certified Public Accountant No. 7900 of KPMG Phoomchai Audit Limited as the Company's auditors, and determine the auditor's remuneration for fiscal year 2014 at Baht 1,370,000, the same as the fee for the fiscal year 2013. The auditors listed above had been appointed as the auditors for the Company and its subsidiaries since 2007, this year being the eighth year, and had performed their audit work with a satisfactory performance. The proposed auditors did not have any relation or interest in or with the Company, its subsidiaries, the executives, the major shareholders, or their related persons.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

There was no shareholder raising questions or giving comments.

The Chairman proposed that the Meeting consider and approve the appointment of the auditor and the determination of the auditor's remuneration for the fiscal year 2014.

**Resolution:** After due consideration, the Meeting resolved to approve the appointment of the auditor and the determination of the auditor's remuneration for the fiscal year 2014, as proposed, in accordance with the following votes:

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,132,437	99.9980
Disapproved	0	0.0000
Abstained	4,900	0.0019

- Remarks:**
- 1) The resolution of this agenda item shall be adopted by the majority of votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,137,337 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 9: To consider and approve the amendment of Article 9 of the Articles of Association of Sermasuk Public Company Limited**

The Chairman informed the Meeting that the Board of Directors had deemed that in order for the Company's Articles of Association to be in accordance with Section 57 of the Public Limited Companies Act, B.E. 2535 (1992) (including any amendment thereto) which prescribe the restriction on the transfer of shares, the Company, therefore, intended to amend Article 9 of its Articles of Association to be read as follows:

*"Article 9 There is no limitation on the transfer of shares. All shares held by a person who is not of Thai nationality at any time shall not exceed 49 percent of the total shares sold, provided that the Company has the right to reject the transfer if such transfer of*

(Translation)

*shares was to cause the shareholding proportion of a person who is not of Thai nationality to exceed such ratio.”*

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

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

- What was the correct foreign shareholding proportion in the Company?
- With respect to the restriction not to have foreign shareholders hold more than 49 percent of the Company's shares, was the current shareholding proportion of foreign shareholders close to 49 percent?

Miss Peangpanor gave the following explanation:

- The current shareholding proportion of the foreigners showed 8.77 percent, having the major foreign shareholders, namely: (1) DBS Vickers Securities (Singapore) Pte. Ltd.; and (2) UBS AG Singapore Branch.
- Article 9 of the Company's Articles of Association prescribed that the foreign shareholding shall not exceed 35 percent of the total number of shares sold of the Company, with the exception of the case in which the Company increased its capital and the Articles of Association prescribed that the foreign shareholding might increase from not more than 35 percent of the total number of shares sold of the Company to not exceeding 49 percent. This is because in the past the Pepsi Group was a shareholder of the Company and the permitted foreign shareholding at 49 percent was intended to accommodate a capital increase at that time. Thus, such foreign shareholding provision was prescribed in the Articles of Association. Consequently, the amendment of the Articles of Association was intended to lessen their complexity and to comply with the Foreign Business Act B.E. 2542 (1999), as the Company is currently engaged in the service business and possesses lands, and the foreign shareholding would, therefore, be restricted.

There was no shareholder raising further questions or giving comments.

The Chairman proposed that the Meeting consider and approve the amendment of Article 9 of the Articles of Association of Sermasuk Public Company Limited with the details as proposed.

**Resolution:** After due consideration, the Meeting resolved to approve the amendment of Article 9 of the Articles of Association of Sermasuk Public Company Limited, as proposed, in accordance with the following votes:

<b>Vote Result</b>	<b>Number of votes (1 share = 1 vote)</b>	<b>Percentage of votes of shareholders attending the Meeting and eligible to vote</b>
Approved	248,130,086	99.9967

(Translation)

Disapproved	0	0.0000
Abstained	8,100	0.0032

- Remarks:
- 1) The resolution of this agenda item shall be adopted with the votes of no less than three-fourths of the total votes of shareholders attending the Meeting and eligible to vote.
  - 2) In this agenda item, there were shareholders and proxies attending the Meeting, representing 248,138,186 votes.
  - 3) There were no invalid voting cards in this agenda item.

**Agenda Item 10: Other business (if any)**

The Chairman informed the Meeting that the Board of Directors was of the opinion that the shareholders should have the opportunity to propose matters to the Meeting other than the agenda items as specified by the Board of Directors in the notice convening this Meeting, provided that such proposal on other matters must be made in accordance with the requirements and procedures under the law. The Chairman, therefore, asked the Meeting whether any shareholder wanted to propose any matter other than those matters in the agenda of the meeting.

There was no shareholder proposing any other matter to the Meeting.

The Chairman gave the shareholders attending the Meeting the opportunity to raise questions or give comments.

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

Mr. Chadin Julinrak, a proxy, raised questions and gave comments as follows:

- With respect to the market share on which the Meeting had made comments during the discussion of Agenda Item 3, the Company should consider such factor as a second priority. The first priority that the Company should consider was the revenue from sales, concerning which Mr. Thapana had informed the Meeting that the Company had a potential to generate revenue from sales of approximately Baht 13,000 which would cover the total costs in the system. In order for the Company to achieve revenue from sales of Baht 13,000, the Company must apply more driving force to its operation than previously.
- Setting a high target income was a good thing to do, but the Company should target an achievable goal because that was what the shareholders wanted.
- In 2013, the Company used a tremendous amount of investment funds. Please advise the purpose of such expenses. The "Push and Pull" strategy should be applied to the sales and marketing expenses because if the Company gave more emphasis to the Pull strategy, it would increase the Company's fixed cost, as there was no guarantee of the sales volume. Discussions should be held on how to adjust to the use of such funds. In

(Translation)

addition, the Company's investments in various projects would put pressure on the Company itself.

- The Company's strength was its transportation infrastructure and no competitor would be able to build a transportation system to compete with the Company in the near future. Therefore, the Company should not reduce its transportation expenses.
- The Company may consider whether or not it should have a business unit leader to monitor each of its products in order to support and promote better operating results.
- Based on Mr. Chadin's survey, a strong point of the Company was that when the Company's truck team visits a store, the truck team will check stocks, estimate the sales volume, and arrange the products for the store. If the Company could ensure that every truck team performs the same operation at every channel, this may help increase the sales of the Company, provided that the operation must be carried out on a regular basis. KPIs of all employees of the Company should be made more Matrix oriented. In addition, as the Company had always performed well in the past, certain operation aspects might require a change. The Company should focus on how to put the Company's products on the stores' shelves as much as possible if the Company wanted to achieve revenue from sales of approximately Baht 15,000 million.

Mr. Dhitivute gave the following explanation:

- The Company's investment during 2013 was for the development of its operating structure in order to keep abreast of the change in its business operation. Most of the investment was for production and brand development. The Management planned to gear the business operation towards two main directions: being a manufacturer, and being a seller or distributor. With respect to being a manufacturer, the Company had made an investment in production to maximize its cost efficiency, for example, investment to change the manual manufacturing system to an automatic system, an investment to change the infrastructure in the plants to accommodate the installation of plastic bottle manufacturing machines, as opposed to buying plastic bottles. The Company would, therefore, be able to manage its costs more efficiently. The Company had made investment in the development of the warehousing system which allowed the Company to store products efficiently and be able to support an increased sales volume. Other investments included investment in sales and marketing tools and the recruitment of employees with specific expertise, since the Company needed to conduct its own product research.

Mr. Thapana gave the following explanation:

- The Company had an aim to expand its business as soon as possible, and the creation of market value was considered to be in line with the increase of its sales volume and the growth of its business. In a general overview, at present the main product from which the Company expected to increase its market share would be the carbonated beverages. The Company's strong distribution network had driven the Company to succeed in term of the operation in general within the period of one year and pushed the Company's products to the third ranked in the market, compared with Big Cola which had been in the market for more than 10 years. Nevertheless, the Company had a policy to continuously



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increase its market share and its increase of sales volume would be in line with the increased market share.

- Currently, the sales of different types of products tended to require different services. Therefore, the idea the business unit leader suggested by Mr. Chadin was reasonable and the Company was also interested in such a sales pattern.
- The Company had focused on product recognition and strengthening the sales and stores network, which were the strong points of the Company. At present, the Company's distribution did not rely only on large transportation trucks, but also on small vehicles - being motorcycles with side loading trailers - which allowed the transportation of products to reach more small shops at a better speed and to penetrate into a wider area. The Company had put great emphasis on the distribution of products to cover a wider area. Consequently, the Company had been contacted by other brands to act as their seller and distributor whereby the Company would exercise caution in considering to act as a distributor for other brands.
- With respect to the launch of the new brand, the Company had no intention for general consumers to perceive that the Company's product was for the lower market. Therefore, importance had to be given to communication with its customers.
- Mr. Thapana expressed his appreciation to the shareholders for their suggestions. The Board of Directors and the Management would take the shareholders' suggestions and comments into consideration in its business operation for the benefits of the Company.

Mr. Dhitipong Sophon-udompohn, a representative from the Thai Investors Association, raised questions as follows:

- At present, Thai society became active in raising awareness of anti-corruption measures. In the Thai equity market, the Thai Institute of Directors (IOD) had launched the Private Sector Collective Action Coalition Against Corruption Campaign. What was the Company's and the Board of Directors' view on this matter? Would the Company participate in this campaign?

Mr. Thapana gave the following explanation:

- The Company was aware that currently listed companies were encouraged to participate in the Private Sector Collective Action Coalition Against Corruption Campaign. The Company was a member of the Thai Chamber of Commerce and the Thai Chamber of Commerce itself was a party in a network which had initiated an anti-corruption program but had not directly participated in the IOD campaign. However, the Company had participated in various events, for example, the campaign to create understanding and to create accurate understanding of anti-corruption measures. Furthermore, the Company had always adhered to anti-corruption principles.

Mr. Chadin additionally raised questions and gave comments as follows:

- The KPI Matrix should be implemented. Normally, the Accounting Department will prepare the Accounting Matrix to calculate the costs for distribution purposes. Therefore,

(Translation)

the Company should formulate a Marketing Matrix and Distribution Matrix as well as clearly identify the KPI, because the marketing and distribution of products would be the core competency of the Company in the future.

- Emphasis should be given to the management system and the balanced scorecard of the overall organization, because these tools would help the Company's management in the long-term and might guarantee that the Company would not incur a loss again.
- The matter which required immediate action from the Management was the sales volume. As the Company was not able to reduce certain costs immediately, the Company should manage to reduce its costs appropriately and increase its sales volume which would generate profit to the Company. At the same time, the Sales Department and the Marketing Department should strive to be dynamic at all times in order to be able to push the sales volume of products in each period to a satisfactory level on a continual basis.
- In the next shareholders' meeting, there should be a clarification on the management of other products, for example, "Wrangyer" energy drink or "est" carbonated soft drink in other flavours, because some of these products might help increase and improve the sales of the Company. In this regard, the Company may have to appoint a person to be responsible for this matter.

Mr. Thapana gave the following explanation:

- In order to create understanding for the shareholders, the Company had particularly focused on its branding. The products under the "est" brand comprised "est" cola and "est" drinks in other flavours, and the Company had developed these products under the same brand rather than investing in new brands similar to "Coke" and "Fanta" or "Pepsi" and "Mirinda", which was an unnecessary investment.
- The Board of Directors and the Management would take into consideration the management system and balanced scorecard as suggested by Mr. Chadin.
- In the next shareholders' meeting, the Company would present to the shareholders the operating results of the past year in a presentation for the shareholders to understand the overall picture and the progress of the Company's business operation.

Mr. Tawat Meprasertsakul, a shareholder, raised questions and gave comments as follows:

- Personally, Mr. Tawat intended to invest more in the carbonated soft drinks business, since the business itself showed a high growth potential.
- At present, the Company's strong point is that the Company has good factories, warehouses and distribution system, which are the Company's advantages. If the Company has a low sales volume, this means that the Company inefficiently uses these advantages, which is unfavourable for the Company.
- The Company has three markets in selling its products, namely: (1) retail stores with which the Company has been able to maintain a good relationship since the time that the Company was the distributor of "Pepsi". The Company, therefore, is required to maintain this competitive edge in order to be stronger than its competitors, "Coke" and "Pepsi";

(Translation)

(2) department stores and supermarkets, such as Lotus, Big C and Tops, in which the Company's products had a good sales volume, especially "est" carbonated soft drinks. In this regard, the Company is able to organise promotions to improve the sales volume by reducing the price of products, as the margin of the Company will be increased by two factors, namely, the price of the products and sales volume. If the Company is able to increase its sales volume, it would be able to use the sales volume to compensate for the costs and consequently increase its overall margin; and (3) convenience stores or 7-11 stores: where the customers' behaviour will be different from that of the customers of the modern trade stores, whereby the customers at the convenience stores tend to focus on the promotions at that time. In this regard, the executives should also consider the marketing strategy in making sales in each of these markets, since the Company will need to use different strategies in order to create the sales volume in each market.

- The Company was requested to consider the use of information technology in the creation of sales volume in the retail stores, for example, via an online store by organising online promotions which will help improve the branding of the products while using lower funds.

Mr. Dhitivute gave the following explanation:

- The Company has launched products in forms that are different from those of its competitors in order to increase the sales volume, for example, by increasing the size of the product container, in order for the consumer to receive a greater quantity at a lower price. Furthermore, the Company had changed the product design to respond to the customers' needs, for example, by manufacturing a variety of sizes of products, and designing the product to be more attractive.
- With respect to the use of information technology to improve the sales volume, the Company is currently implementing and will continue to use information technology from time to time. However, the online customer group is considered as one of the specific customer groups. The Company, therefore, will consider the appropriate sales approach and promotion for this group of customers.

Mr. Siriwat additionally raised questions and gave comments as follows:

- As the Company had Thai Beverage Logistics Co., Ltd. ("ThaiBev") as its major shareholder and Mr. Thapana, President of ThaiBev had become a director of the Company to help manage the business, please clarify whether the second major shareholder of the Company, namely, SS International Logistics Co., Ltd. has any part in the management of the Company's business or not? And if so, how?

Mr. Thapana gave the following explanation:

- A shareholder's investment in the Company must have a purpose and objective. In this case, the main purpose was to receive returns from dividends or to obtain future opportunities from the investment, depending on the investment situation of each shareholder.

(Translation)

- ThaiBev had invested in the Company by anticipating the strength of the Company with its distribution channel and the expansion of the non-alcoholic beverages market. The Company placed particular emphasis on manufacturing carbonated soft drinks, non-carbonated drinks and healthy drinks, which respond to the investment objective of ThaiBev.
- The Company's goal is to be the leader in the beverage market, especially for drinks which focus on health in order to respond to the present change in consumer needs.

There was no shareholder proposing any other matter to the Meeting.

Mr. Suchin Wanglee, Chairman of the Meeting expressed his appreciation to the shareholders, proxies and attendees, as well as for their comments and suggestions which will greatly benefit the Company. The Board of Directors and the Management, therefore, shall take such comments and suggestions into consideration and will apply such information to improve the growth of the Company and achieve higher operating results. The Chairman then declared the Meeting adjourned.

The Meeting was adjourned at 12.50 hrs.

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Mr. Photipong Lamsam  
Chairman of the Meeting