



Sanko Diecasting (Thailand) Public Company Limited. บริษัท ชังโก ไดคาสติง (ประเทศไทย) จำกัด (มหาชน)

Factory : Rojana Industrial Park Rayong , 3/14 Moo 2, T. Nongbua A. Bankhai Rayong 21120 Tel : 033-010701 - 05 Fax : 033-010706

2017 Annual General Meeting Report of Sanko Diecasting (Thailand) Plc.

Date, Time and Venue

The meeting was held on the 27<sup>th</sup> April 2017 at 1.30 p.m. in the meeting room of Sanko Diecasting (Thailand) Plc. at 3/14 Rojana Industrial Park, T. Nongbua, A. Bankhai, Rayong, 21120.

Attended Directors

- |                                    |  |
|------------------------------------|--|
| 1. Mr. Masami Katsumoto            | President and Chairman of the Board                      |
| 2. Mr. Rattawat Suksaichol         | Director and Chief Executive Officer                     |
| 3. Mr. Naohiro Hamada              | Director   |
| 4. Mrs. Poonsri Pattamavorakulchai | Director   |
| 5. Mr. Yutthana Taepangthong       | Director   |
| 6. Ms. Walaiporn Kanignunta        | Chairman of the Audit Committee and Independent Director |
| 7. Mr. Niphan Tungpiruttham        | Audit Committee and Independent Director                 |
| 8. Mr. Santi Niamnil               | Audit Committee and Independent Director                 |
| 9. Ms. Sakultip Homanee            | Company Secretary and Minutes Taker                      |

Attended Executives

- |                                |  |
|--------------------------------|--|
| 1. Mr. Pathom Torteeka         | Director of Factory Department             |
| 2. Ms. Prapaphan Chanapal      | Director of Account and Finance Department |
| 3. Mr. Kiattipoom Poomminun    | Director of Sales and Marketing Department |
| 4. Mr. Anant Tungsoonthorntham | Director of Engineering Department         |

Other Attended Parties

- |                              |                 |
|------------------------------|-----------------|
| 1. Ms. Khaymanundt Chaichuen | Account Auditor |
| 2. Ms. Chanidapa Praditsin   | Legal Advisor   |

Meeting Commence

The total number of participants in the Annual General Meeting for both attending in person and as proxy is 53 people. This is divided into 18 shareholders attending the meeting in person and 35 people as proxies of the shareholders, amounting to 216,244,578 shares or 72.3253 % of the total shares at 298,989,004 shares. At the beginning of the meeting, the total number of shareholders attending in person and as proxies was 53 people, divided into 18 shareholders coming in person and 35 people as proxies, amounting to 216,244,578 shares or 72.3253 % of the total value of shares at 298,989,004 shares, satisfying the quorum as stated in the Company's regulations. Mr. Masami Katsumoto, the President, appointed Mr. Rattawat Suksaichol, the Company's Director, to be the Chairman of the Meeting for the sake of convenience and the flexibility in explaining the details to the meeting. Before proceeding to the meeting agenda, Miss Gedsaraporn Yomjinda, the master of ceremony,



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explained the details of the voting and the counting procedures in the meeting depending on the agendas as displayed in the voting manuals which can be summarized as follows;

For the voting and counting process, the Company had introduced the barcode system in order to facilitate the general meeting which will reduce the time taken in the said procedures. The Company will display the total amount of votes of the shareholders in all agenda that requires a resolution for the shareholders to know the results immediately. The Company would like to explain the voting procedures during the meeting to the shareholders as follows;

1. To vote, use the voting card which has been prepared by the staffs during the registration prior to the meeting. Each shareholder may vote as much as the number of shares that they hold by considering 1 share is equal to 1 vote. As for the proxy to whom the shareholders have already voted in the power of attorney documents whether they agree, disagree or abstain from voting for each agenda of the meeting, the Company will respect the will of the shareholders and the proxy may not vote again in the meeting.
2. Once the explanation by the Directors in each agenda is over, the Chairman will allow the shareholders to voice their opinions. Those who would like to participate must raise their hands and state their names together with the amount of shares owned before giving the opinions. If there are no conflicting opinions to the Directors or the shareholders wish to abstain the votes, then the Chairman will move on to the next agenda by considering the shareholders as unanimously agree or approve of the agenda presented. However, the Company will also display the result of the votes in each of the meeting agenda.
3. If any shareholders disagree with the Directors, or would like to abstain from voting for any agenda, raise the hands when the Chairman finishes asking for opinions in the meeting. In this case, the Chairman will allow the shareholders who disagree or wish to abstain from voting, pass on the voting cards to the staffs only for that specific agenda. The staff will then collect all voting cards and notify the meeting the result of how many agreeing votes, disagreeing votes and abstaining votes.

When counting the votes, the Company will remove the disagreeing votes or abstaining votes from the total votes. As for the shareholders that have the proxies attended the meeting and have already voted for each agenda whether or not they agree, disagree or abstain from votes, the Company will record the votes made by the shareholders in the Computer for counting up the votes in each agenda.

4. For the agenda involving the election of new Directors to replace the existing Directors who retire by rotation, for the sake of transparency, the Company requires all of the shareholders in the meeting to



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use the voting cards issued during the registration process, whether or not they agree, disagree or abstain from voting in order to select the Directors individually.

- Shareholders who do not understand the voting procedures may ask the staffs which will facilitate and explain in details. In this Annual General Meeting, the Company has provided the video footage of the meeting in digital file, available on the Company's website ([www.sankothai.net](http://www.sankothai.net)) for the shareholders who are interested but could not attend the meeting. The meeting will be conducted in Thai, so that shareholders can mutually understand. In the case of foreign shareholders and wishes to ask questions in English, notify the registration staffs and the Company will arrange an interpreter to translate the questions further into Thai.

After that, Mr. Rattawat Suksaichol delivered the welcoming speech and proceeded with the meeting as per the following agendas;

Agenda 1) To consideration and certify the minutes of the Extraordinary Meeting of Shareholders No. 1/2016

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve of the 2016 Annual General Meeting Report (1<sup>st</sup>/2016) which was held on the 28<sup>th</sup> April 2016 and the Minutes of Meeting has been submitted to The Stock Exchange of Thailand and Ministry of Commerce within 14 days after the General Meeting of Shareholders Date, according to the requirement of the laws and has been posted on the Company's website ([www.sankothai.net](http://www.sankothai.net)). It appeared that no objection or request any modifications of which the copy of the Minutes of Meeting was enclosed (Attachment 1)

Resolution: The meeting has considered and approved with the majority votes, the 2015 Annual General Meeting Report as presented with the following votes;

Agree	Disagree	Abstain	Total Votes
149,788,478	66,456,100	-	298,989,004
69.2681	30.7319	-	100

Agenda 2) To consider and acknowledge the Board of Directors' report proposing to the meeting regarding the result of the Company's operation during the preceding year and suggestions as to future business operation plan

Mr. Rattawat Suksaichol proposed to the meeting to acknowledge the Board of Director's report portraying the Company's performance in the past year and also the recommendation for future business operations. The summary is as follows;

The revenue from the sales of parts and molds in 2016 was at 410 million Baht and at 420 million Baht in 2015.



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The gross profit of the year 2015 was approximately 16% and in 2016 was approximately 14.9%. The reduction was due to the complexity of the parts production process, resulting in more time to produce and also due to the decrease in the sales of molds.

The administration and sales expenses in 2016 was higher than that of 2015 since in 2015, the Company's costs from withholding tax after sales by international clients and cannot be refunded for 4.46 million Baht, and the loss from assets depreciation of 3.87 million Baht which was included in the sales and administration expenses. In 2016, other income and financial costs had decreased and the Company was also faced with the deferred tax of approximately 5 million Baht. This means that the net profit of the year 2016 was at a loss of 23 Baht when compared to the year 2015 at a loss of 3 million Baht. This was resulted by the tax credits, the depreciations and the staff benefits which contributed to the increase in the administrative expenses.

The total assets for the year 2016 was at 304 million Baht and in the year 2015 at 332 million Baht. The current liabilities was at 137 million Baht and the total liabilities was at 144 million Baht. The total shareholders equities was at 159 million Baht compared to the year 2015 at 181.24 million Baht. When comparing the total sales including other income, the result has shown that the amount had decreased slightly in 2016 due to the reduction in the sales of molds from the year 2015 where the sales was at 426 million Baht as opposed to the year 2016 at 414 million Baht.

In 2016, the export sales had increased from the year 2015 where the Company just started exporting. In 2015, the export sales was only at 4 million Baht and increased to 22 million Baht in 2016. The sales of molds in 2015 was larger than that of 2016, and also the sales of parts was roughly 10 million Baht difference between the year 2016 and 2015.

Gross profit in 2016 had reduced from that of 2015. In 2015, the gross profit was at 16% while in 2016 was at 15%. This is due to the decrease in the sales of molds. Usually, the profit from the sales of molds is higher than the sales from parts, therefore, when the sales of molds declined in the year 2016, the gross profit also reduced from that of the year 2015. From comparing the graphs, the monthly gross profit does not differ much but on average, the gross profit in the year 2015 was at 16% while the year 2016 was at 15%.

The sales and service expenses had increased from the year 2015 due to the assets depreciation, tax credits, and also from the IT system readjustment. There were also several consulting fees which resulted in the increase in the administrative expense from the year 2015. However, the sales expenses between both years were not much different.

As previously reported in 2016 for what reason the administrative expenses had increased from the year 2015, on the contrary, the interest expenses and tax for the year 2016 had been reduced, in other words, looking better.



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Finally, regarding the foreign clients whom we had acquired, the green stripes indicate those who have placed their orders and the white stripes are the ones still under negotiation with no clear decisions yet. However, in the past year, most of our customers' orders had all been large projects. Those who have finalized the orders are Denso, Kawasaki, Panasonic, Standley, SKPP, Exedy, Delta and the exporting companies are Valeo, who we have already exported for them but to Hungary and France. The branch in France had acquired new client from Italy which is Meta System co.ltd with big lots orders.

Additional information as presented in the attachment 2

After the presentation, the following questions were raised;

**Mr. Somyod Punsakul:** I am the volunteer from the Shareholders Protection Program from the Thai Investors Association. I would like to point out something, a moment ago you showed slide no.3 which displayed the revenue of the year 2016 at roughly 414 million Baht and also for the year 2015 but in the Annual report is 410 million Baht. The numbers do not match.

**Mr. Rattawat Suksaichol:** The revenue from the core business consists of the sales of parts and the sales of molds, together at 410 million Baht. However the 414 million Baht also consists of other income as well. I must explain that this may be a little unclear. The financial statement also separates this under 'other income' in another line, but the line above will still be 410 million Baht from the core business which are the sales of parts and molds.

**Mr. Somyod Punsakul:** Let me ask another question. In the annual report, on page 81, you stated that, this year, the Company had carried out various anti-corruption policies and in 2015 there were no complaints regarding the corruptions. I would like to know that, since this report is for the year 2016, whether or not there were any significant incidents this year, or any complaints? Since this was not recorded in the report.

**Mr. Rattawat Suksaichol:** There were none.

Resolution: This agenda is for notifying the meeting, no votes required.

Agenda 3) To consider and approve the reviewed interim financial statements as of 31 December 2016

Opinion of the Board

Mr. Rattawat Suksaichol proposed to the meeting to approve the Company's financial statement for the year 2016, accounting year end on 31<sup>st</sup> December 2016 which had been inspected by Ms. Khaymanundt Chaichuen of Siam Truth Audit Co., Ltd. with unconditional comments. However, during the interim financial



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statements as of 31 December 2016, the auditor had relocated from the original office to the Siam Truth Audit Co., Ltd. with Auditor Report as the attachment no. 2

Resolution: The meeting had considered and approved, with the majority votes, the Company's financial statement for the year 2016, accounting year end on 31<sup>st</sup> Decemeber 2016, with the following votes;

Agree	Disagree	Abstain	Total Votes
149,788,478	66,456,100	-	298,989,004
69.2681	30.7319	-	100

Agenda 4) To consider and approve the directors' remuneration and the audit committee's remuneration for the year 2017.

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve the Directors remunerations for the year 2016 in the following rate;

1. Board of Directors	Attendance fees per meeting	5,000 Baht
2. Audit Committee	Monthly remunerations	5,000 Baht
	Attendance fees per meeting	5,000 Baht

Remark: No Bonus/ Pension and other benefits.

Resolution: The meeting had considered and approved the Directors remunerations for the year 2017 as proposed with the following 2/3 of total votes,

Agree	Disagree	Abstain	Total Votes
149,788,478	66,456,100	-	298,989,004
69.2681	30.7319	-	100

Agenda 5) To consider and approve the dividend paid for the year 2016.

Mr Rattawat Suksaichol informed the meeting that, following the annual report which the Company had already notified to the shareholders in the agenda 2 and 3 that, in the year 2016, the Company had made a total loss of 23,614,506.68 Baht. Therefore the Board of Directors is of the solution that it is appropriate for the Company to refrain from paying out the dividends for the year 2016.

Resolution: The meeting had considered and agreed with the majority votes to refrain the pay outs of dividends for the year 2016 with the following votes;

Agree	Disagree	Abstain	Total Votes
149,788,378	66,456,100	100	298,989,004
69.2680	30.7319	0.0000	100



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Agenda 6) To consider and approve the appointment of auditors and the audit configuration of 2017.

Mr Rattawat Suksaichol proposed at the meeting to approve the appointment. Namely; Dr. Sirada Jarutaknont registration number 6995 /or Mr. Bunjong Tichayaprasat, registration number 7147 /or Ms. Khaymanundt Chaichuen registration number 8260 /or Mr. Kraisit Silapamongkonkul registration number 9429 of Siam Truth Audit Co., Ltd, to be the auditors for Sanko Diecasting (Thailand) Plc. and set the audit budget for the year 2017 at 1,300,000 Baht as presented.

Resolution: The meeting had considered and agreed with the majority votes to appoint the auditors and set the audit budget for the year 2017 as proposed, with the following votes;

Agree	Disagree	Abstain	Total Votes
149,788,378	66,456,100	100	298,989,004
69.2680	30.7319	0.0000	100

Agenda 7) To consider and approve the appointment of new directors as a replacement for the retired directors.

Mr. Rattawat Suksaichol proposed for the meeting to consider and approve the appointment of new Directors, replacing the Directors who retired by rotation. The Directors who retired by rotation and requested for the meeting to appoint them back to the post one more term are as follows;

1. Mr. Masami Katsumoto
2. Mr. Naohiro Hamada
3. Miss Walaiporn Kanignunta

Details as displayed in attachment 3.

Resolution: The meeting has considered and approved with the majority votes, the appointment of the 3 directors to the Board of Directors for another term with the following votes;

1. Mr. Masami Katsumoto

Agree	Disagree	Abstain	Total Votes
127,155,578	66,456,100	100	298,989,004
65.6755	34.3244	0.0001	100

2. Mr. Naohiro Hamada

Agree	Disagree	Abstain	Total Votes
146,872,378	66,456,100	100	298,989,004
68.8480	31.1520	0.0000	100



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3. Miss Walaiporn Kanignunta

Agree	Disagree	Abstain	Total Votes
149,788,378	69.2680	100	298,989,004
66,456,100	30.7319	0.0000	100

**\*Remarks:** This agenda consists of 2 stakeholders which have had their votes removed from the calculations.

These are;

Mr. Masami Katsumoto 22,632,800 shares

Mr. Naohiro Hamada 2,916,000 shares

Agenda 8) To consider other matters (if any).

No shareholders proposed any other agendas.

Mr. Rattawat Suksaichol thanked the shareholders and all honored guests.

Meeting adjourned at 2.22 p.m.

Signed \_\_\_\_\_ Chairman of the Meeting  
(Mr. Rattawat Suksaichol)

Signed \_\_\_\_\_ Company Secretary  
(Miss Sakutip Homanee)

Signed \_\_\_\_\_ Chairman of the Board  
(Mr. Masami Katsumoto)