



2018 Annual General Meeting Report of Sanko Diecasting (Thailand) Plc.

Date, Time and Venue

The meeting was held on the 27th April 2018 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

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| 1. Mr. Masami Katsumoto | President and Chairman of the Board |
| 2. Mr. Rattawat Suksaichol | Director, Nomination and Remuneration Committee and Chief Executive Officer |
| 3. Mr. Naohiro Hamada | Director |
| 4. Mrs. Poonsri Pattamavorakulchai | Director |
| 5. Mr. Yutthana Taepangthong | Director and Nomination and Remuneration Committee |
| 6. Ms. Walaiporn Kanignunta | Chairman of the Audit Committee and Independent Director |
| 7. Mr. Niphan Tungpiruttham | Audit Committee, Independent Director and Nomination and Remuneration Committee |
| 8. Mr. Santi Niamnil | Audit Committee and Independent Director |
| 9. Ms. Sakoltip 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. Anant Tungsoonthorntham | Director of Engineering Department |

Other Attended Parties

- | | |
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| 1. Ms. Chanidapa Praditsin | Legal Advisor |
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Meeting Commence

The total number of participants in the Annual General Meeting for both attending in person and as proxy is 48 people. This is divided into 16 shareholders attending the meeting in person and 32 people as proxies of the shareholders, amounting to 232,227,191 shares or 77.6433 % of the total shares at 299,094,963 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, Mrs. Busakorn Doungjai, the master of ceremony, 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 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.
5. 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) 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 Annual General Meeting of Shareholders for the year 2017

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve of the 2017 Annual General Meeting Report which was held on the 27th April 2017 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). 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 2017 Annual General Meeting Report as presented with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	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 presented the performance reports regarding the previous year and the future of the business to the meeting which can be summarized as follows;

1. Sales

The sales of the Company is divided into molds and parts which are the core products of the Company. In the year 2017, the sales was at 438 million Baht, a 7% increase from the year 2016 at 410 million Baht and in 2018, the Company's sales is estimated to be 500 million Baht or a 14% increase when compared to the year 2017.

When separated by exports and domestic sales, the exports of the year 2017 had increased 7% from the year 2016 and is expected to increase 10%.

When separated by products, the ratio of automobile parts is at 70% while the motorcycle and electrical parts are roughly similar at 10% in the previous 2 years.



2. Customers

These are the new customers for the year 2017; 1. Kawasaki Motors Enterprise (Thailand) Co., Ltd. 2. Thai Stanley Electric Company Limited 3. Panasonic Automotive Systems Asia Pacific Co., Ltd. 4. Panasonic Management (Thailand) Co., Ltd, As for 5. Delta Electronics (Thailand) Public Co., Ltd. 6. Meta System S.P.A and 7. Valeo Automotive (Thailand) Co., Ltd are old customer but will renew the orders in the year 2018.

Customers that are in the process of negotiations are 1. Volkswagen RO ASEAN 2. Mazda Powertrain Manufacturing (Thailand) Co., Ltd. and 3. Daimler Commercial Vehicles (Thailand) Ltd., which are in the system inspection procedure with 70% chance of passing the examination.

3. Investment

In the year 2017, the Company's investments were; 1. Installing the machines in the Mold & Jig – Fixtures department with the value of 13 million Baht and had already been conducted which will reduce the costs for tooling and making molds, 2. Installing the solar roof in order to reduce the electricity costs which is equal to 120,000 Baht / month, 3. Installing 2 units of CNC machine in order to support the increase in CNC orders.

In 2017, the Company aimed to import 2 units of High Pressure Aluminum Diecasting machines which are 350 tons and 400 tons at the costs of approximately 10 million Baht and also 3 units of CNC machines at the costs of 7.5 million Baht to support the increase in purchasing orders. Since the orders had increased, the parts inspections or new parts manufacturing are falling behind, therefore the Company had purchased one more CMM machine at the costs of 4.5 million Baht and invested more in the melting furnace at 4 million Baht. In summary, the investment for the year 2018 is at 26 million Baht and mostly by leasing.

4. Awards

In the previous year, the Company had earned many awards and certificates regarding the quality of the systems and the operations, especially the new system that had received at the beginning of the year which is the ISO 50001:2011. Presently the Company is in the process of re-certificating the IATF system.

5. Industrial Trend

The automobile production in Thailand had declined in the past 2-3 years. During the year 2011-2012, the production was as high as 2 million units and had declined ever since. Now the production had been trending back up and is estimated to be at 2 million units or more in the next year

How many cars are owned between 1,000 people? For Thai people, the cars owning ratio is around 250 cars per 1,000 people, which means that there are plenty of opportunities for the Company to expand its market. Although the automobile production in China is higher but the population is also much larger, therefore the cars owning ratio is at about 150 cars per 1,000 people.

6. Corporate Social Responsibility (CSR)

In 2017, the Company had 6 quality system including the level 3 Green System. In the beginning of 2018, the Company had been certified on the energy management system ISO50001:2011 from the URS and



had additionally received other awards regarding quality system. In 2017, the Company also received the honorary award for Outstanding Delivery & Quality 2016 – 2017 from Vibracoustic Co., Ltd as well.

As for 2018, the Company will adjust the quality management system of automobile parts from ISO/TS16949:2009 to IATF16949:2016 and will improve the certificate version for the environmental management system from ISO14001:2004 to ISO14001:2015.

Corporate social responsibility (CSR) activities are divided into CSR in process and CSR after process. In the year 2017, the CSR in process are as follows; 1. Organizing the 'Fire Evacuation Drill' to educate the employees on how to evacuate the injured from accidents and to escape from fire, 2. Organizing the 'Emergency preventive measures in the factory for furnace explosion and Aluminum leakages' so that the employees can clearly understand the emergency procedures, 3. Organizing the 'Health check-up programs' for the Company's Executives and the employees so that they may receive general health check-ups, health inspection for risk-averse areas depending on the work and also the health inspection on risk factors before starting the work as well, 4. Organizing the '1st Energy ming – safety & CSR Award' to raise the employees' awareness regarding energy conservation, safety at work and having serviced mind, 5. Organizing the 'You request, we comply' event to encourage the employees to voice their opinions regarding energy conservation in the work place by giving out prizes to the employees who suggested the idea that saved energy the most, 6. Organizing the 'Songkran festival' with various activities for fun in the Company and the revenues will be donated to Teacher Boonchoo Home for Special Children at A. Plutaluang, Chonburi, 7. Organizing the 'Buddha watering – paying respects to the seniors' event to ask for their blessings and paying respects as customary of the Thai traditions to the senior Executives, 8. Organizing the 'Executives meet employees' event to create an understanding directly between the Executives and the employees, 9. Organizing the 'SANKO 1 person 1 planting' event to plant the marigold so that they will bloom towards the end of October, in Remembrance of the Late King Bhumipol Adulyadej, at the back of the factory, 10. Organizing the 'Helping the SANKO Family' in order to support the employees and save their expenditures on household necessities such as rice, eggs, detergent, toothpaste and soap and not cutting into the working hours which had been held consecutively for the 5th year, 11. Organizing the 'Good Kids' Room' campaign to help saving the household expenditures and allow the employees to work normally which had been done continuously for 5 years, 12. SANKO Credit Union co.ltd, is established to support the employees financially, providing short and long term loans with interests lower than other commercial banks and also allowing the savings with higher rates than other banks which had been operated for 6 years. At present, there are 317 members with the total funds of 12.5 million Baht.

In 2017, the CSR after process is as follows; 1. Providing food and deserts on Children's Day to the Nong Bua District Administration Organization and 3 schools in the vicinity which are Wat Nong Krub School, Ban Hin Kong Prajanugroh School and Ban Mae Nam Koo School. On the 13th January 2017, the Company



had organized the event 'SANKO Unites – Helping the South' in order to support the southern flood disaster through the Chulabhorn Camp, Narathiwat.

Additionally, the Company had stated its intention for anti-corruption during 2016 but was still under the approval evaluation by the Collective Action Coalition by the IOD and must redo the evaluation which is estimated to finish within this year.

All additional details as presented in the attachment no.2

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 2017

Mr. Rattawat Suksaichol proposed for the meeting to approve the financial statement of the Company for the year 2017, ending on 31st December 2017, which had been inspected by Miss Kemanun Chaicheun of Siam Truth Accounting Co.ltd by offering the opinion unconditionally and had assigned Miss Prapaporn Chanaparn to summarize the financial report for the year ending on 31st December 2017 to the shareholders with the details as follows;

Accounting report by Miss Kemanun Chaicheun, licensed accountant no. 8260. The inspection summary for the financial statement for the year ending 31st December 2017 and the operational performance and cash flow for the same date. The report is accurate according to the standard financial reports and had given the opinion unconditionally. However, some significant issues to note within the inspection, the auditor had given attention to the impairment of buildings and machineries, which the accounting value was at 130.71 million Baht. Another issue was regarding revenue recognition in which the auditor stated that there are several conditions and products deliveries together with various revenue recognitions that may be risky to the duration of the Company's revenue recognition.

As for the statement of comprehensive income and the business performance of the year 2017, the Company's net profit was at 6.29 million Baht which was the result of the growth in gross margin of 16.12% and the increase in sales from the previous year of 27.4 million Baht or approximately 6.68%. The revenue consisted of selling molds and parts. The sales of parts comes from both domestically and internationally which had grown about 6% and the sales of molds grew roughly 30% from the year before. The costs of sales and management had declined from the previous year at about 14.94 million Baht or 18.79% which resulted from the loss in the evaluation on the impairment of assets and the withholding tax from India that the Company cannot use as tax credit with the interest rates of 0.14 or a 3.5% increase.

The statement of financial position consisted of the total assets of 347.87 million Baht, which is the current assets of 137 million Baht and non-current assets of 210 million Baht, liabilities of 182 million Baht and current liabilities of 151 million Baht, non-current liabilities of 31 million Baht, shareholder's equity of 165 million Baht, therefore the value of the total assets is at 348.87 million Baht, a 43.64 million Baht increase from the previous year which was the current assets of 15.31 million Baht and non-current assets of 28.33 million



Baht such as, buildings, machines, including intangible assets that the Executives had already explained regarding the investment on installing the Solar cells and machineries to support the expansion of sales and the investment on computers and equipment. The liabilities had increased to 182.22 million Baht, a 37.67 million Baht increase from the year before since there are non-current liabilities of 13.14 million, consisting of a 10 million Baht increase in trade payables. Overdrafts, cash and cash equivalents on the year end was equal to 2.57 million Baht. Non-current liabilities of the Company increased 24.52 million Baht, which was caused from the investment by using the funding from the financial institution, leasing contracts and the benefits of the employees.

Cash flow statement. The Company's cash flow left from operation was at 25 million Baht and with adjustment in the negative working capital of 20 million Baht. Investment flow; the investment made was 21 million Baht. The Company raised funding without taking more loans with the balance of 4 million Baht. At present, on the 31st December 2017, the Company cash balance was approximately 15.6 million Baht.

Financial ratio. The working capital ratio was at 0.91 times, the total debts to total assets ratio was at 0.52 times, total debt to equity ratio was at 1.1 times, interests payment ratio was at 2.53 times, return on total assets was at 1.82 times, return on equity was at 3.65 times, return on operating revenues was at 2.38 times and the return on earnings per total revenue was at 1.34 times.

Additional details as shown in the attachment no.2

Resolution: The meeting had considered and approved, with the majority votes, the Company's financial statement for the year 2017, accounting year end on 31st Decemeber 2017, with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

Agenda 4) To consider and approve the directors' remuneration and the audit committee's remuneration for the year 2018.

Mr. Rattawat Suksaichol proposed to the meeting to consider and approve the Directors remunerations for the year 2018 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 2018 as proposed with the following 2/3 of total votes,



Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

Agenda 5) To consider and approve the dividend paid for the year 2017.

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 2017, However, at the end of the years 2017 the company had received a net profit from the business operation 5,935,474 Baht, but there was a deficit of 17,898,913 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 2017.

Resolution: The meeting had considered and agreed with the majority votes to refrain the pay outs of dividends for the year 2017 with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

Agenda 6) To consider and approve the appointment of auditors and the audit configuration of 2018.

Mr. Rattawat Suksaichol proposed to the meeting, the appointment of the auditor and to set the auditing fees for the year 2018, by considering and selecting from the quotations of the 4 audit companies that has had the names on the list of the Securities and Exchange Commission of Thailand. The Board of Directors had agreed to approve 3 auditors who are; Mr. Narong Luktharn registration number 4700 /or Ms. Maliwan Phahuwattanakorn registration number 4701 /or Mr. Chaikrit Warakitjaporn registration number 7326 of NPS Siam Audit Limited. As company auditors for the year 2018 of Sanko Diecasting (Thailand) Co., Ltd., and configured auditing of 1,330,000 baht (One million three hundred and thirty thousand Baht) by the year 2018. However, due to the change from Siam Truth Auditing to NPS Siam Auditing with the reason that the Company had used the service of the original account auditor (original auditor) for more than 4-5 years, the Company thinks that the auditors should be changed.

Resolution: The meeting had considered and agreed with the majority to approve of the auditors and set the auditing fees of the year 2018 as proposed with the following votes;

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

**Agenda 7) To consider and approve the elimination of deficit by offsetting with share premium**

Mr. Rattawat Suksaichol proposed the elimination of accumulated deficit to the meeting by using the premium on common shares by explaining that, at the end of 2017, the value of the Company's share premium was equal to 33,612,986 Baht and the accumulated deficit of 17,898,913 Baht. After the offset, the value of share premium will be 15,714,073 million Baht and if the Company is profitable during the year, it can pay the interim dividend.

Resolution: The meeting had considered and did not approve due to the number of approved votes being less than 3 out of 4 according to the law.

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

Agenda 8) To consider and approve the appointment of new directors as a replacement for the retired directors.

Mr. Rattawat Sooksaichol assigned Mrs Bussakorn Duangjai to be the MC for this agenda by proposing to the meeting the consideration and the approval of new Directors in order to replace the Directors who had retired by rotation. To this, the Company had allowed the shareholders to nominate the names of individuals to be the Company's Directors in advance during the 15th November – 31st December 2017. The Company had announced to the shareholders through the SET and through the SANKO's website which, when the duration is over, no shareholders had proposed any individuals to the Company. The Board of Directors had considered the qualifications, education, experiences and the proficiency from many professions including the performance of the Directors in the past years and deemed appropriate for the Directors who had retired by rotation to be back as the Company's Directors for another term. The Directors who retired by rotation and had been appointed back into the position for another term are as follows;

1. Mr. Rattawat Suksaichol
2. Mr. Yuttana Taepangthong
3. Mr. Santi Niamnil

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. Rattawat Suksaichol

Approved	Disapproved	Abstained	Void Ballot	Total Votes
168,030,815	62,183,800	0	0	230,214,615
72.9888	27.0112	0	0	100



2. Mr. Yuttana Taepangthong

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

3. Mr. Santi Niamnil

Approved	Disapproved	Abstained	Void Ballot	Total Votes
170,043,391	62,183,800	0	0	232,227,191
73.2229	26.7771	0	0	100

**Remarks:* Mr. Rattawat Suksaichol is an interested person in this agenda; therefore, 2,012,576 shares will be removed from calculation base

Agenda 9) To consider other matters (if any).

No shareholders proposed any other agendas.

Mr. Rattawat Suksaichol notified the meeting with the detailed summary as follows;

Following the incident by the shareholders of no less than 5% of the total numbers of the Company's shareholders had sent the letter of request to the Director-General of the Department of the Business Development to appoint the auditor according to the section 128 of the Public Limited Company Act B.E. 2535, which had been edited by the Head of National Peace Corps at 21/2550 on 'Adjusting the law for the purpose of business management conveniency' date 4th April 2017.

The Department of Business Development had proceeded with the inspection and had delivered the reports to the Company with the issues summary as follows;

Issue 1: Inspecting the loan contracts with financial institutions by specifying the dates of the contract, the numbers of the contract, the names of the lenders, the amount loaned, the rates of interests, duration, reason for taking the loans/guarantors and the costs occurred from having individuals/juristic persons as guarantors to the financial institution.

Issue 2: Inspecting the sales-rents contracts of machineries as follows;

2.1 Specifying the dates, the numbers, the names of the parties and the amount associated in the machineries sales contract.

2.2 Specifying the dates, the numbers, the names of the parties, the amount associated, the duration and the rates/costs per month in the rental contract.

2.3 Objective in the sales and rentals contracts.

Issue 3: Inspecting the remunerations/consultant fees to all Board of Directors by specifying the dates issued, numbers of the documents, paid in to whom and at what amount.

In summary, regarding the inspection of the 3 issues, the Company had proceeded with all operations in accordance with the law with no unusual activities. The registrar had duly returned the reports to



the Company within 7 days since the inspection, according to the section 123 (1) of the Public Limited Company Act B.E. 2535.

The Company will further publish the information through the SET channels and if any shareholders would like to know the details of the inspection, please contact the Company through the Company's Secretary as stated under the section 133 of the Public Limited Company Act B.E. 2535.

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

Meeting adjourned at 2.23 p.m.

signed  Chairman of the Meeting

(Mr. Rattawat Suksaichol)

signed  Company Secretary

(Miss Sakultip Homanee)

signed  Chairman of the Board

(Mr. Masami Katsumoto)