

## **TRANSLATION**



### **Haad Thip Public Company Limited The Annual General Shareholders' Meeting of the Year 2018**

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The Meeting is held on Thursday 26th April 2018 at 14.30 hrs. at Ballroom 2, 5th Floor, S31 Hotel, 545 Sukhumvit 31, Klong Toey Nua, Wattana, Bangkok. There are 7 Directors from the total of 12 Directors of the Board of Directors, accounting for 58.33%; the Management; and the Auditor present at the Meeting as follows:

1. List of Attending Directors

- |                                  |  |
|----------------------------------|--|
| 1. Gen. Charan Kullavanijaya     | Independent Director / Chairman  |
| 2. Mr. Prakit Pradipasen         | Independent Director / Chairman of the Audit Committee                                       |
| 3. Mr. Yanyong Maethapanich      | Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member |
| 4. Maj. Gen. Patchara Rattakul   | Director / Nomination and Remuneration Committee Member                                      |
| 5. Mrs. Pariya Chirabandhu       | Director / Nomination and Remuneration Committee Member                                      |
| 6. Mrs. Yupares Thiengtham       | Director   |
| 7. Mr. Dumrongrugs Apibalsawasdi | Director   |

2. Non-attending Directors

- |                               |  |
|-------------------------------|--|
| 1. Sec. Lt. Phairoch Rattakul | CEO / Chairman of the Nomination and Remuneration Committee                                  |
| 2. Miss Smornluk Mahasmiti    | Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member |
| 3. Mr. Martin Jansen          | Independent Director   |
| 4. Mr. Philipp Hugo Gutsche   | Director   |
| 5. M.L. Dhisana Sritavaj      | Director   |

3. KPMG Phoomchai Audit Co., Ltd.

- |                                |                       |
|--------------------------------|-----------------------|
| 1. Miss Orawan Sirirattanawong | CPA license no. 3757  |
| 2. Miss Pawinee Nissaisuk      | Division Head - Audit |

4. Management

- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| 1. Miss Plernpun Rutchakitprakarn | Senior Executive Assistant to the COO |
| 2. Miss Nithinart Juntasurat      | Accounting Division Manager           |

5. Right Protection Volunteer, Thai Investors Association

Mrs. Keeratika Panglad

Gen. Charan Kullavanijaya, Chairman and elected Chairman of the Meeting, convenes the Meeting at 14.30 hrs. by informing the Meeting that there are a total of 38 shareholders attending the Meeting in person with a total of 23,337,852 shares or 11.7147% and a total of 186 shareholders attending by proxy totaling to 88,280,602 shares or 44.3136%. Since the shareholders present at the Meeting, both in person and by proxy, total to 224 shareholders, with the total of 111,618,454 shares or 56.0283% (there are a total of 2,261 shareholders of the Company, holding altogether 199,218,000 shares), the quorum is formed in accordance with the Articles of Association, Section 45. (The Articles of Association, Section 45, stipulates that there must be no less than 25 shareholders and proxy holders (if any), or no less than half of the total number of the Company's shareholders present at each Annual General Shareholders' Meeting, with the total number of shares of no less than one-third of the total paid-up shares, for the quorum to be formed).

Note: After the Meeting has begun, more shareholders and proxy holders gradually arrive, which has led to an increase in the total number of shareholders to 242 shareholders, totaling to 111,670,741 shares or 56.0545% that can be divided into 49 shareholders attending in person totaling to 23,389,486 shares or 11.7406% and 193 shareholders attending by proxy totaling to 88,281,255 shares or 44.3139%.

Before the matters are taken into consideration according to the Meeting Agenda, the Chairman greets and welcomes all of the attending shareholders and proxy holders as well as introduces the Board of Directors, Auditor, Management and Right Protection Volunteer from Thai Investors Association to the Meeting. The Chairman then provides an explanation on the voting procedures and regulations as well as ballot counting method to the Meeting as follows:

1. Voting Regulations: Each shareholder is entitled to the number of votes equivalent to the number of shares held, with one share equals to one vote. Should a shareholder have conflict of interest with any issue taken into consideration for approval at the Meeting, such shareholder shall not hold the right to vote for that particular issue, with an exception of voting for the appointment of directors.
2. Voting Procedure for Each Agenda: After the matter to be voted upon by the shareholders has been presented and explained in each Agenda, the Chairman shall ask a question whether or not any shareholder would like to cast the "Disagree" or "Abstain from Voting" vote for that particular agenda. Should there be a shareholder or proxy holder who wishes to cast the "Disagree" or "Abstain from Voting" vote, such shareholder must indicate so in the ballot prepared by the Company, sign his/her name on the ballot, and raise his/her hand, in order for an officer to collect and record the vote for the purpose of ballot counting.

In regards to Agenda 5: To consider and elect Directors to replace those retired by rotation, the votes shall be casted by indicating the choice on the ballot for each Director separately, whether to "Agree", "Disagree" or "Abstain from Voting". The ballots of all cases from attending shareholders and proxy holders with the rights to vote shall then be collected by the Company. However, exception shall be made for the case of proxy holders with the voting choices already indicated on the Proxy Forms by their proxies, as the votes shall be recorded exactly as indicated on the Proxy Forms.

3. Ballot Distribution Procedure: The Company shall hand out the voting ballots to the shareholders present at the Meeting in person and to proxy holders whose proxies have selected (a) – to give the proxy holder the right to consider and vote on behalf of the shareholder. As for proxy holders whose proxies have selected (b) – to give the proxy holder the right to vote in accordance with the shareholder's wish, the Company shall record the vote exactly as indicated on the Proxy Form by the shareholder.
4. Ballot Counting Procedure:
  - 4.1 In the case that there are no "Disagree" and no "Abstain from Voting" votes being casted, the Meeting resolution shall be considered unanimous.
  - 4.2 In the case that there are "Disagree" or "Abstain from Voting" votes being casted, the Company shall subtract all of the "Disagree" or "Abstain from Voting" ballots from total votes of attending shareholders with the rights to vote. The rest of the ballots shall then be considered as "Agree".

As for the shareholders who wish to leave early or shall be absent from the Meeting Room during one or the other agenda, such shareholders can exercise their rights to vote by submitting the ballots to the officer prior to their absence.

The Chairman of the Meeting shall announce the ballot counting result of each agenda to the Meeting.

5. Queries or Opinions Made by the Shareholders: Before the resolution is passed in each agenda, the Chairman shall provide an opportunity for the shareholders to ask questions in relation to the matter in such agenda, as deemed appropriate. Such shareholder is to raise his/her hand and provide his/her name and surname to the Meeting before presenting any queries in order to be recorded in the Minutes of the Meeting.

In the case that a shareholder has a question that is considered irrelevant to the agenda under consideration, the shareholder shall be urged to ask the question during 'Other matters' agenda towards the end of the Meeting.

The Chairman then informs the Meeting that prior to the Annual General Shareholders' Meeting of the Year 2018, the Company had provided an opportunity to minor shareholders to propose the agendas and names in advance, for the purpose of nomination and election of directors. The Company had posted the rules and regulations for the proposal of agendas and names for the purpose of nomination and election of directors on the Company's website: [www.haadthip.com](http://www.haadthip.com) from 1st November 2017 to 31st December 2017. However, there was no proposal of either the agendas or the names for the nomination and election of directors.

The Chairman then informs the Meeting that there are 9 agendas altogether for this Meeting, which shall be proposed for consideration by the Meeting in the following order:

**Agenda 1**    **To consider and approve the Minutes of the Annual General Shareholders' Meeting of the Year 2017**

The Chairman presents for consideration by the Meeting a copy of the Minutes of the Annual General Shareholders' Meeting of the Year 2017 held on Wednesday 26th April 2017 that had been distributed to all shareholders together with the Letter of Invitation as per Enclosure (1). The Board of Directors has expressed an opinion that the Annual General Shareholders' Meeting of the Year 2017 had been recorded accurately in accordance with the resolutions of the Meeting.

The Meeting then considers and unanimously approves the Minutes of The Annual General Shareholders' Meeting of the Year 2017 held on Wednesday 26th April 2016 with the voting results as follows:

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballot</b>
<b>Number (votes)</b>	111,640,755	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

**Agenda 2**    **Acknowledgment of report from the Board of Directors on the Company's operating results of the year 2017**

The Chairman reports to the Meeting that the operating results of the year 2017 appear in the Annual Report of the year 2017 that had been distributed to the shareholders in the form of a CD-ROM together with the Letter of Invitation as per Enclosure (2). The Chairman then asks Maj. Gen. Patchara Rattakul, Director, to summarize the operating results of the year 2017 to the Meeting.

Maj. Gen. Patchara Rattakul then provides the summary of the operating results of the year 2017 to the Meeting as follows:

1. **Total Sales:** The average 5-year sales growth, from 2013 to 2017, was at the rate of +6.2% (5-yr CAGR). Total sales of 52.1 million unit cases in 2017 showed a decrease of 0.7 million unit cases or 1.5% from the 52.8 million unit cases of total sales in the year 2016, which was the first year in several years that the Company's total sales had dropped. However, the contraction was at a lower rate than the overall picture of NARTD (non-alcohol ready-to-drink). The Company's total sales of sparkling beverages and still beverages (exclusive of drinking water) had decreased by 1.70% and 2.1% respectively, while total sales of drinking water had increased by 1.90%.
2. **Revenue from Sales:** For the year 2017, the Company's revenue from sales was Baht 5,671 million, a Baht 33 million or 0.6% decrease from Baht 5,704 million of revenue from sales in 2016, following a decrease in sales due to the following reasons:
  1. A rather dispirited market atmosphere as the mourning period for King Rama IX still lingered;
  2. Contraction of the NARTD (non-alcohol ready-to-drink) market;

3. The catastrophic flood incident in the southern provinces during the first 3 months of 2017 had produced a major impact upon the Company's clients and consumers. Haad Thip's employees in several provinces had travelled to the affected areas and provided a helping hand to the victims of the floods to the best of their ability and on a continuous basis, just as they had been doing all along whenever the brothers and sisters of the south encountered natural disasters.
  4. 2017 marked the year that climate conditions had not been very accommodating. Following the catastrophic flood incident in 12 southern provinces during the first quarter of 2017, continuous rainfalls were seen pretty much throughout the year. The continuous rainfalls had become an obstacle to consumers to venture out of their home for their spending activities. This had resulted in sluggish consumer spending, and consumption of sparkling products had followed suit by dropping as well.
3. Net Profits: In 2017, the Company's net profits was Baht 283 million, marking the new record as the highest profit figure ever since its inception. Net profits increased by Baht 42 million or 18% from that of the year 2016, and net profit margin increased by 0.8 points, from 4.2% to 5.0% due to the following reasons:
1. The Company's gross profits had increased by Baht 66 million or 4%, with gross profit margin increasing by 1.4 pts. from 31.0% to 32.4% by the following reasons:
    - 1.1 Sales price had increased as a result of a decrease in trade discount;
    - 1.2 Improvement in Chanel Mix Management. In other words, the Company had changed its strategic plan by transferring some portion of the products previously sold through low-margin channel such as modern trade, to other channels such as wholesale stores, retail stores and mom-and-pop stores, which generate better profit per unit;
    - 1.3 The cost of production had declined following the Company's ability to utilize full capacity of the third PET production line at Poon pin production plant throughout the entire 12 months of the year, which had resulted in lower cost per unit of production;
  2. The cost of product distribution had been economized as a result of an improvement in product distribution system, from the previous Conventional Route Sales to the Pre-sell system. The latter is the system that requires the Company's salespeople to take order from stores and outlets in advance, before delivering the exactly-as-ordered products on the next day. This way, the exact products are promptly delivered to the clients, and the logistics of transportation vehicles can be managed more efficiently, through the use of technology;
  3. Utilization of marketing budget had dropped, due to the fact that every Thai citizen was still mourning for the beloved King Rama IX, and hence, the Company had withdrawn some advertising campaigns and put a halt to marketing and promotional activities as well as any activities perceived as entertainment. This had resulted in a drop in expenditure in the realm of marketing and promotion.
4. Total Assets: The Company's total assets in the year 2017 was Baht 4,609 million, a Baht 100 million or 2% decline from Baht 4,708 million in 2016 as a result of a decrease in cash-on-hand following prepayment of a long-term loan; a decline in inventory as a result of a reduction in the volume of finished products and raw material inventory; and a decrease in advance payment of Excise Tax as a result of changes in the calculation method for Excise Tax payment.

5. Total Liabilities : The Company's total liabilities in 2017 was Baht 1,944 million, a Baht 291 million or 13% drop from the year 2016 as a result of a decline in short-term loans from financial institutions.
6. Shareholders' Equity: The Company's shareholders' equity in 2017 was Baht 2,665 million, an increase of Baht 192 million or 8% from 2016 as a result of an increase in operating profits and surplus from revaluation of land.

Maj. Gen. Patchara Rattakul, Director, provided additional comments on the major activities carried out by the Company in the past year as follows:

1. Demand Fulfillment : The Company had improved the CAN Line, to improve efficiency in the production of the CAN products;
2. Manufactured products certified by "Halal" trademark, in order for the Company's products to become more acceptable among the Muslim communities. At present, the Company's products manufactured by both Haad yai and Poon pin production plants have received Halal certification;
3. Demand Creation : In 2017, the Company had introduced new products under the Minute Maid brand in the fruit juice category namely Minute Maid Pulpy Mandarin Orange and Minute Maid Vita Kids; as well as FUZE tea; and ZICO coconut juice. The latter uses domestically produced raw materials; is made from 100% coconut juice; and distributes exclusively through Macro;
4. Market Execution: Changes in product distribution method, from Conventional Route Sales to Pre-sell system, have already been completed for all of the 20 branches of the Company. Telesales system, which is the system that uses telephone to check and verify advance orders from clients located further away, has also been implemented.
5. Other areas:
  - 5.1 The Company has developed and improved the SAP system, which is the heart of the Company's management and administrative system. The improvement process at all of the Company's branches and locations shall be completed by May 2018.
  - 5.2 Carbon Footprint Project: The Company has been given attention to the subject of global warming, the effect that releases greenhouse gases into the atmospheric layers. As such, it has arranged for the Carbon Footprint Project, both for the organization and the products. The project has been introduced for the purpose of evaluating the level of greenhouse gases produced as well as calculating the amount of energy utilized by the working and production processes where greenhouse gases are released in a significantly higher amount than other parts, and finding the way to reduce the amount of greenhouse gases released by such processes, to the point that utilization of resources and energy can altogether be effectively reduced. At present, the Company has been certified with Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (Public Organization: TGO), both for Haad yai and Poon pin production plants; and certified with Carbon Footprint for Product for a total of 24 SKUs (types and sizes of products). The Company has an explicit policy to complete the certification of carbon footprint for all types and sizes of products within the year 2018. Therefore, if you buy Haad Thip's products, you will see that the label on each product indicates the amount of carbon dioxide released by that particular product. This is a way to help creating

awareness and responsibility for all parties involved, not to benefit ourselves, but for the benefit and interest of the future generations.

- 5.3 Environment and other areas: The Company is during the consideration as well as action-taking process, in regards to the subjects of packaging, garbage, and PET, especially how to make the least use of polyethylene terephthalate (PET). It has considered bringing in and making use of an environmental-friendly innovation for new packaging. At present, the packaging of Namthip Drinking water successfully uses 30% less PET, and is considered the lightest PET product in Thailand.
- 5.4 Sugar Tax: The Company's products are the group of products that is subject to the Excise Tax Act B.E. 2560 (2017) which has been effective since September 2017. However, the Excise Department has given a 2-year grace period for business operators to find a way to reduce the amount of sugar used in their products. After the grace period, if an operator has not adjusted the formula of the product by reducing the amount of sugar, the tax levied upon such operator shall be a progressive rate. The more sugar in the ingredients, the higher the tax levied. Previously, the Company only needed to pay for an excise tax, but now, excise tax is divided into 2 parts: excise tax + sugar tax (depending on the level of sugar/sweetness). Therefore, we are now trying to adjust our formula by reducing the level of sugar in some products. However, we have to gradually adjust the formula, and cannot adjust it so abruptly, since the new flavor will have changed too remarkably from the flavor familiar by consumers in the past and may not be well-accepted. The advantage to arise from the change in the formula for us is that, using lower sugar level will lead to lower cost of production as well as lower rate of tax levied upon us.

Gen. Charan Kullavanijaya, Chairman, then reports to the Meeting on the Company's Anti-Corruption Policy in the past year, that the Company had continuously arranged for communication and training sessions for staffs and employees of all levels, to create true understanding of the anti-corruption measure. New employees have been subjected to such training as well.

Moreover, The Company has arranged for meetings and seminars for a total of 19 business partners in the field of logistics, in order to gain collective action from these business partners to fight against corruption. All of the 19 business partners have signed in acceptance and support of the Anti-Corruption Policy with the Company, marking the beginning of a more widespread results.

The CAC Council had certified the Company as the member of Thailand's Private Sector Collective Action Coalition Against Corruption on 3<sup>rd</sup> April 2015 with the Anti-Corruption Progress Indicator at Level 4 (Certified), and the 3-year term of certification for the Company shall expire in the first quarter of this year. As such, the Company has arranged for a self-evaluation tool in regards to the anti-corruption measure that comprises 71 items, as per the format set forth by the Thai Institute of Directors (IOD), which has already been submitted to the Thai Institute of Directors (IOD) at the beginning of March 2018. Such submission of the self-evaluation tool was for the purpose of requesting for an extension of certification from the CAC Council and application for a certification at Level 5 (Extended), or to extend the results of the actions to other parties involved, as appeared in detail in the Annual Report of the year 2017, page 21, under the title of Anti-Corruption Policy.

The Chairman then provides an opportunity for a Q&A session to the shareholders.

Mr. Somboon Udomdirekrirk, attending shareholder: Are there any other new products other than Coca-Cola and do we have to pay royalty fee to Coca-Cola?

Maj. Gen. Patchara Rattakul, Director: clarifies to the Meeting that the products manufactured and distributed by the Company consist of several categories as follows:

- |                              |  |
|------------------------------|--|
| 1) Sparkling Beverages       | Coke, Fanta, Sprite and A&W  |
| 2) Schweppes Sparkling Water | Mixer type of product that comes in several different flavors  |
| 3) Minute Maid               | Consists of Minute Maid Pulpy, which includes some orange pulps in the beverage and comes in several flavors; Minute Maid Splash, which is made of 15% orange concentrate with no pulps; and Minute Maid Vita Kids that contains Vitamin C and the target market is children |
| 4) Tea                       | A recently introduced product under the name "FUZE Tea", which is an iced lemon tea beverage   |
| 5) Coconut Juice             | A recently introduced product under the brand "ZICO", which is made from 100% coconut juice from a quality source of young coconuts in Thailand. This product is distributed exclusively through Macro   |
| 6) "Aquarius"                | An enhanced hydration type of beverage that is positioned between drinking water and sports drink categories, that had been introduced to the market 2-3 years ago   |

Mr. Somboon Udomdirekrirk, attending shareholder: Were these brands created by our Company, not just franchised brands that we have to pay royalty fee for?

Maj. Gen. Patchara Rattakul, Director: At present, all of the brands we are producing belong to "Coca-Cola". Coca-Cola worldwide currently owns over 500 beverage brands among all categories. For the non-alcoholic beverages in the categories of tea, coffee, fruit juice, energy drink and some other that we adopt for production and distribution in Thailand, they are all about right timing and suitability for the market or the areas under our responsibility at that point in time.

Mr. Somboon Udomdirekrirk, attending shareholder: For the reason that we cannot create our own brands, is it because we are tied to the contract with Coca-Cola that forbids us from having any other brands?

Maj. Gen. Patchara Rattakul, Director: responds that the agreement made between the Company and Coca-Cola states that we will only sell products that belong to Coca-Cola and will not sell any other products that are considered competitors to Coca-Cola products.

Mr. Pasuwut Wilainirandra, attending shareholder: asks altogether 5 questions, to which Maj. Gen. Patchara Rattakul answers one by one as follows:



Question #1: Has floating price of sugar at the beginning of the year presented an impact on the Company's profit; or will it lead to an increase in profit after the second quarter and onwards?

Answer: Floating sugar price was actually effective on 15th January 2018, but right now there is an ongoing negotiation on sugar fund, meaning that they will do backward calculation for us. Therefore, the impact from floating sugar price should not be seen during quarter 1, but more likely in quarter 2.

Question #2: How many months in advance does the Company usually start stocking up sugar or arranging for a contract with sugar factory?

Answer: Before sugar price started floating, the contract made between our Company and the sugar factory was 1 year in advance. We informed the sugar factory of our needs for sugar at the end of 2017, for the sugar to be used in the year 2018, and that quota was exclusively for domestic industry. Ever since the new law to float the sugar price took place, there has been no advance annual agreement with the sugar factory, since it is not completely settled yet. But we still purchase sugar from the same vendor; and the purchase order of sugar for the year 2018 has already been pre-calculated since the end of 2017.

Question #3: If the sugar price is suddenly reduced by Baht 2, how will we benefit from this price reduction?

Answer: As already answered in question 1, which is that the effect will be visible around quarter 2.

Question #4: From my understanding, production capacity at Poon pin production plant in Surat Thani will be expanded by 1 more production line. I would like to know whether the management has a policy to utilize excess capacity for OPM production for other business operators or not. I'm asking this because I have seen that some other listed companies are doing it. How much investment budget will the Company need?

Answer: Regarding capacity, it is something that we have to consider and plan in advance. By nature of business, we have to make an investment before the demand for the products actually arises. As for utilization at Poon pin production plant, we only product PET products at that plant, with CAN and glass-bottled products manufactured at Haad yai production plant. Growth rate is very high for PET products, and therefore, we believe that we will need additional investment for PET again within the next 2-3 years from now. However, production capacity is still sufficient at the moment. As for the question on offering OPM production to other business operators, we are capable of doing so and there have been some operators who had contacted us and requested for it in the past. However, we have to see whether by doing so will present an impact upon our own business or not, but we certainly do not shield ourselves from the opportunities. Regarding investment budget for this year, it would mainly be continuous capital investment on large machinery. There is only one machinery to be purchased, which is the plastic injection machine at the price of approximately Baht 100 million. Other than that, it will be routine investment in varied areas by Haad Thip, for example, improvement of the SAP system, to ensure efficiency in the management of product distribution.

Question #5: Last year's marketing expenses seemed to be unusually low. Will the same figure be seen this year?

Answer: Last year's marketing expenses were low due to the reason already cited. As for the year 2018, we will proceed according to the marketing plan we have already established.

Mr. Aim Asavakowit, attending shareholder: The management has mentioned the fact that discounts on some SKUs had been given to the Company's customers. May I please ask whether this type of discount will continue through to this year?

Maj. Gen. Patchara Rattakul, Director: Since we have not raised the price level of our products, providing lower rate of trade discount is one good strategy to help selling our products at higher price. This depends on negotiation or the power of negotiation, especially with Modern Trade. We have the power of negotiation because our market share is high and demand for our products is high. However, we only have power of negotiation for only some SKUs, mainly the 450ml-size or the 1.5ml-size, that are in high demand by Modern Trade. As such, trade discount shall still be applied continuously.

Mrs. Keeratika Panglad, Right Protection Volunteer, Thai Investors Association: has 2 questions:

- 1) Since Thailand will become an ageing and aged society in the next 2-3 years, has the Company ever thought of creating products for the elderly, since percentage of utilization will be quite high? Will the Company support this idea?
- 2) For the risk management part, what type of risk does the Company pay most attention on, which shall also produce an impact upon the Company's progress and advancement?

Maj. Gen. Patchara Rattakul, Director:

Answer to question 1: Our strategic plan for the next 2-3 years is that, we should expand our business in the direction of healthy drinks. Healthy beverage is not only the current trend, it is also long-lasting. We always have in mind that we should proceed more in the direction of healthy beverages such as milk, vitamin-added drink and fruit juice. We have already been more aggressive in the sales of fruit juices. As for sparkling drinks, we have also introduced more alternatives for our consumers. For example, Coca-Cola brand has recently introduced No-Sugar Coke and Coke Light, with zero sugar and calorie.

Answer to question 2: Risk management is a very important issue. We must really perform risk assessment and issue a risk prevention and elimination measure for each risk. There are 2 main categories of risk: the one that is under our control and the one beyond our control. The Company has a Risk Management Committee and operational teams to work on different types of risk; perform risk analysis; and provide recommendations and issue rectification guidelines and methods for such risk. The Committee would then follow up on the outcome. From my own opinion, there are many different types of risk, but the main one that is hard to predict in advance is the "macroeconomic" type. Such type is the one that arises from the various situations and states of the nation, be it political situation or stability, from which the future cannot be seen so clearly. It can may be said that political stability of the country has improved in the past 3-4 years. However, I would rather not get into the subject of politics. Lastly, I would like to emphasize the fact that the Company is fully aware of and places utmost importance on the subject of risk management.

Mr. Thanan Uahsirinukroh, attending shareholder: has 2 questions:

Question 1: Since World Cup Football event will be taking place this year, so from the past statistics of the Company, did total sales improve when there was the World Cup event; and will sales promotion expenses be pushed up by the event?

Maj. Gen. Patchara Rattakul, Director: responds that Coca-Cola has been the official sponsor of World Cup Football all along. From experience, Thai people are into football and several activities usually take place. Whether the promotional activities are worth the spending, we will not find out until the activities are completely over and summary of the outcome from the event has been made. However, we have predicted that the sales number will improve, especially for glass-bottled products sold through pubs, bars and restaurants. I would also like to urge our shareholders

to help promoting this year, since the Company will carry out a joint promotion with the retailers, to take some people to the actual World Cup Football event.

Question 2: The Company's expense on transportation in the previous year had dropped as a result of a drop in the gasoline price. But since gasoline price may possibly be on the rise this year, how does the Company plan to manage this type of expense?

Maj. Gen. Patchara Rattakul, Director: responds that the Company has actually been pondering over this particular matter and that we must be cautious with this factor. One of the actions that the Company has taken is the adjustment of the Company's product distribution system to Pre-sell / Tele-sales methods. Technology has played a big part in helping to manage the distribution and routing system by making it more suitable, and hence, a more economical way of product distribution.

The Meeting acknowledges the Company's operating results of the year 2017 according to the detail stated in the Annual Report of the year 2017 and as summarized and reported by the Director.

### **Agenda 3      To consider and approve the Financial Statements for the year ending 31st December 2017**

The Chairman proposes to the Meeting to consider and approve the Financial Statements for the year ending 31st December 2017, which had been reviewed by the Audit Committee and the Auditor to be accurate, complete and in accordance with Generally Accepted Accounting Principles, as described in the Financial Statement section of the Annual Report of the year 2017, which had already been distributed to the shareholders in advance, together with the Letter of Invitation as per Enclosure (2) and as per the Company's financial status and the operating results as appeared in the table on page 2 of the Letter of Invitation. The Chairman then summarizes to the Meeting again as follows:

Unit: Million Baht

Detail	Company and Subsidiary	Haad Thip Public Company Limited
Total Assets	4,609.24	4,377.07
Total Liabilities	1,943.99	1,965.03
Revenue from Sales	5,670.99	5,670.99
Total Revenue	5,690.86	5,732.51
Profit for the year <sup>1/</sup>	283.30	166.40
Basic Earnings per Share (Baht/Share)	1.42	0.84

<sup>1/</sup> Profit for the year attributable to ordinary equity holders of the Company

Since there is no question asked by any shareholder, the Chairman then requests for the Meeting to pass a resolution for this agenda.

The Meeting considers and unanimously approves the Financial Statements for the year ending 31st December 2017 by the following votes:

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,649,740	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

#### **Agenda 4 To consider and approve dividend payment from the operating results of 2017**

The Chairman informs the Meeting that the Company has a policy to pay out dividend to the shareholders at the rate of no less than 50-80% of annual net profits after deduction of all types of provisions and allowances required by the law and the Company's rules and regulations, through consideration of net profits from the Consolidated Financial Statements. However, the rate of dividend to be paid out shall depend upon the Company's cash flow, investment plans as well as other necessary factors and factors deemed appropriate in the future.

According to the operating results of the year 2017, the Company's Consolidated Financial Statements showed the net profits of Baht 283.30 million or Baht 1.42 per share. As such, the Board of Directors has considered and approved dividend payment to the shareholders at the rate of Baht 1.00 (One Baht) per share to the shareholders holding a total of 199,218,000 shares, totaling to approximately Baht 199.22 million. Dividend payment at the mentioned rate of 1.00 (One Baht) per share is equivalent to 70.32% of the year's net profits, which is in accordance with the Company's dividend payment policy. The Company had already paid out Interim Dividend from the operating results of the first 6 months of 2017 at the rate of Baht 0.38 (Thirty-eight satang) per share on 15th September 2017. As such, the remaining dividend from the operating results of the year 2017 to be paid out shall be at the rate of Baht 0.62 (Sixty-two satang) per share. The table exhibited the comparison of dividend payment with the previous year's figures appears on page 3 of the Letter of Invitation.

The Board of Directors of the Company has set Tuesday 27th March 2018 as a record date of the shareholders with the right to receive dividend, and the final portion of dividend to be paid out from the operating results of the year 2017 shall be made on Friday 18th May 2018.

Since there are no questions raised by any shareholder during this agenda, the Chairman then requests for the Meeting to consider and pass a resolution for the agenda.

The Meeting considers and unanimously approves the dividend payment from the operating results of the year 2017 at the rate of Baht 0.62 (Sixty-two satang) per share, according to the detail cited above by the following votes:

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,649,740	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

#### **Agenda 5      To consider and elect directors to replace those retired by rotation**

The Chairman informs the Meeting that the Articles of Association, Section 21, stipulates that one-third of the number of directors is required to retire during each and every Annual General Shareholders' Meeting, and may be reelected. The directors who are due to retire by rotation at the Annual General Shareholders' Meeting of 2018 comprise the following 4 individuals:

- |                                |                      |
|--------------------------------|----------------------|
| 1. Gen. Charan Kullavanijaya   | Independent Director |
| 2. Mr. Prakit Pradipasen       | Independent Director |
| 3. Mr. Yanyong Maethapanich    | Independent Director |
| 4. Maj. Gen. Patchara Rattakul | Director             |

The Chairman informs the Meeting that, prior to the Annual General Shareholders' Meeting, the Company had provided an opportunity for shareholders to propose a list of suitable individuals for the director positions in advance, to enter into the consideration and selection process. The Company had posted the guidelines on the Company's website at [www.haadthip.com](http://www.haadthip.com) from 1st November 2017 to 31st December 2017. However, there was no proposal or entry of any name of an individual for director position into the selection process.

The Chairman then informs the Meeting that the Board of Directors has passed a resolution as per the opinion made by the Nomination and Remuneration Committee, to propose to the Annual General Shareholders' Meeting for consideration and reelection of the 4 directors due to retire by rotation mentioned above to resume their director positions for one more term, since they are equipped with knowledge, capability and experiences deemed beneficial and valuable for the Company's business operation.

The Nomination and Remuneration Committee had also taken into consideration the additional reasons, that three of the four directors due to retire by rotation namely Gen. Charan Kullavanijaya, Mr. Prakit Pradipasen and Mr. Yanyong Maethapanich, have been assuming the Independent Director positions for over 9 years. But after consideration, it has been concluded that the 3 directors mentioned above have been serving in the director position of the Company by maintaining their independence and performing their duties in an appropriate and flawless manner throughout their years as Independent Directors. Together with their deep knowledge of the Company's business as well as their time, knowledge, capability and experiences devoted to and shared with the Company, their advice and recommendations have proven utmost beneficial and valuable to the Company; not to mention that they have been performing their duties in the most prudent, cautious and honest manner. As a result, this matter has been proposed to

the Board of Directors to propose to the Annual General Shareholders' Meeting for consideration and reelection of Gen. Charan Kullavanijaya, Mr. Prakit Pradipasen and Mr. Yanyong Maethapanich to resume the Independent Director position for one more term, even though they have been assuming the Independent Director position for over 9 years.

Preliminary background of each director due to retire by rotation and to be proposed for reelection for one more term had been distributed to the shareholders with the Letter of Invitation, as per Enclosure 3, pages 21-24.

Since there are no questions raised by any shareholder during this agenda, the Chairman then requests for the Meeting to consider and pass a resolution for the agenda. For this agenda, the Chairman asks that the Meeting casts the vote for each director separately, and all of the Agree, Disagree and Abstain from Voting Ballots shall be collected.

The Meeting considers and approves by majority votes the reelection of 4 directors due to retire by rotation to resume their director position for one more term by the following votes per each individual director:

1. Gen. Charan Kullavanijaya

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,567,840	81,900	0	0
<b>Account for (%)</b>	99.9266	0.0734	0.0000	0.0000

From the total shares of attending shareholders with voting rights

2. Mr. Prakit Pradipasen

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,521,840	127,900	0	0
<b>Account for (%)</b>	99.8854	0.1146	0.0000	0.0000

From the total shares of attending shareholders with voting rights

3. Mr. Yanyong Maethapanich

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,567,840	81,900	0	0
<b>Account for (%)</b>	99.9266	0.0734	0.0000	0.0000

From the total shares of attending shareholders with voting rights

4. Maj. Gen. Patchara Rattakul

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,038,440	611,300	0	0
<b>Account for (%)</b>	99.4525	0.5475	0.0000	0.0000

From the total shares of attending shareholders with voting rights

As such, the Board of Directors of the Company shall comprise the following members:

1. Gen. Charan Kullavanijaya	Independent Director / Chairman
2. Sec. Lt. Phairoch Rattakul	CEO
3. Mr. Prakit Pradipasen	Independent Director
4. Mr. Yanyong Maethapanich	Independent Director
5. Miss Smornluk Mahasmiti	Independent Director
6. Mr. Martin Jansen	Independent Director
7. Mr. Philipp Hugo Gutsche	Director
8. Mrs. Yupares Thiengtham	Director
9. Mrs. Pariya Chirabandhu	Director
10. Maj. Gen. Patchara Rattakul	Director
11. M.L. Dhisana Sritavaj	Director
12. Mr. Dumrongrugs Apibalsawasdi	Director

**Agenda 6**    **To consider and approve directors' remuneration for the year 2018**

The Chairman informs the Meeting that, according to Articles of Association, Section 28, directors are entitled to the amount of remuneration considered and approved by the shareholders' votes, with the number of votes accounting for no less than two-third of total voting rights of the shareholders present at the Meeting. The remuneration rate may be set at an exact amount; or as a criterion that shall be determined periodically; or a criterion that shall be held effective until the Board of Directors passes a resolution to make an amendment.

Directors' remuneration has been considered and determined by the Nomination and Remuneration Committee and in accordance with the operating results of the Company as well as duty and responsibility of the directors. The rate of remuneration shall be set at a level appropriately in line and comparable with other companies in the same industry and at a sufficient rate to attract and maintain highly qualified directors. Therefore, the Nomination and Remuneration Committee would like to propose to the Board of Directors to propose to the Annual General Shareholders' Meeting for approval of the remuneration rates of the year 2018 for the Board of Directors and Sub - Committees of the Company to increase by 10% from the rates in the year 2017 as detailed below:

## 1. Monetary Compensation

Directors	Position	2018		2017	
		Compensation (Baht/Person/Year)	Meeting Allowance (Baht/Person/Time)	Compensation (Baht/Person/Year)	Meeting Allowance (Baht/Person/Time)
Board of Directors	Chairman	253,000.00	10,000.00	230,000.00	10,000.00
	Director	181,500.00	10,000.00	165,000.00	10,000.00
Audit Committee	Chairman	253,000.00	5,000.00	230,000.00	5,000.00
	Member	181,500.00	5,000.00	165,000.00	5,000.00
Nomination and Remuneration Committee	Chairman	16,500.00	3,000.00	15,000.00	3,000.00
	Member	11,000.00	3,000.00	10,000.00	3,000.00

## 2. Non-monetary Compensation

- None -

Mrs. Keeratika Panglad, Right Protection Volunteer, Thai Investors Association: In the previous agenda, the executive had mentioned that the Company had a Risk Management Committee. However, there appears no monetary compensation (for such committee), so some clarification would be appreciated.

Mr. Prakit Pradipasen, Chairman of the Audit Committee, clarifies to the Meeting that the Company's Risk Management Committee does not consist of members of director level, but management-level staffs from each of the Company's departments. The nature of the job is just like any other Risk Management Committee in general. The Committee would present the outcome at the Audit Committee Meeting for further proposal to the Board of Directors, and therefore, no compensation shall be made.

Since no other questions are raised by any other attendees, the Chairman then requests for the Meeting to consider and pass a resolution for the agenda.

The Meeting considers and approves directors' remuneration for the year 2018 by the number of votes no less than two-third of total voting rights of the shareholders present at the Meeting as follows:

	Agreed	Disagreed	Abstained	Voided Ballots
<b>Number (votes)</b>	111,670,741	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

## Agenda 7    **To consider the appointment of the Company's Auditor and determine the audit fee for the year 2018**

The Chairman informs the Meeting that, as per Articles of Association, Section 58, the Auditor and audit fee must be determined at the Annual General Shareholders' Meeting on a yearly basis.



1. Mr. Thanit Osathalert	CPA License No. 5155 (Never signed the financial statements of the Company) or
2. Miss Marisa Tharathornbunpakul	CPA License No. 5752 (Never signed the financial statements of the Company) or
3. Mr. Ekkasit Chuthamsatid	CPA License No. 4195 (Never signed the financial statements of the Company)

The Chairman also proposes to the Meeting to consider and approve the audit fee for the accounting period ending 31st December 2018, at the rate of Baht 1,420,000 (One million, four hundred and twenty thousand Baht), a Baht 110,000 or 8.40% increase from the rate in 2017as detailed below:

				Unit: Baht
Type of Compensation	2018	2017	Increased by	%
1. Audit Fee				
- Annual and Quarterly Audit Fee	1,420,000.00	1,310,000.00	110,000.00	8.40
2. Non - Audit Fee	- None -	- None -	-	-

The Meeting considers and unanimously approves the appointment of Mr. Thanit Osathalert, CPA license no. 5155, or Miss Marisa Tharathornbunpakul, CPA license no. 5752, or Mr. Ekkasit Chuthamsatid, CPA license no. 4195 of KPMG Phoomchai Audit Ltd., as the Company's Auditor for the accounting period ending 31st December 2018; and approves the audit fee for the year 2018 in the total amount of 1,420,000 Baht (One million, four hundred and twenty thousand Baht) with no other non-audit fees by the following votes:

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,670,741	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

#### **Agenda 8      To consider and approve the amendment of Section 42 of the Articles of Association**

The Chairman proposes to the Meeting to consider and approve the amendment of Section 42 of the Articles of Association, to be in line with Section 100 of the Public Limited Companies Act, B.E.2535 (1992) amended by the Order of the National Council for Peace No. 21/2560 on 4th April 2017, by revoking the previous wordings, which shall be replaced by the following wordings:

Section 42. The Board of Directors must arrange for a shareholders' meeting that is an Annual General Shareholders' Meeting within 4 months from the last day of the Company's fiscal year.

The general meetings of shareholders other than the one referred to in the first paragraph shall be called Extraordinary General Meetings. The Board of Directors may call an extraordinary general meeting of shareholders any time that the Board of Directors considers appropriate; or when a shareholder or a number of shareholders holding altogether no less than 10% of the total number of paid-up shares, would want to submit their names and arrange for a letter requesting for the Board of Directors to summon an extraordinary general meeting of shareholders, which could be at any time. However, the subjects and reasons for calling the meeting must clearly be stated in the letter of request. For this particular case, the Board of Directors must summon a shareholders' meeting within 45 days from the date of receipt of the Letter of Request from the above-mentioned shareholders.

In the case that the Board of Directors fails to arrange for the shareholders' meeting within the timeframe specified in Paragraph 2 above, the shareholders with their names on the Letter of Request or any other shareholders that altogether make up for the number of shares that meet the requirement, shall have the right to summon a meeting within 45 days from the deadline specified in Paragraph 2 above. In this case, the meeting must be perceived as a shareholders' meeting summoned by the Board of Directors and the Company shall be responsible for any necessary expenses and facilitation incurred from the organization of the meeting, as seen appropriate.

In the case that the shareholders' meeting is a meeting summoned by the case in Paragraph 3, and the number of shareholders attended do not meet the requirement to form the quorum as stated in Paragraph 1 of Section 45 of the Articles of Association, the shareholders in Paragraph 3 above shall altogether be held responsible for all of the expenses incurred from the organization of such meeting and pay back to the Company.

Since there are no questions raised by any shareholder during this agenda, the Chairman then requests for the Meeting to consider and pass a resolution for the agenda.

The Meeting considers and approves the amendment of Section 42 of the Articles of Association by the number of votes no less than three quarter of total voting rights of the shareholders present at the Meeting as follows:

	<b>Agreed</b>	<b>Disagreed</b>	<b>Abstained</b>	<b>Voided Ballots</b>
<b>Number (votes)</b>	111,670,741	0	0	0
<b>Account for (%)</b>	100.0000	0.0000	0.0000	0.0000

From the total shares of attending shareholders with voting rights

#### **Agenda 9     Other matters (if any)**

The Chairman allows equal opportunity to all shareholders to raise any queries, issues or express opinions at the Meeting. As such, queries are raised by the shareholders as follows:

Mr. Kraiwal Katavanich, attending shareholder: mentions 2 issues as follows:

1. Comment: About the ballots for Agenda 5 (5.1 - 5.4), many other companies would accommodate shareholders by separating the ballots into 1 piece of paper, so that when you tear the sheet of paper, the heading part of the ballot that shows the proof of your attendance at the meeting shall not be torn, plus it is more convenient and faster.
2. Proposal: From the look of the Annual Report of the Company, it is rather thick. Moreover, people do not really open a file from a CD-ROM any more. I would like to recommend placing the QR Code onto the Letter of Invitation or on the CD-ROM box instead. Several companies have done this, and it does not cost anything. It also helps to save the money from printing many copies of annual reports. Some people may not want to wait for the mail from the Company to arrive, or call up the Company's Secretary to request for a copy of the Annual Report. But those people may be willing to print out the report themselves; or may not even print out a copy but carry a tablet with them, and read the report right out of there along with us in the meeting.

Maj. Gen. Patchara Rattakul, Director: Thank you very much for such a great advice that can be applied to improve efficiency in the arrangement of the meeting. The Company shall take into consideration, regarding both the ballot and the QR Code.

Mr. Teerapat Chuenchom, attending shareholder: Do we still receive tax benefit from the BOI this year?

Maj. Gen. Patchara Rattakul, Director : responds that the Company has quite a few BOI certificates, and therefore, will continue to receive tax privilege for quite a few years – just not quite sure of the detail as to which certificate is for which machinery.

Mr. Aim Asavakowit, attending shareholder: In regards to taxation on the level of sweetness, is it possible to provide an approximation in monetary term, how much in percentage it will affect the Company's gross profit?

Maj. Gen. Patchara Rattakul, Director: We will not see the impact during the first 2 years since it is considered a grace period where the government has given business operators time for preparation and adjustment. The

real impact will be visible starting from year 3-4-5-6 according to the plan laid out by the government or Revenue Department. We have gradually adjusted the formula for some of the products, to use less sugar in the ingredients, since the end of last year. Adjustment of formula in the production process to use less sugar will help to alleviate the impact, since the new tax will be levied according to the quantity of sugar used in production. However, the formula of our core product, which is Coca-Cola, cannot be adjusted since the flavor will have to be identical worldwide. But the formula of other products such as Fanta Sprite and Minute Maid can be adjusted.

Before closing, Gen. Charan Kullavanijaya, Chairman, thanks all of the shareholders and proxy holders for their time and attendance. He also wishes everyone good physical health – to encounter no illness or sickness; a healthy mind – for worries or anxiety to stay away; every wish and desire fulfilled; and to encounter only good fortune and prosperity.

Since no other shareholders present any other questions, Gen. Charan Kullavanijaya, Chairman, thanks all of the shareholders and proxy holders for their time and attendance as well as the opinions and suggestions provided. The Chairman also pledges that the Company shall continue to follow the policy to give back to the society in order for the Company to grow and prosper in a sustainable manner.

The Meeting adjourns at 16:33:30 hrs.

Gen. Charan Kullavanijaya  
Chairman

Miss Sudaluck Brownvanakul  
Company's Secretary

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