

(Translation)

Minutes of the 19<sup>th</sup> Annual General Meeting of Shareholders  
of  
Saha-Union Public Company Limited

Held at the 9<sup>th</sup> Floor of Conference room

Saha-Union Head Office

No. 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok

On April 26, 2012

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The Meeting commenced at 10.30 hrs.

Mr. Panas Simasathien, Chairman of the Board of Directors, acted as Chairman of the Meeting, declared that the Meeting had been attended by 268 Shareholders and their representatives accounted for 198,399,863 shares or 66.13 percent of the registered capital. The Meeting thus constituted a quorum in accordance with the Company's regulations.

The Chairman opened the Meeting and introduced the Directors and other Participants to the Meeting as follows:

- |                                         |                 |                                                                                                                                                                            |
|-----------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr. Panas                            | Simasathien     | Chairman                                                                                                                                                                   |
| 2. Mr. Sompop                           | Amatayakul      | Vice Chairman (Audit and Evaluation of Domestic Business) / Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee |
| 3. Miss Sriwarin                        | Jirapakkana     | Vice Chairman (Finance and Investment)                                                                                                                                     |
| 4. Mr. Chutindhon                       | Darakananda     | Vice Chairman (Investments in China) / Nomination and Remuneration Director                                                                                                |
| 5. Mrs. Araya                           | Arunanondchai   | Independent and Audit Director / Nomination and Remuneration Director                                                                                                      |
| 6. Miss Pakinee                         | Prerttitumrong  | Independent and Audit Director                                                                                                                                             |
| 7. Mr. Chakchai                         | Panichapat      | Independent Director / Advisor                                                                                                                                             |
| 8. Mr. Yanyong                          | Tangchitkul     | Independent Director                                                                                                                                                       |
| 9. Miss Dalad                           | Sapthavichaikul | President                                                                                                                                                                  |
| 10. Mr. Thitivat                        | Suebsaeng       | Director                                                                                                                                                                   |
| 11. Mrs. Pinijporn Darakananda Kasemsap |                 | Director                                                                                                                                                                   |
| 12. Mr. Bovornrat                       | Darakananda     | Director                                                                                                                                                                   |
| 13. Mr. Vacharaphong Darakananda        |                 | Director                                                                                                                                                                   |

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14. Mr. Nantiya Darakananda Director

**The Company's Auditors, from Ernst & Young Office Limited**

1. Mr. Termphong Opanaphan Auditor

2. Miss Reungdao Suphajorncharan Auditor's Assistant

**Account and Finance Department Manager**

Mrs. Srinual Sombatpraiwan

**The Company's Secretary**

Mrs. Sirinun Sansanakom

**Assistant to the Company's Secretary**

Mrs. Chadaporn Jiemsakultip

Prior to the Meeting, according to the agenda, the Chairman announced to all Shareholders that the resolution of each agenda would be counted as 1 share for 1 vote. For Shareholders present in person or proxy-holders from the Shareholders who approved, disapproved, or abstained their votes, could cast the vote in the form received at the registration desk. For proxy-holders casting their votes of each agenda in the proxy letter, the Company already gathered those votes and would be added to the vote in the Meeting. The Company would inform the result of votes when the Meeting adjourned. For the smoothness of the Meeting, the vote of persons who disapproved or abstained their votes would be counted first. These persons could cast their votes in the form and raised it up so that the officer could pick up those forms. The votes should be deducted from the total votes of the Shareholders and the remaining votes would be counted as approved votes. Furthermore, the Company invited the volunteer Shareholder, Ms. Kruawan Srisuppapol, the proxy of Bangkok Bank Public Company Limited, to attend this Meeting as the witness of vote counting for transparency.

The Chairman then declared to the Meeting that, according to the Company offering the opportunity to Shareholders to present any matters beneficial to the Company via the website for considering as the agenda of the Annual General Meeting of Shareholders in advance, which was in compliance with the regulations and procedures of the Company, there was no Shareholder presenting any matters as the agenda

Then, the Chairman declared the Meeting to consider the matters in accordance with the following agenda:

**Agenda 1**      **Considering and endorsing the Minutes of the 18<sup>th</sup> Annual General Meeting of Shareholders.**

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The Chairman informed the Meeting that, according to the 18<sup>th</sup> Annual General Meeting of Shareholders held on 21<sup>st</sup> April 2011, the Company completely provided the Minutes of 18<sup>th</sup> Annual General Meeting of Shareholders within 14 days from the date of the Meeting and submitted the copy of the Minutes to the Stock Exchange of Thailand (SET) and Ministry of Commerce within the legal timeframe, and also posted them on the Company's website. However, the Board of Directors considered that the Minutes of 18<sup>th</sup> Annual General Meeting of Shareholders had been stated correctly and completely and should be further proposed to the Shareholders' Meeting for consideration and approval.

Then, the Chairman asked for the comment from Shareholders whether there were any requests to correct the Minutes of the 18<sup>th</sup> Annual General Meeting of Shareholders, pursuant to the Invitation Notice that had been sent to all Shareholders in advance. There was no Shareholder requesting the correction of the Minutes, therefore the Chairman proposed them to the Meeting for the consideration and approval.

(Remark: during the course of the session, there were 29 more attendants holding 12,297,557 shares)

**Resolution :** The Meeting endorsed the Minutes of the 18<sup>th</sup> Annual General Meeting of Shareholders with the following votes:

For : 210,697,420 votes

Against : 0 votes

Abstention : 0 votes

**Agenda 2**      **Acknowledging the Board of Directors' report on the previous year's performance.**

The Chairman requested Miss Dalad Saphavichaikul, President, to report on the previous year's performance to the Meeting.

Miss Dalad Saphavichaikul, President, reported to the Meeting as follows:

In the first quarter of 2011, Thai economy was boosted from a strong growth of exports. However, due to the earthquake and the tsunami in Japan, in March 2011, the public debt crisis of the European countries, the financial status of the United States, and flood disaster in Thailand in the third and fourth quarters, the overall Thai economy growth reduced to only 0.1% in 2011.

The weak and uncertain economy of the European countries and the United States led to a decrease in buying power and affected the economy of China, India, Russia, Brazil and ASEAN countries. The industrial sector in Thailand was slowed down and heavily affected

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especially in the last quarter of the year after the flood crisis. Nonetheless, the overall Thai economy was still stable.

The Saha-Union businesses were fortunate that they were not directly affected by the flood disaster. Only some companies in the Bang Chan Industrial Estate were flooded. However, the executives and employees were fully collaborative in making the flood protection plan in advance, and therefore, the damage was not significant. When the water situation returned to normal, the companies could restart the operation immediately.

Local Investments

- For the stainless steel products including stainless steel bottle/vacuum bottle and stainless pipe, the overall operation was good. The increase of manufacturing capacity at the Bang Pakong operation to accommodate the growing market in the new economic countries was finished on time. This region was not flooded and the manufacturing capacity was planned to grow continuously.

- The plastic industry group which produced electrical appliance and automotive parts yielded lower revenue in the second quarter compared to the previous year. Due to the natural disaster in Japan and the flood crisis in the fourth quarter, the automotive industries were heavily affected, resulting in a slower production because of the lack of parts. When flood disaster was relieved and the automotive industries resumed to their maximum capacity, there would be a boost of production to make up with the loss.

- For the rubber businesses and plantation, the rubber price was fluctuating. The rubber price increased at the beginning of the year and decreased toward the end of the year due to the decrease in demand from China. Such situation benefited the rubber plantation and block rubber production plants, but the industries that used rubber as raw materials such as adhesive tape, rubber band, and rubber threads suffered because of the higher cost of rubber.

- For the textile, apparel, and equipment industries where the exporting was the majority, the overall operation outcome was good at the beginning of the year. Both orders and selling price were increasing. However, from the mid third quarter, the orders decreased continuously and coherently with the economic conditions of trading partners in Europe and the United States. In addition, the cost of important raw materials such as cotton was highly fluctuating, and therefore affected the manufacturing cost. In this situation, the revenue and cost management was difficult and this uncertain situation was expected to continue in 2012.

- The computer businesses had a nice growing trend despite of a high competition in the market while the technology and data maintenance were necessary and inevitable. The

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operation outcome in the previous year was good.

- The natural gas power plant in Ratchaburi that our company invested in the name of the Ratchaburi Power Company Limited had been opened commercially for 4 years. The return on investment had met the target.

**Overseas Investments**

- Our energy businesses in China in 2011 were affected by the continuously increasing price of coal, but the electricity price could not be increased with the cost. In addition, the cost of environmental preservation increased. Therefore, the performance of our energy businesses in China was lower compared to the previous year. In 2011, our company decided to sell the Wuxi-Union Cogeneration Co., Ltd. (Wuxi-Union) power plant to the Chinese major shareholder because the Wuxi city had expanded and the Chinese government released the policy that any plant outside of the industrial estates should move out of the city. The location of Wuxi-Union was in the expanding area of the city. The main customers were also moving out. Additionally, since the Wuxi-Union used coal as the main energy source, the government was afraid that the Company might release pollution to the communities in the area. Hence, there was a policy to move the power plant to a new location or use natural gas instead of coal. From these reasons, the Company envisioned that the power plant could not continue further because the cost of moving to a new location was high and the change of manufacturing system following the governmental regulations was not worth the outcome. Hence, we agreed to sell out the investment assets.

In addition, the Board of Directors of our joint-venture company, Yunnan Energy Quijing-Union Power Co., Ltd. (Quijing-Union), decided to discontinue the Quijing-Union power plant because it produced electricity only to sell to cities, but did not sell steam. Moreover, the energy price could not be adjusted with the higher cost because it was controlled by the government. The coal price was also jumped higher resulting in a continuous deficit. If the company were to continue, it would have affected the financial status of the shareholders.

- Our chemical products including Citric Acid and Phthalic Anhydride were affected by the slow growth of the world overall economy. We were in the process of adjusting the manufacturing method to be more flexible in using a larger variety of raw materials.

- The textile businesses were also affected by the slow growth of the world overall economy. The spinning plant and the embroiling thread-bleaching and dyeing plant in Shanghai were moved and combined with the synthetic thread-bleaching and dyeing plant in Jiashan in order to improve the efficiency of management and reduce cost. For the automotive carpet plant, the

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outcome was satisfied and they were projected to increase the production capacity in order to support the automotive businesses in China that were rapidly growing.

- For the real estate businesses, the investment project was divided into 3 phases. The first phase included the 2-storey houses, which were complete for the construction part. The remaining was the decoration part and should be ready for delivery to the buyers in June 2012. The second phase included the 2-storey houses and high-rise condominiums, which were being constructed. They were open for reservation in some parts. The third phase included the high-rise buildings in which the foundation was being constructed.

In 2011, according to the separate financial statements, the revenue of Saha-Union Public Company Limited was Baht 2,910 million, the total expense was Baht 2,118 million, and the net profit was Baht 760 million. For the consolidated financial statements, the total revenue was Baht 9,889 million, the total expense was Baht 9,000 million, and the net profit was Baht 841 million. At the end of 2011, the Company created total liabilities of Baht 665 million. For the shareholders' equity was Baht 11,518 million, the debt to equity ratio was 0.057:1. While in 2010, the debt to equity ratio was 0.127:1. This indicated a better financial status of the Company.

**Resolution:** The Meeting acknowledged the Company's previous year performance.

**Agenda 3**     **Considering and endorsing the Balance Sheet, Profit and Loss Statements for the year ending 31 December, 2011.**

The Chairman informed the Meeting that, according to the Public Company Act stipulated that the Company should provide the Balance Sheet and the Profit and Loss Statement at the date ending the accounting year of the Company and should have them prepared and completed by the auditor before submission to the Annual General Meeting of Shareholders for consideration to approve.

The Board of Directors proposed Shareholders to consider and approve the Balance Sheet and the Profit and Loss Statement (Financial Statement) for year ended 31<sup>st</sup> December 2011, which was audited and certified by the auditor of the Ernst & Young Office Company Limited and approved by the Audit Committee and the Board of Directors, as appeared in the Annual Report from the page 77 onwards.

The Chairman asked Shareholders for any further questions.

Mr. Thiarapoj Anuwutnawin, the proxy-holder, asked the following question. Was it wrong to approve the Annual Report which was changed the name of the "Balance Sheet" to

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“Statement of Financial Position”, but the “Balance Sheet” still appeared in the agenda of Shareholders’ Meeting?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the Board of Directors already discussed this issue. Since the Public Company Act stipulated that the Company should provide the Balance Sheet and the Profit and Loss Statement at the date ending the accounting year of the Company and should have them prepared and completed by the Auditor before submission to the Annual General Meeting of Shareholders for consideration to approve, the Company was required to comply with this law. In the meantime, the Department of Business Development, Ministry of Commerce, changed the name and its definition in order to correspond with the accounting standard. The name of the financial statement in terms of the Balance Sheet was changed to Statement of Financial Position and the financial statement in terms of the Profit and Loss Statement was changed to Income Statement and Statement of Comprehensive Income. As a result, the Company remained the name in according with the law, which was Balance Sheet and Profit and Loss Statement, and then added the word “Financial Statement” in the parenthesis to cover all definitions.

Mr. Thiarapoj Anuwutnawin, the proxy-holder, asked further questions. In the Annual Report, page 138, the investment properties was represented the book value of Baht 1,000 million, but the fair value of Baht 2,200 million was stated in the page 139. What did the Company use this land for because the fair value is greater than the book value, and how to estimate the New Replacement Cost approach?

Mrs. Srinual Sombatpraiwan, the Account and Finance Manager, answered the question as follows: In the Annual Report, page 138, item 16 regarding to the investment properties, the cost method was applied to the accounting record since 2011 in accordance with the accounting standard. The fair value or estimated value must be stated in the investment properties to represent how much the fair value of the cost which is the most similar to the market price was. For the price estimation, the Company would employ an accredited independent valuer to determine the price of non-operational land and building, such as, for rent or awaiting development. The account must be separated from the account of operational land, building and equipment. The figure of the investment properties stated in the page 139 was the estimated price for the year ended 2011; therefore the price was higher than the cost stated in the Notes to Financial Statement in page 138.

Mr. Manoon Dejnaronng, the Shareholder, asked the following question: if the total revenue of the Company were calculated in a proportion, how much was the revenue from

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domestic and overseas? Furthermore, how would the revenue and profit be in the outlook of the Company from 2012 to 2014 or later? Based on the 2011, would the revenue and profit increase? How much would it increase in the proportion?

The Chairman answered that the prospect of revenues and expenses in the future was the information that the Company used for the purpose of internal affairs management only. The future forecast, especially the overseas had the high risk because the real figure might not be in accordance with the forecast. If this data was revealed, it would be the public data leading to the corporate responsibility. Then, Mrs. Srinual Sombatpraiwan answered the question regarding to the revenue proportion of the Company.

Mrs. Srinual Sombatpraiwan, the Account and Finance Manager, answered that the revenue proportion of the Company derived from overseas approximately 40% and from domestic approximately 60%.

There was no Shareholder asking further questions, so the Chairman requested the Meeting to consider and cast the vote.

(Remark: during the course of the session, there were 20 more attendants holding 979,555 shares)

**Resolution :** The Meeting endorsed the Balance Sheet, Profit and Loss Statements ending 31 December, 2011 as the rightful Financial Statements of the Company with the following votes:

For : 211,676,975 votes

Against : 0 votes

Abstention : 0 votes

**Agenda 4**      **Approving the Profit Allocation and Dividend Payment.**

The Chairman informed the Meeting that the Company had the policy of dividend payment depending on the performance of the business not less than one-third of the annual net profit after deducting and accumulated loss (if any) in accordance with the Separate Financial Statements. According to the Separate Financial Statements for year ended 31<sup>st</sup> December 2011 were audited and certified by the auditor and approved by the Audit Committee, the Company had the profit after corporate income tax in the amount of Baht 760,332,427. After considering, the Company had enough cash flow to pay the dividend. The Board of Directors approved to propose this matter to the Meeting for consideration and approval of the distribution of the net profit for the year 2011 as the dividend to Shareholders at Baht 1.50 (One Baht fifty Satang) per share. The total



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amount of dividend payment would be Baht 450,000,000 (Four hundred and fifty million Baht), or equivalent to 59.18% of the net profit. The remaining net profit would be carried forward as retained earnings. The dividend would be paid to Shareholders listed in the share registration book of the Company, dated on April 5, 2012.

However, if the Shareholder Meeting had the resolution to approve such distribution of profit and dividend payment, the Company would allow Thailand Securities Depository Company Limited (TSD) to distribute the dividend to Shareholders within 1 month from the date of approval and the Company would inform TSD immediately the same day then TSD would distribute the dividend to Shareholders on April 27, 2012. For the Shareholder receiving the dividend via E-Dividend, the dividend was estimated to transfer to the bank account on April 27, 2012. For the Shareholder receiving the dividend via cheque, all Shareholders should receive the dividend completely within 1 week.

The Chairman asked Shareholders for any further questions.

Mr. Kamol Jiraburanan, the proxy-holder, asked the following question. The retained earnings of the Company were approximately Baht 5,000 million, equivalent to Baht 20 per share. Did the Company provide any investment plans? If the retained earnings was not applied to the investment, the dividend paid to the Shareholders probably increased. Otherwise, it should have the investment plan which clearly stated in order to provide the good return to Shareholders in the future.

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the financial status of the Company must be considered from the Separate Financial Statements only. The cash in the Consolidated Financial Statements was the investments in other companies. The capital of other companies in Saha-Union Group, both retained earnings and capital, was mostly used for the investment of their own activities and the cash remained in the small amount. The financial statement of the Company also had a small amount of cash. According to the Annual Report, page 78, the financial statement represented the cash or cash equivalents in the amount of Baht 741 million. If the dividend was paid in the amount of Baht 450 million in this time, the Company would have fewer amounts of cash which was the reserve for the future investment. The shareholders' equity both retained earnings and capital, was mostly used in the investment of any domestic and overseas businesses where the Company prospected the competency of investment.

Mr. Kamol Jiraburanan, the proxy-holder, asked further question. The Company informed that the debt to equity ratio was quite low in terms of fulfilling the Return on Equity (ROE) to Shareholders. Actually, the Gearing Ratio can increase more than this in order to provide the

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good return to Shareholders. Did the Company currently use Internal Fund? What was the policy of the Company in the future?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the increased Gearing Ratio derived from the disposal of some businesses of the Company, Wuxi-Union earned some cash to enhance the financial liquidity in the previous year. Whether the business would expand its additional investment, it should take some time. Now we couldn't answer clearly whether there would be any certain investment projects. However, the Company constantly considered any businesses for further investment, even the domestic investment, such as, vacuum bottle manufacturing industry. According to the report of the Board of Directors, there was the investment for expanding the productivity, which the Company increased more capitals.

Mr. Kamol Jiraburanan, the proxy-holder, asked further question. Was it the right or wrong decision of the Company to dispose 2 power plants in China since the Chinese government increased the selling price of electricity and also decreased the coal price later? If the Company continued operating, the financial position should be better. The real estate in Phase 1 was already sold and the Company was waiting to deliver it to customers. As a result, the revenue would be announced in 2012 at the end of the 2<sup>nd</sup> quarter or in the early of the 3<sup>rd</sup> quarter. Would this revenue be acknowledged in the Consolidated Financial Statements? How much would the profit be? Some real estates in Phase 2 were sold out. How much was the size of this project? How much did the project value? How many proportions were sold? This real estate project was the investment of the Company or Saha-Union Investment (China) Co., Ltd. (SU-SHA)? And how much was the investment proportion?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that before the disposal of 2 power plants, Jiyang-Union Cogeneration Co., Ltd. (Jiyang-Union) and Wuxi-Union, the Company already considered and assessed the business tendency. Both power plants began to have loss in their financial status and it was evaluated whether it could return the profit in the future, as following details:

- Jiyang-Union: A part of the profit derived from the existing amount from the past activities. A part of it derived from the government subsidies. Since the power plant was located in a valley, which was far from rivers or railways, the cost of coal price was higher than other power plants due to the transportation by vehicles. As a result, the Chinese government would provide, for this project, the certain amount of budget which was limited due to the recent decrease in subsidies from Chinese government. The Company estimated that the return would not be good if

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there were no subsidies for high cost of coal transportation. Furthermore, the government needed to invest in the business by itself. The business couldn't earn any profits so far.

- Wuxi-Union: For all power plants, the high rate of return came from high sales volume of steam. In the past, Wuxi-Union had quite good financial status because steam was sold in high proportion. For the selling price of electricity which the Chinese government had the policy to increase the price corresponding to the increased fuel cost, during the past 2-3 years, it was very difficult to increase the selling price of electricity. The price was increased slightly which was not worth for the increased cost of coal. Another factor was that Wuxi-Union previously was not located in the urban area and was surrounded by factories, including industrial estates. Later, the city was expanded rapidly so the area surrounded Wuxi-Union became living areas. The government was afraid that environment problems would occur. Therefore, the government forced all factories to move out of the area. Approximately 50% of Wuxi-Union's customers, which were large-sized industries, used high volume of steam, followed the government policy and began to move out. The Company could find only some small-sized business of customers, to replace the previous one. Although the selling price of electricity was increased according to the cost of coal, the quantity of the production was not worthwhile. After deciding to dispose the business, this power plant had increased the loss constantly so far. In the early of 2012, this power plant was already closed.

For the real estate business, Jiashan-Union Development Co., Ltd., the Company invested both directly and indirectly. The Company invested indirectly through Saha-Union Investment (China) Co., Ltd. (SU-SHA) in order to follow up any activities in China for the Company. The Company held 100% of shares in SU-SHA. From the total of investments, the Company held 49% in Jiashan-Union Development Co., Ltd. For Phase 1 which was sold out and the Company was waiting to deliver it in June, 2012. When the delivery was completed, the Financial Statement would be closed and the revenue of Jiashan-Union Development Co., Ltd. would be acknowledged and included in the Consolidated Financial Statement of the Company. The total size of the real estate in Phase 1 was about 44,000 square meters, comprising of 174 unit of rooms; 168 unit of rooms were sold out, 3 unit of rooms were deposited and there were 3 rooms remaining. It was considered that the rooms of this project were almost sold out. For the profit, the Financial Statement had not been closed. If comparing only the revenue and capital of Phase 1, the estimation of the profit was approximately Baht 200 million.

Mr. Kamol Jiraburanan, the proxy-holder, asked further question. The direction of the investment of power plant and real estate in China would be expanded or maintained the

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existing investment? What was the proportion of revenue sharing of power plant and real estate since 40% of Company revenue derived from overseas area and 60% of it derived from domestic area?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered the question as follows: For the real estate, the Company had not estimated how much the dividend was, since the Chinese government now attempted to slow down the economy and emphasized on decreasing the popularity of real estate business. For the Phase 2, the buildings were completely constructed and opened some units for sale. The Duplex, 2-storey condominium, was already finished and 30% was sold. For the high-rise building, there were 4 buildings that were able to be sold and 50% of it was already sold. For 2 high-rise buildings which consisted of large-sized unit of rooms, it was being in the process of construction and unable to be sold. Currently, the Chinese government had the policy to reduce the growth of real estate business, especially the aggressive speech relating to the real estate business of Prime Minister of China. This caused the real estate business to slow down and finally interrupt. It might take some time for recovering the real estate business. For the profit from Phase 1, it would be further used for the investment of Phase 2 since the investment of all projects would cost approximately RMB 2,000 million. However, the paid-up capital was only RMB 300 million.

Mr. Kamol Jiraburanan, the proxy-holder, asked further question. He would like to know the reservation policies of the Company. Normally, there would be the reservations for prospect items, and later these items would be transferred back. For this year, in particular, did the Company plan reservations for any special transactions?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the set up of reservation was generally considered by what actually happened. In such a case, all related informations had to be submitted to the Auditor who would determine the necessity of the reservation. The Company had presently set aside sufficient reservations to cover almost all assets whose values had been expected to be depreciated. However, it was not possible to indicate how and what special transactions would require additional reservations as the so-called special transactions were mostly accidental.

Mr. Bundit Liowsirikul, the Shareholder, asked the following question. In the previous year, the Company disposed 2 power plants and the revenue in last year derived from this reason. If there was no such situation like in the previous year, would the financial status be good? Would the tendency of the financial status of the power plant business in the future be gradually better or faded?

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Ms. Sriwarin Jirapakkana, Vice Chairman, answered that one of these power plant was sold in 2010 and another one was sold in 2011. Would the financial status of the Company be good if there were no sales of power plants? It was clarified that the power plant sold in the previous year earned the profit in the amount of Baht 100 million, which was not the great amount. However, the profit of the business did not derive from the sale of power plants. It could only help the Company having better liquidity. Would any businesses be sold in the future? It depended on each business whether the return was worthwhile to the investment. Would the investment of power plants be expanded? The Company would expand the investment in power plants where the sale volume of steam was high and located in industrial estates which was estimated that there were more new factories in the future so the investment would be expanded constantly, for example, Jiashan-Union Cogeneration Co., Ltd. (Jiashan-Union). The Company expanded the investment periodically. In this year, it was estimated that there would be more investments. For Shangyu Hangzhou-Union Cogeneration Co., Ltd. (Shangyu-Union) which the sale volume of steam was high, the demand currently increased to maximize the production capacity. Furthermore, there were more factories requiring more steam. This power plant would greatly expand its investment and the Company was considering which method would be applied between the increment of capital or the loan. However, this investment was in process, although not as speedily as usual since China was getting serious with environmental issues. Application for new licenses and expansion of existing projects were more difficult as they were tied to the pollution reduction schemes. As the process had reached the final stages, it was expected that the license would be granted within 2012. It was concluded that some power plants still had promising future while some would earn less. The Company would assess how much the level of return on investment could be maintained in the future.

Mr. Bundit Liowsirikul, the Shareholder, asked the following question. Would the power plant be operated in the future?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the power plant was still operated in the future, especially the power plant which sold high volume of steam. However, it was estimated that the power plant selling only electricity would be terminated. For example, Qujing-Union was closed since the business had the loss constantly from the sale of electricity. The government didn't increase the selling price of electricity, while the cost of production kept increasing. According to the figure in the last 10 years, cost of coal of Qujing-Union had increased about 350%. In the meantime, the selling price of electricity increased only 35%. It was evaluated

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that there was no future for this business. To terminate the business would cause a fewer loss to the Company.

Mr. Bundit Liowsirikul, the Shareholder, asked the following question. How was the power plant at Bor Nok, Hin Krut, which was closed due to the protest of the villagers?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that in the beginning, the Company invested in the power plant at Hin Krut district, Prachuabkhirikan. Later, Union Power Development Co., Ltd. adjusted the energy material from coal to natural gas and moved the location of the power plant from Hin Krut to Ratchaburi province, and also changed the name of the company to Ratchaburi Power Co., Ltd. (RPCL). Regarding to Bor Nok Project, it was not the project of Saha-Union Group.

Dr. Sunis Chulkarat, the Shareholder, asked the following question. Some real estates in Phase 2 were not permitted to sell. Would the business be good in the future? Would it be able to continue the operation? If the operation was terminated, how would the positive or negative results be?

Ms. Sriwarin Jirapakkana, Vice Chairman, answered that the project in Phase 3 was temporarily suspended pending future situations. The Company could not yet assess the outcome of Phase 2 presently under construction. In the early of 2010, the real estate business was quite good due to the booming of Chinese economy, coupling with the growth of real estate business which it was therefore being pressured for downsizing by Chinese government. In the preliminary step, the government had limited the credit of the banks by requiring the bank to increase reserve. Previously, there was the increment of reserve several times. Furthermore, the government attempted to put the pressure on banks to increase the credit interest. It was found that such measure was not quite effective as the Chinese government demanded. The business had slowed down in the late 2011, but it was estimated that it would be better in the late 2012. However, the Prime Minister of China had an aggressive speech relating to the real estate business of China, causing the interrupt of the situation. As a result, the Company couldn't forecast how long the real estate business would slow down.

No more questions from the Shareholders, then, the Chairman requested the vote from the Meeting.

(Remark: during the course of the session, there were 10 more attendants holding 61,802 shares)

**Resolution :** The Meeting authorized the allocation of the net profit for the year 2011 as the dividend to Shareholders listed in the share registration book of the Company, dated on April

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5, 2012, at Baht 1.50 (One Baht fifty Satang) per share. The total amount of dividend payment will be Baht 450,000,000 (Four hundred and fifty million Baht). The remaining net profit will be carried forward as retained earnings with the following votes:

For : 211,738,777 votes

Against : 0 votes

Abstention : 0 votes

**Agenda 5**      **Considering Matters about the Directors, their Authorities and Remunerations.**

**5.1 Electing Directors.**

The Chairman informed the Meeting that, according to the Limited Public Company Acts and the Company's Regulations, clause 18, 1/3 of the Directors were due to leave the office in each Annual General Meeting of Shareholders. They were also eligible for re-election to their former positions. Presently, there were 15 Directors and in the present Meeting, the following 5 Directors were due to leave the office:

1. Miss Sriwarin Jirapakkana
2. Mr. Yanyong Tangchitkul
3. Mrs. Pinijporn Darakananda Kasemsap
4. Mr. Vacharaphong Darakananda
5. Mr. Nantiya Darakananda

The Board of Directors, excluding those who were the beneficiaries, agreed with the Nomination and Remuneration Committee's recommendations to propose the re-election of the above 5 Directors to their former positions. The 5 Directors possessed appropriate qualifications of Director as required by the Limited Public Company Acts, Securities and Exchange Act and the Company's regulations.

Mr. Yanyong Tangchitkul, Independent Director, who was nominated for re-election was not a beneficiary to the Company/ its subsidiaries/ joint venture or any legal entities with conflict of interests. He met the qualifications of the Company's Independent Director as specified by the Stock Exchange of Thailand and the Securities and Exchange Commission. The details were as Appendix No. 3, 4 and 5 attached to the Invitation to attend the Meeting.

The Chairman proposed the Shareholders to consider the election of the Directors either individually or voting for the entire group. Consequently, the Board of Directors proposed to elect the entire group of Directors and reelected the 5 mentioned Directors to their former positions.

(Remark: during the course of the session, there was 1 more attendant holding 200 shares)

(Translation)

**Resolution :** Vote for the entire group of Directors and the re-election of all 5

Directors:

1. Miss Sriwarin Jirapakkana
2. Mr. Yanyong Tangchitkul
2. Mrs. Pinijporn Darakananda Kasemsap
4. Mr. Vacharaphong Darakananda
3. Mr. Nantiya Darakananda

With the following votes:

For : 211,738,977 votes

Against : 0 votes

Abstention : 0 votes

As a result, the full Board of Directors of the Company comprised of the following 15 members:

1. Mr. Panas Simasathien
2. Mr. Sompop Amatayakul
3. Miss Sriwarin Jirapakkana
4. Mr. Chutindhon Darakananda
5. Mrs. Araya Arunannondchai
6. Miss Pakinee Prerttiumrong
7. Mr. Chakchai Panichapat
8. Mr. Yanyong Tangchitkul
9. Mr. Thitivat Suebsaeng
10. Miss Dalad Saphavichaikul
11. Mr. Aksornprasit Darakananda
12. Mr. Bovornrat Darakananda
13. Mrs. Pinijporn Darakananda Kasemsap
14. Mr. Vacharaphong Darakananda
15. Mr. Nantiya Darakananda

## 5.2 Defining the Directors' Authorities.

The Meeting was proposed to define the Directors' Authorities thus: "The Two Directors co-sign and affix the Company's seal, except Mr. Sompop Amatayakul, Mrs. Araya Arunanondchai, Miss Pakinee Prerttiumrong, Mr. Chakchai Panichapat and Mr. Yanyong Tangchitkul, Audit Director and/or Independent Directors".

**Resolution:** The Meeting defined the Directors' Authorities as follows: "The Two Directors co-sign and affix the Company's seal, except Mr. Sompop Amatayakul, Mrs. Araya Arunanondchai, Miss Pakinee Prerttiumrong, Mr. Chakchai Panichapat and Mr. Yanyong Tangchitkul, Audit Director and/or Independent Directors", with the following votes:

For : 211,738,977 votes

Against : 0 votes

Abstention : 0 votes

## 5.3 Authorizing the Directors' remuneration.



(Translation)

The Meeting was proposed to authorize the 2012 Directors' remunerations, as approved by the Nomination and Remuneration Committee, at not exceeding Baht 20 Million annually (similar to 2011). Proper allocations were left at the Board of Directors' discretion.

**Resolution:** The Meeting authorized the 2012 Directors' remunerations at not exceeding Baht 20 Million annually. Proper allocations were left at the Board of Directors' discretion, with the following votes:

For : 211,738,977 votes

Against : 0 votes

Abstention : 0 votes

**Agenda 6**      **Appointing the 2012 Auditors and Fixing their Remunerations.**

In accordance with the Limited Public Company Acts and the Company's Regulations, clause 51, the Annual General Meeting of Shareholders was to appoint the Auditors and fix their annual remunerations. The same Auditors could also be reappointed.

The Board of Directors proposed the Shareholders to appoint: Mr. Termphong Opanaphan (Certified Auditor No. 4501) and/or Miss Thipawan Nananuwat (Certified Auditor No. 3459) and/or Mr. Krisada Lertwana (Certified Auditor No. 4958) of Ernst & Young Office Limited to be the Company's Auditors (2<sup>nd</sup> year Auditor). These Auditors were certified auditor obtaining approval from the Securities and Exchange Commission (SEC). They were not related and/or not a beneficiary to the Company/ its affiliated / executives / major shareholders or inter-related persons. The remuneration for auditing the Company's accounts including the reviewing of the quarterly financial statements would be at a rate of Baht 1,980,000 (an increase of Baht 180,000 from the year 2011). There are no other service charges.

**Resolution :** The Meeting unanimously approved the appointment of Mr. Termphong Opanaphan (Certified Auditor No. 4501) and/or Miss Thipawan Nananuwat (Certified Auditor No. 3459) and/or Mr. Krisada Lertwana (Certified Auditor No. 4958) of Ernst & Young Office Limited to be the Company's Auditors for the year 2012, at a fee of Baht 1,980,000 (an increase of Baht 180,000 from 2011), for auditing and reviewing the quarterly financial statements of the Company, with the following votes:

For : 211,738,977 votes

Against : 0 votes

Abstention : 0 votes

(Translation)

The Meeting proceeded through all agenda. The following were closing comments, observations and related clarifications:

Dr. Sunis Chulkarat, the Shareholder, asked why there was no “Others” session in the agenda of the Company’s Shareholders’ Meeting?

The Chairman clarified that, according to the law, the invitation to attend the Shareholders’ Meeting had to contain the agenda of the Meeting accompanied by the respective Board of Directors’ opinions. To add the “Others” session, the Board of Directors could find no opinion nor vote on the “Others” session. The Shareholders who did not attend the Meeting in person were also unable to assign others to cast the votes in “Others” session. Normally, in all Shareholders’ Meeting of the Company, when all agendas were completely done, the Company would allow Shareholders to raise up any questions or suggestions in order to be considered and discussed for the shared benefit between Shareholders and the Board of Directors and Executives.

Dr. Sunis Chulkarat, the Shareholder, asked the following question. According to the Shareholders’ Meeting in the previous year, the Company informed that the co-investor of Oil Sand Project was BP. How was the progress of the project now?

Mr. Bovornrat Darakananda answered that Value Creation Inc. (VCI) had a large co-investor, BP, which was in the oil industry. Currently the operation continued as normal. In 2011, 51 wells were drilled in order to survey the area and the seismic map was provided for surveying the locations of oil in underground level and the quantity of rocks. However, a lot of time had been spent in the survey since the size of this area was about 700 square kilometers and the work could be operated only in winter. According to the action plan of BP, if everything was operated along with the specified plan, the oil product would be released for the first time in 2018. However, there was another part which was not the co-investment with BP. In the previous year, all distributed lands were gathered and exchanged with Imperial Oil Limited in order to assemble all lands as one for the better convenience of the survey and the operation. The assembly of such land was completely done. Now it was in the process of negotiation with partners. The first process was to discuss about the Upgrader Project, which was the project for changing from heavy oil to light oil in order to gain the better price. The second was to discuss about the technological experiment. The third was to discuss about the increment of capital with interested persons. In conclusion, this project consisted of 2 parts. The first one involved with BP, which had less risk. The oil product was estimated to be released in 2018. The second part didn’t involve with BP, which had more risk. However, if this project succeeded, the Company would greatly gain the positive result.

(Translation)

The Meeting acknowledged, the Chairman then informed the result of votes in each agenda to the Meeting.

There was no question and suggestion from the Shareholders. The Chairman thanked to Ms. Kruawan Srisupapol, the proxy of Bangkok Bank Public Company Limited, to attend this meeting as the witness of vote counting. On behalf of the Board of Directors, the Chairman thanked all Shareholders for attending the Meeting and advised some useful comments to the Company.

The Chairman declared the Meeting adjourned at 12.00 hrs.

Signed      Mr. Panas Simasathien      Chairman  
( Mr. Panas Simasathien )

Signed      Mrs. Sirinun Sansanakom      Company's Secretary  
( Mrs. Sirinun Sansanakom )