

SiS Distribution (Thailand) Public Company Limited  
The Minutes of Annual General Meeting of Shareholders 2016

On Friday, 22 April 2016

Tabtim + Petai + Petchchompoo Room, 3<sup>rd</sup> Floor

The Emerald Hotel, No. 99/1 Ratchadapisek Road, Dindaeng, Bangkok 10400

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The Meeting started at 14.00 p.m.

Mr. Suwit Chindasanguan, Chairman of the Board, Chairman of the Corporate Governance Committee and Independent Director was invited to preside over the meeting. All directors, executives the company auditors and law consultants who participated in this meeting are presented below:

**Directors participated in the Meeting:**

- |                      |                    |   |
|----------------------|--------------------|---|
| 1. Mr. Suwit         | Chindasanguan      | Chairman of the Board/Chairman of the Corporate Governance Committee/Independent Director |
| 2. Mr. Somchai       | Sirivichayakul     | Chairman of Remuneration and Nomination Committee/Independent Director                    |
| 3. Rojanasak         | Chomvilailuk, PhD  | Chairman of Audit Committee/Independent Director  |
| 4. Mr. Somchai       | Sitthichaisrichart | Managing Director   |
| 5. Mr. Sombati       | Pungsrinont        | Executive Director  |
| 6. Mr. Lim Hwee Hai  |                    | Chairman of Risk Management Committee/Non-Executive Director                              |
| 7. Mr. Lim Kia Hong  |                    | Non-Executive Director  |
| 8. Mr. Lim Kiah Meng |                    | Non-Executive Director  |

**Executive participated in the Meeting:**

- |                 |               |                                      |
|-----------------|---------------|--------------------------------------|
| 1. Ms. Suwathip | Pornsuwannapa | CFO/Financial and Accounting Manager |
| 2. Ms. Nattamon | Kaewnamngoen  | Company Secretary                    |

**Auditors representing KPMG Phoomchai Audit Limited participated in the Meeting:**

- |                  |              |   |
|------------------|--------------|---|
| 1. Mr. Ekkasit   | Chuthamsatid | Certified Public Accountant from KPMG Phoomchai Audit Limited |
| 2. Ms. Chaowanee | Chaisanga    | Assistant Audit Manager from KPMG Phoomchai Audit Limited     |

**Legal Advisor performed as a vote counter participated in the Meeting:**

- |               |        |  |
|---------------|--------|--|
| 1. Ms. Nitcha | Meesuk | Legal Advisor from Moral Biz Co., Ltd. |
|---------------|--------|--|

The Chairman of the Meeting thanked you to the shareholders for attending this meeting and informed that there were 33 shareholders presented in person and 32 presented through proxies, totally 65 shareholders. This is precisely 263,912,604 shares of total issued and paid-up share capital at 350,198,655 shares, or 75.36 percent. This is considered as a completing quorum according to the Articles of Association of the Company. All directors attended the meeting. Also, two shareholders representatives, Mr. Theeradech Juladul and Mr. Arwut Boonthayot minor shareholders, were invited to be witnesses for the votes counting together with the Legal Advisor from Moral Biz Co., Ltd., who performed the vote counting and the accuracy verification of the vote.

Before the meeting start, the Chairman informed that the company presented a video, “Promoting in Good Corporate Governance relating to Shareholders Meeting of Listed Companies”, which is a part of the promoting in knowledge to the shareholder of listed companies project, under the supports of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and the Federation of Thai Capital Market Organizations.

The Chairman was pleased to announce that the Board of Director concerned about the importance of all Shareholders and Institutional Investors, therefore the Company had invited all Shareholders and Institutional Investors to attend this Meeting by both email and telephone. To support the good Corporate Governance Practice, the Board of Director provided the opportunities for all shareholders in order to propose any matters benefited to the Company which would be included in the agenda of the Annual General meeting of Shareholders, as well as to nominate qualified candidates to be appointed as the Company's Director, consistent with the Company's criterion. These were reported to the SET and had been published on the Company's website name [www.sisthai.com](http://www.sisthai.com). However, no shareholders nominated any person or proposed any other agenda. In voting of each agenda will do by disclosure, except the Shareholder at least 5 people ask for confidential vote and the meeting has resolution to confidential vote. The voting procedure was to mark in each card by the Shareholders. However, there was an officer who was assigned to assist in explaining the detail of voting procedure.

The officer explained the voting procedures to the meeting as following, according to Articles of Association of the Company number 23, it was defined that whether open vote or confidential vote, each shareholder had the voting right equal to the number of shares holding or number of shares held at the proxy. This based on the principle of one share equal to one vote. In order to vote for each agenda, the Shareholders had to raise the hands and mark their votes in the card which they received during the registration. In case of there was no the Articles of Association of the Company or the Public Company Limited Law stipulated otherwise, the vote on any resolution in the meeting of shareholders would be decided on majority of votes of the shareholders who attended the meeting and had the voting right. In the event of an equality of votes, the Chairman of the meeting would be entitled a vote as a casting vote.

Nevertheless, the Chairman would ask the Shareholders for vote “approve” or “disapprove” or “abstain” by raising their hands before the voting in each agenda. After that, the Shareholders were required to mark in voting cards and handed on the cards to the staffs for collection. The staff would scan the barcode stripes which were on the voting cards. After completing the voting for each agenda, the Chairman would announce the result to the meeting and it would be presented on the screen.

The shareholders who participated by themselves and by proxies, according to type A (Gor) and type B (Khor) were not been allowed to divide the votes in each agenda.

For voting in agenda of the election of Directors in order to replace the Directors who would retire regarding to the rotation rule. The meeting would temporary break the registration for

shareholders in order to maintain the stability of the number of vote. This agenda, the Shareholders would be provided to vote individually in order to comply with the corporate governance principle. Especially, this agenda, shareholders would be request to return the voting cards to the staff whether it is approved, not approved or abstained

In case of the shareholders would not be in the meeting place during the vote of any agenda but they wanted to maintain the voting right in each agenda, the shareholders had to mark in the voting cards and handed on those cards to the staff in order to count the votes. If the shareholders did not handed on the voting card or they did not in the meeting place, the Company would agree that the shareholders agree and approve in that agenda, including the remaining agendas unless the election of directors agenda.

Then, the Chairman asked the meeting to consider on each agenda as followings:

### **Agenda 1 Matter announced by the Chairman**

The Chairman informed the Board of Directors and the Corporate Governance Committee emphasized on the fraud and corruption which was an obstacle for the sustainable then the Company declared for the Anti Corruption to the CAC since 2014. In 2015, the Company developed the Anti Corruption policy, improved internal control and built the organizational culture for Anti Corruption. Consequently, the Company was certified for Anti Corruption since 22 January 2016 and being on the list of certified company as number 139 from 152 companies.

For the year 2015, it was challenged for IT industry, especially in Thailand. Beginning from the shrunk of demand in personal computer for 4 consecutive years and this year is the most shrinking. For examples, the purchasing power of the household sector also decreased, the agriculture sector was dropped which affected the revenue of farmers. Then, the sale of IT from household sectors decreased significantly 18% and affected the decreasing of the total revenue of the Company. However, the Company still be profitability.

### **Agenda 2 Consideration and Approval of the Minutes of the 2015 Annual General Meeting of Shareholders which held on Friday 24 April 2015**

The Chairman proposed the Minutes of the 2015 Annual General Meeting of Shareholders, held on Friday, April 24, 2015 to the Meeting for consideration and approval according to attachment document which had delivered to the Shareholders, together with the invitation letters and it was also published on the Company's web site within specified period. The Chairman provided the Shareholders an opportunity to ask for detail of this agenda.

There were no further questions from the Shareholders, the Chairman asked to cast votes by raise the hands and mark in the ballots.

During the meeting, there were 7 shareholders registered to attend the meeting, holding 749,860 shares.

**Resolution:** The Meeting considered and unanimously approved to certify the Minutes of the 2015 Annual General Meeting of Shareholders.

### **Voting results: Percentage of shareholders who attended in the Meeting and had right to votes**

Approved	72	Shareholders	Representing	264,662,464	votes	Equivalent to	100.00 %
Disapproved	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %
Abstained	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %

### **Agenda 3 Acknowledgement of the 2015 operating results and approval of the 2015 Annual Report**

The Chairman asked the shareholders to consider the operational result for the year 2015 as well as the annual report of the year 2015 in order to acknowledge. According to the Company's Articles of Association item 43 that the Board of Directors have to provide the Annual Report and report to the Shareholders. Also, the detail of operational performance was presented in the 2015 Annual Report that has been sent together with the invitation letter. The Chairman asked Managing Directors to report and conclude the operational result and the report of the Board to the meeting.

Managing Director reported the operational result of the year 2015 in accordance with the revenue of IT industry as following:

In 2015, the sale of PC across the world was declined for 3 consecutive years and the most shrinking was the year 2015 which decreased 10.40%. Controversially, the sale of smart phone increased significantly 10.1% while the sale of tablets decreased 9.9%

In Thailand, the sale of PC also decreased 10% whereas the sale of smart phone and tablet increased 22.1% and 4.2% respectively.

For the sale of the products could be divided in accordance with the character of each business unit which could be described as following:

Commercial Products: they are the IT products using in Corporation such as network, printer, server, PC. The total sales of these products decreased 15.8% due to the growth of corporate sector.

Consumer Products: they are the IT products for households. The total sales of these products decreased 18.3% due to the various factors such as the decreasing in purchasing power, the increasing in household's debt and lacking of new technology.

Value Added Commercial: they are the products for data center which required the technical specialist and after sale service. These products were more profitable. However, the sales of this business unit was grown 10.8%

Smartphone products: it decreased 8.6%, because there was a big project of selling smart phone in 2014. When compared to the sale of the year 2015, it dropped, according to the number of this project.

Other small business units: the total sales of them were increased 31.7%.

Overall, the total sales of the Company was stable, when compared to the last 3 years due to the declining of the sale of Consumer and there still was no sale of other BU could recover this declining.

For the new products that might influence the growth of total sales were followings:

1) Logitech which was the peripheral such as mouse, keyboard and camera for Video Conference.

2) Hikvision CCTV which was the digital CCTV from China.

3) Sangfor which as the product for data center such as firewall and internet access management products from China.

4) Stratus which was a server, supporting the crashed of the server. This trend was more demanded in the market.

5) Tely which was the Video Conference products.

For Wiko Mobile (Thailand) Company Limited which was the associates, operated since 2014. It was still in the set up period and the sale was still low. However, from the 2nd quarter of 2015 to the 4th quarter 2015, there was a significant growth.

Wiko Mobile focused on the some groups of customers: 1) customers who concerned in the use of specification and the economy. 2) customers who have limited budget on spending for smart phone 3) customers who would like to buy as a gift for relatives and 4) customers who buy the second smart phone. Also, Wiko Mobile focused on the products which was high specification with reasonable price. The below 5000 Baht model would be brought to the market and tried to be the leader in this segment. Furthermore, the after sale service, Wiko Mobile intended to provide the best service for warranty. Currently, there were some users were appreciate with the service and published to social media widely. However, there was minor complains.

For Nippon Pack Trading Company Limited (Nippon Pack), operated in advertising in Jiffy shop and it was our associates. There was a system installation about the middle of this year and it seemed to operated smoothly since the 4th quarter. The monitors using for advertising and technical service were bought from the Company. Nevertheless, the Company tried to improve this in order to expand the sale to these to this projects. This year, the sale of advertising increased, although there was loss from the investment. It expected to have some improvement on this performance.

For the risks that might affected the Company were 1) The shrink of household sector or the Consumer BU that caused from the decreasing of purchasing power and the replacement of smart phone. The Company still relied on this sales. If this sector declined faster that the growth of other business unit, it might affected the decreasing in the profit. 2) The growth of Commercial BU but there was no new technology. Then it might be saturated and affected the profit. 3) The large of smart phone market which vendors might change to sell directly then the Company might not expand this business unit as PC 4) Lack of human resource that affected the increasing in employee expenses. Then this also affected the stuck of business plan.

For the opportunities, 1) There were many new technologies for data center management which lead the higher demand in enterprise products and this increased more opportunities for Value Added Commercial BU. 2) The more accept from the vendors and customers. If it could extend more in this sector then the profit of the Company would improve. 3) The accept of Wiko Mobile from the market which lead to be more profitability to the Company in the future. 4) The Company had studied, monitor and test the requirement and demand in IOT and Cloud continuously, including the agility of the infrastructure of the Company. If there was acceptable in this technology, the Company would adapt to support this faster.

Moreover, the Company proud to informed to the meeting that the Company received the Best Distributor of the year 2015 award from Hewlett Packard Enterprise due to the high performance. This was the award that we so proud.

The Chairman thanked you to the Managing Director and gave the opportunities to the shareholders to asked the questions.

Mr. Rungsee, the shareholders asked as followings:

1. Was the sales of Wiko smart phones consolidated in the financial statements as the part of sales of Phone BU?

Managing Director answered as following:

Yes, the sales of Wiko smart phones consolidated in the financial statements as the part of sales of Phone BU

2. According to the shrink of Consumer BU, Did Consumers of phone counted as the Consumer sector or Phone sector?

Managing Director answered as following:

Consumers of phone are defined as the phone sector.

3. The improvement of Wiko was admirable. What were the competitors of Wiko Mobile?

Managing Director answered as following:

The significant competitors were the brand from Operator and I Mobile which had operated in this sector for a long time and the last one was the big brands.

4. For the launch of new models, How the Company forecasted breakeven point?

Managing Director answered as following:

The vendor and the Company was the joint venture then the breakeven point was not the significant problem.

5. For the advertising media in Jiffy, did the Company determined the tolerance, if it was not meet the goal?

Managing Director answered as following:

The Board of Directors had discussed and determined in this issues and the Company was quite conservative for this operation.

Mr. Wuttichai, the shareholders asked as followings:

1. The loss sharing from associates as 83 Million Baht, what was the loss sharing from Wiko and Nippon Pack individually?

Managing Director answered as following:

The loss sharing from Wiko was 70 Million Baht and the loss sharing from Nippon Pack was 10 Million Baht.

2. Could it summarized that the gain or loss sharing from associates would not be negative?

Managing Director answered as following:

It was high probability that it was not negative.

3. How was the goal for the current year?

Managing Director answered as following:

The management set the goals as to increased the sales to 19,000 Million Baht, however, the Company would like to achieve 20,000 Million Baht.

4. How the fluctuation of exchange rate affected the Company?

Managing Director answered as following:

It was difficult to said due to the character of exchange rate. Nevertheless, the Company bought the forward contract to reduce this risk.

The Chairman added that the Audit Committee had monitored this risk and the recovery plan monthly in order to ensure the effectiveness.

5. Would the cost management or the finance cost management in 2016 improved from 2015?

Managing Director answered as following:

For the interest rate was decreased which the Company gained the good support from financial institutions. It might be similar to the last year or slight increased.

6. How much was the sales of Wiko in Phone BU?

Managing Director answered as following:

The sales of Wiko contributed about a half of total sales of Phone BU.

7. Was it possible that other brands of smart phones would sell directly?

Managing Director answered as following:

Basically, the Company sold smart phone from 3 brands; Samsung, Asus and Lenovo. Samsung also sold directly in some areas and assigned the Company to sold in some areas. Asus never planned for direct selling to the market because it based on IT products. Also, Lenovo ever sold directly and just changed to sold to distributor. It was expected that 2 out of 3 brands still sold to distributor.

8. How was the expectation of the Company in the decreasing in the sales of Consumer BU?

Managing Director answered as following:

It was expected that there was decreasing in sales of Consumer BU about 5 - 10%. Whereas Microsoft and Intel cooperated to develop the new product and it seemed to made the market aware. Then this was a good sign.

Mr. Wasan, the shareholders asked as followings:

1. What was the strategy that the Company used for the changing in this situation?

Managing Director answered as following:

The enterprise and data center products were the good opportunity, however this sector still required many specialist. The Company tried to manage this sector in order to support the growth of this business.

2. How was the progression of Hardware House?

Managing Director answered as following:

This case divided into 2 segment. For the civil case, it was in the bankruptcy and assets allocation process. For the criminal case, it was in the information acquire in order to do further process and inspect the cash flow of Hardware House.

3. Could it estimated the compensate of the civil case?

Managing Director answered as following:

For the asset allocation, it was necessary to allocate to other debtors and payables then it might not gained much. The Company would gained the benefit from this situation instead.

4. According to the management said that there was much investment at the beginning of this year, what kind of this investment?

Managing Director answered as following:

It was normal purchasing inventories to sell as the cycle of the business which would more aggressive in the 1st to 3rd quarter.

5. Would the Company gained some benefits from the 4G or any expansion of this business?

Managing Director answered as following:

It could divided to 2 parts. The first was the selling the products to Operators and the second was the benefits from the use of 4G and connectivity that influence the sales of the Company.

6. Was there any new business plan?

The Chairman answered as following:

The Company has studied and monitor the new coming technology such as Cloud and Smart Phone. Especially, smart phones would bring to support the expansion of 4G and Wiko Mobile had launched these products to the market.

There was no shareholders asked more questions, then the Chairman informed that this agenda was only to inform to the meeting and there was no vote for resolution.

#### **Agenda 4 Consideration and Approval of the Statement of Financial Position and the Statement of Comprehensive Income for the year ended 31 December 2015 which was audited by the CPA and Auditor's Report**

The Chairman assigned the Managing Director to report the summary of Financial Statements for the year ended 31 December 2015 which were including the statement of Financial Position and the Statement of Comprehensive Income to the Meeting for approval according to the Annual Report of the Company which had delivered to shareholders together with the Invitation Letter.

Managing Director reported to the meeting as following:

##### **Statement of comprehensive income**

- Total income was 18,121 Million Baht, increased 2.5% from 2014.
- Selling and Administrative expenses decreased 0.4%, also the loss from exchange rate was dropped from 2014. From overall of expenses, the total expenses decreased 3%
- The comprehensive profit was 166 Million Baht, with loss sharing from the investment in associates 83 Million Baht.
- According to the comprehensive profit, the profit decreased 11.8% from the previous year, caused from the loss sharing from the associates which had been the investment period.



## **Statement of financial position**

- Cash and Cash equivalent was 49 Million Baht, decreased from the previous year due to the payment from customers at the end of the year.
- Trade accounts receivable was 2,045 Million Baht, slightly increased from 1,951 Million Baht. The average collection period increased from 45.5 days
- Inventories was 1,323 Million Baht, decreased from the previous year due to closely monitoring and management. Also, the inventory turnover was 36.9 days.
- Loan to related parties increased 45 Million due to the associates lend for investment.
- Total assets were 4,428 Million Baht.
- Short-term loans from financial institutions was 1,258 Million Baht, decreased from 2,428 Million Baht or 48%.
- Trade accounts payable was 1,245 Million Baht, increased from 804 Million Baht due to the longer credit term, granted from payables.
- Equity increased from 1,488 Million Baht to 1,587 Million Baht due to an increasing in retain earnings.

## **Statement of cash flows**

- Cash flows from operating activities were 1,407 Million Baht which was better than the previous year which was 365 Million Baht due to the decreasing in inventories and the longer credit term from payables.

The financial statements have been audited by the auditor of KPMG Phoomchai Audit Ltd., which was an unqualified opinion and reviewed by the Audit Committee which agreed with the auditor's opinion.

The Chairman asked the Chairman of Audit Committee to present the review and express the opinion of the 2015 financial statement to shareholders for acknowledgement.

The Chairman of Audit Committee informed the Meeting that the Audit Committee has been on duty with trustworthy and discretion and considered the conflict of interest as well as the transparency of operations such as the investment in associates, including the internal audit performance. The Audit Committee arranged the meeting every months and the Audit Committee attended the meeting fully. Moreover, the management was invited to discuss the important materials and issues in order to ensure the fairly benefits to the shareholders.

In addition, the Audit Committee had an essential duty to review the interim and annual financial statements of the Company with careful. The Audit Committee also invited the Executives to give the information, including provided the meeting with the Auditors independently without the Executives to transparent and protected minority shareholders interests. According to the review from Audit Committee, the Audit Committee agreed with the auditor's opinion that the consolidated and separate financial statements of the Company were presented fairly in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015. The Audit Committee would like to propose to the Meeting for consideration.

The Chairman informed to the meeting that to comply the article of 112 of the Public Company Act. B.E. 2535, defined that the Board of directors shall prepared the balance sheet and the income statement to the Annual General Meeting of Shareholders in order to consider and approve. Then the Board of Directors agreed to propose the balance sheet or the Statement of Financial Position and the income statement or the Statement of Comprehensive Income for the year ended 31 December 2015 which was audited by the CPA and Auditor's Report and agreed by the Audit Committee and the Board of Directors.

The Chairman gave the shareholders an opportunity to ask in detail of this agenda.

Mr. Wuttichai asked the questions as followings:

1. How about the tax refund?

Managing Director answered the questions as following:

The Company submitted the VAT refund already and the officers had audit those transactions. Moreover, the Company assigned staffs to facilitate the officers.

2. Why was the Company able to do the tax refund?

Managing Director answered the questions as following:

Some of products had sold below cost due to their market prices, also vendors support the discount for those items. Then there was the different in VAT in this point. Moreover, Blackberry was dramatically declined and it could not sold in domestic then this was exported internationally, the export had not any VAT so that this was another point that the Company could did the vat refund.

3. How was the amount of VAT refund?

The Chairman answered the questions as following:

The amount of VAT refund was about 200 Million Baht. The Company expected to bring this VAT refund to be working capital such as for return the loan from financial institutions in order to reduce finance cost.

Mr. Rungsee asked the questions as followings:

1. According to the note to financial statements section 10. How was the accounting method if Wiko Mobile gained the profit?

CFO answered the questions as following:

If Wiko Mobile gained the profit, the loss from investment in associates would be changed to the gain from investment in associates, according to the proportion of investment in Wiko Mobile.

2. Did the Company had to consolidate the financial statements which was in accordance with PACK5

CFO answered the questions as following:

In this case, the Company was not in the criteria of PACK 5

There were no further questions from shareholders.

The Chairman asked to cast votes by raise the hand and mark in the ballot.

During the meeting, there were 11 shareholders registered to attend the meeting, holding 264,137 shares.

**Resolution:** The Meeting considered and the unanimously vote of the shareholders approved Statements of Financial Position and the Statement of Comprehensive Income for the year ended 31 December 2015 which was audited by the auditor with auditor's report.

**Voting results: percentage of shareholders who attended in the Meeting and had right to votes**

Approved	83	Shareholders	Representing	264,926,601	votes	Equivalent to	100.00 %
Disapproved	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %
Abstained	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %

**Agenda 5 Consideration and Approval to allot the legal reserve and dividend payment for the operating results of the year 2015**

The Chairman informed the meeting that the Company established the policy to pay the dividend approximately 40 percent of the net profit. Nevertheless, it was subject to situation of economy and the future projects of the Company. For the Company's operating results of 2015, the net profit was 166.34 Million Baht and no accumulated loss. The Board of Directors considered and proposed the Meeting to consider approving dividend payment as following.

The Chairman informed the meeting that according to the Public Companies Act, when the Company had the operating profit, the Company shall allocate 5 percent of its annual net profit as legal reserve until reach an amount of 10% of the registered authorized capital. In 2015, the Company had increased the registered capital to Baht 350,198,655, which had to reserve 10 percent of the registered capital as legal reserve, amounting to Baht 35,019,865.50. The Company had anticipated reserving in full amount as 10% the registered authorized capital as required. The remaining of net profit was allocated as retained earnings of the Company. The Board has considered about this, then the Board would propose the dividend payment as following.

Cash dividend payment was at the rate of 0.30 Baht per share for the registered capital of 350,198,655 shares, totally 105.06 Baht. The cash dividend payout ratio was 63.16 percent of net profit. Dividend would be withheld at the rate prescribed by law. The date for determining the rights of shareholders to receive dividend payments would be on May 9, 2016. The name list of shareholders would be determined on May 10, 2016 when the share register book of the Company will be closed pursuant to Section 225 of the Securities and Exchange Act. The dividend payment date was set to be on May 19, 2016. This dividend was higher than the rate determined in the policy as well as the previous year, this was because the better cash flow, the lower debt to equity ratio and the better liquidity. The Board of Directors deemed the above payment rate as appropriate and in line with dividend payment policy of the Company and proposed the Meeting to consider approving the dividend payment.

The Chairman provided the shareholders an opportunity to ask in detail of this agenda.

There were no further questions from shareholders, the Chairman asked to cast votes by raise the hand and mark in the ballot.

**Resolution:** The Meeting considered and the majority vote of the shareholders approved the dividend payment for the operating results of the year 2015 as proposed by the Chairman.

**Voting results: percentage of shareholders who attended in the Meeting and had right to votes**

Approved	83	Shareholders	Representing	264,926,601	votes	Equivalent to	100.00 %
Disapproved	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %
Abstained	-	Shareholders	Representing	-	votes	Equivalent to	0.00 %

**Agenda 6 Consideration and approval of the Election of Company's Directors to replace those Directors who retired by rotation, Mr. Somchai Sirivichayakul, Mr. Somchai Sittichaisrichart and Mr. Lim Kia Meng**

The Chairman informed the meeting that under the Company's Articles of Association item 36, one-third of the members of the Board of directors had to retire by rotation. This year, there were 3 directors who retired by rotation, Mr. Somchai Sirivichayakul, Mr. Somchai Sittichaisrichart and Mr. Lim Kia Meng. In order to comply with the Good Corporate Governance Practice, directors who were regarded as interested parties in this matter had to leave the Meeting. The Chairman assigned the Chairman of Remuneration and Nomination Committee to conduct this agenda.

The Chairman of the Remuneration and Nomination Committee informed the Meeting that the Board of Director recognized the importance of all Shareholders according to good Corporate Governance Practice, the Company provided the opportunity for the shareholders to propose qualified candidate to be nominated as the Company's director by setting the channel and criterion and announced in the Company's website. There was no nominated person to propose for consideration in that time. The Remuneration and Nomination Committee had considered on the basis of experience, knowledge, ability and management participation including the fully qualified according to the Public Limited Companies Act B.E. 2535 and Article 29 of the Company's Article of Association, and appropriate to propose the Shareholders' Meeting to elect Mr. Somchai Sirivichayakul as the Independent Director, Audit Committee, Remuneration and Nomination Committee and Corporate Governance Committee, Mr. Somchai Sittichaisrichart as the Managing Director, Remuneration and Nomination Committee, Risk Management Committee and Corporate Governance Committee and Mr. Lim Kia Meng as the Non-Executive Director for another term. All the above directors had contributed significantly in the management, attended the meeting, and led the Company successful. The Biography of nominated directors has been sent to all shareholders prior the Meeting with the invitation letter. The Chairman of the Remuneration and Nomination Committee informed the meeting that to comply with the Good Corporate Governance Principles, the Chairman proposed the meeting to elect the Directors on individual basis and to transparent in the voting, the directors, who were regarded as interested parties in this matter must leave the meeting room until the Meeting has finished considering this matter.

The Chairman provided the shareholders an opportunity to ask in detail of this agenda.

There were no questions from shareholders, the Chairman asked to cast votes by raise the hand and mark in the ballot.

**Resolution:** The Meeting considered and the majority vote of the shareholders approved the re-election of 3 directors, Mr. Somchai Sirivichayakul, Mr. Somchai Sittichaisrichart and Mr. Lim Kia Meng as Directors of the Company for another term, as detailed as following.

**Voting results to elect Mr. Somchai Sirivichayakul as the Independent Director, Audit Committee, Remuneration and Nomination Committee and Corporate Governance**

**Committee : percentage of shareholders who attended in the Meeting and had right to votes**

Approved	81	Shareholders	Representing	264,916,378	votes	Equivalent to	100.00 %
Disapproved	1	Shareholders	Representing	110	votes	Equivalent to	0.00 %
Abstained	1	Shareholders	Representing	10,113	votes	Equivalent to	0.00 %

**Voting results to elect Mr. Somchai Sittichaisrichart as the Managing Director, Remuneration and Nomination Committee, Risk Management Committee and Corporate Governance Committee: percentage of shareholders who attended in the Meeting and had right to votes**

Approved	81 Shareholders	Representing	255,458,527 votes	Equivalent to	96.43 %
Disapproved	- Shareholders	Representing	110 votes	Equivalent to	0.00 %
Abstained	2 Shareholders	Representing	9,468,074 votes	Equivalent to	3.57 %

**Voting results to elect Mr. Lim Kia Meng as the Non-Executive Director: percentage of shareholders who attended in the Meeting and had right to votes**

Approved	73 Shareholders	Representing	264,916,488 votes	Equivalent to	100.00 %
Disapproved	- Shareholders	Representing	- votes	Equivalent to	0.00 %
Abstained	1 Shareholders	Representing	10,113 votes	Equivalent to	0.00%

The Chairman of the meeting invited Mr. Somchai Sirivichayakul, Mr. Somchai Sittichaisrichart and Mr. Lim Kia Meng to participate the meeting again after announced the voting result.

**Agenda 7 Consideration and approval of the Remuneration of Directors for the year 2016**

The Chairman proposed the Remuneration of Directors and Sub-committee for the year 2016 not exceed Baht 7,000,000 which was similar to last year and assigned the Chairman of the Remuneration and Nomination Committee to present the basis and criterion of the remuneration of the year 2016 to Shareholders.

The Chairman of the Remuneration and Nomination Committee informed the meeting that the criterion of the Remuneration of Directors and Sub-committee was not different from the previous year. Nevertheless, the total of the Directors' Remuneration would not exceed 7,000,000 Baht per year, in order to be appropriate and in accordance to the good corporate governance as followings:

1. The Director's remuneration is classified into 2 parts; monthly retaining fee and meeting attendance fee. The monthly retaining fee will be paid to only Non-Executive Directors and Independent Directors.
2. Consideration on duties, responsibilities and the performance of Directors as well as Sub Committee together with the Company's performance and the practices of the industry.
3. Consideration on Scope of duties of Directors and Sub Committees.

**The table of Directors' Remuneration Comparison between 2016 and 2015**

<b>Component of Remuneration</b>	<b>2016 (Proposing)</b>	<b>2015</b>
Retaining Fee for the Board (Monthly)		
Chairman of the Board	30,000.00	30,000.00
Directors	15,000.00	15,000.00
Remark: Except Managing Director and Executive Director who gain salary as executives		
Retaining Fee for the Audit Committee (Monthly)		
Chairman of Audit Committee	32,500.00	32,500.00
Audit Committee	25,000.00	25,000.00

<b>Component of Remuneration</b>	<b>2016 (Proposing)</b>	<b>2015</b>
Attendance Fee for the Board		
Chairman of the Board	33,000.00	33,000.00
Directors	22,000.00	22,000.00
Attendance Fee for the Audit Committee		
Chairman of Audit Committee	13,500.00	13,500.00
Audit Committee	9,900.00	9,900.00
Attendance Fee for the Remuneration and Nomination Committee		
Chairman of the Remuneration and Nomination Committee	33,000.00	33,000.00
Remuneration and Nomination Committee	22,000.00	22,000.00
Attendance Fee for the Risk Management Committee		
Chairman of the Risk Management Committee	33,000.00	33,000.00
Risk Management Committee	22,000.00	22,000.00
Attendance Fee for the Corporate Governance Committee		
Chairman of the Corporate Governance Committee	33,000.00	33,000.00
Corporate Governance Committee	22,000.00	22,000.00
<b>Remarks:</b> 1. The yearly special reward will be rewarded to Non-Executive Directors once a year based on the Company's performance by the consideration of the Remuneration and Nomination Committee. 1. The company has no policy to compensate Directors and Sub Committees in other forms beyond monthly retaining fee, meeting attendance fee and yearly special reward which mentioned above.		

The Remuneration of Directors in each type has individually shown in the annual report. The Remuneration and Nomination Committee would like propose the shareholders meeting for consideration and approval of the Remuneration of Directors.

The Chairman gave the shareholders an opportunity to ask in detail of this agenda.

There were no question from shareholders. The Chairman asked to cast votes by raise the hand and mark in the ballot.

**Resolution:** The Meeting considered majority vote of the shareholders approved the Remuneration of Directors for the year 2016.

**Voting results: percentage of shareholders who attended in the Meeting and had right to votes.**

Approved	82	Shareholders	Representing	264,916,488	votes	Equivalent to 100.00 %
Disapproved	-	Shareholders	Representing	-	votes	Equivalent to 0.00 %
Abstained	1	Shareholders	Representing	10,113	votes	Equivalent to 0.00 %

**Agenda 8 Consideration and approval of the appointment of Auditor and determine the auditing fee for the year 2016**

The Chairman informed that to comply with the Section 120, Public Limited Companies Act B.E. 2535, which state that the Annual General Meeting of Shareholders shall appoint the Auditor of the Company and determine the Auditor Remuneration every year by the recommendation of the Audit Committee. Thus, the Chairman asked the Chairman of Audit Committee to present the details to the meeting.

The Chairman of Audit Committee informed that according to the consideration in the auditors' experiences, knowledge and performance which was appropriate and satisfied. Thus, the Audit Committee agreed to propose the following auditors to propose the shareholders in order to approve the following auditors of KPMG Phoomchai Audit Company Limited to be the auditor of the Company.

<u>Auditors</u>	<u>License No.</u>
1. Ms.Vannaporn Jongperadechanon	4098 or
2. Mr. Ekasit Chuthamsatit	4195 or
3. Ms. Porntip Rimdusit	5565

The Chairman of Audit Committee informed the meeting that it was appropriate to appoint the list of 3 auditors because they had no relationship and / or conflict of interest with the Company, Managements, Major Shareholders or related persons of the those parties, also they were not shareholders of the Company and they were independent in auditing and reporting on the Company's financial report. Mr.Ekkasit Chuthamsatit was the Company's auditor for the year 2005 – 2009 and 2012 – 2015.

Additionally, it was appropriate to propose the Meeting for approval of the audit fee for the year 2016 totally Baht 1,370,000 which was equal to the previous year, excluding actual expenses incurred during the operation and extra charges when additional works incurred. In 2015, the Company paid tax consultant fee (non-audit fee) amounting to Baht 286,200 to KPMG Phoomchai Audit Ltd.

KPMG Phoomchai Audit Ltd. also is the Subsidiary companies' auditor for the year 2016 with the audit fee as follows:

SiS Venture Company Limited, audit fee is Baht 130,000, the same rate as the previous year.

Qool Distribution (Thailand) Company Limited, audit fee is Baht 400,000 increased 15,000 Baht from the previous year.

Wiko Mobile (Thailand) Company Limited, audit fee is 180,000 Baht, increased 100,000 Baht from the previous year.

Total audit fee of 2 subsidiaries and 1 associate are Baht 695,000, increased 135,000 from the previous year.

The Board of Director would like to propose the Meeting to approve the appointment of Auditor and audit fee for 2016.

The Chairman provided the shareholders an opportunity to ask in detail of this agenda.

There were no further question from shareholders, the Chairman asked to cast votes by raise the hand and mark in the ballot.

**Resolution:** The Meeting considered and the unanimously vote of the shareholders approved the appointment the auditors and the audit fee as proposing

**Voting results: percentage of shareholders who attended in the Meeting and had right to votes.**

Approved	83	Shareholders	Representing	264,926,601 votes	Equivalent to	100.00 %
Disapproved	-	Shareholders	Representing	- votes	Equivalent to	0.00 %
Abstained	-	Shareholders	Representing	- votes	Equivalent to	0.00 %

**Agenda 9 Questions and Answers**

The Chairman informed the meeting that the questions which the shareholders sent to the Company in advance and some of the questions which has been asked from the shareholders here were answered in the period of each agenda. Thus, this period still is provided for further questions from the shareholders. The Managing Director would answers all the questions in this agenda.

The Questions sent from shareholders in advance was followings:

1. Why Wiko Pulp Fab was short in the market?

Managing Directors answered as following:

This model was short due to the long break of the factory for holidays in the Chinese New Year.

2. Why there was no a sale promoter in the TG and Jmart shops, Bang Na branch?

Managing Directors answered as following:

This was because the cost of sale promoter was quite high then the Company had to consider carefully. The sale promoters normally would be assigned for the area where the volume of sales was high. In order to solve this issue, we tried to expanded the channel to the retails from middle size to the small size.

3. How to select the model and specification of Wiko to sell?

Managing Directors answered as following:

For the first year, we could not define the model and specification of the products due to the higher purchasing from Europe then it had to be according to the higher purchasing power. In this year, it began to be available for us to select the model and specification, especially in next year because there was the corporation from Wiko in this region which would request to produce the model that was appropriate.

4. The progression of Cloud

Managing Directors answered as following:

Cloud Business was divided into two parts which were 1) Technology for data center which would be in Value Added Commercial BU. Also, the Company was the leader of distributors



in this segment and the Company tried to expand this kind of business in order to support the shift of business sector which would change to Cloud. 2) Cloud for the accessories and equipment which did not invest much for the system. The Company had been in the test period both product test and requirement test in order to study for the real requirement. However, there was a product that it was starting to launch, it was Video Conference, we called Qool Con. There was some customers brought and started to use. These customers were able to conference together with many users in the meeting. This system and service was charged monthly and the customers were not necessary to invest much.

#### 5. The progression of Internet of Things and Home Automation

Managing Directors answered as following:

Currently, the connectivity of the internet was convenience and economy then Internet of Things was the definition of this statement. However, it was in the testing period in order to present the vital benefits of this technology.

#### 6. The performance of the 1st quarter of 2016

Managing Directors answered as following:

For this issue, it could not answer much in substance. However, it might not change from the previous year. For the overall, the sales of Consumer Business Unit might decreased but the sales of other BU might recovered this decreasing. It was expected that the overall performance would be improved.

Mr. Rungsee, the shareholder asked as followings:

1. For the Internet of Things, the Company would still be the distributor or invest as the partner with the Manufacturer.

The Chairman answered as following:

Basically, there was no plan for any investment until there was clear what technology would be in the demand of the market and it could be grow sustainably. Then this would be considered later.

Mr. Wasant, the shareholders as following:

1. According to the role of distributor, would the Company adapt to face the slight profit?

The Chairman answered as following:

The Company had managed the inventories carefully and emphasized on selling high demand products. Besides, the channel of sales had been developed and the relationship to the customers significantly.

2. How Wiko Mobile made the profit in the future?

Managing Directors answered as following:

The size of smart phone market was large as well as the size of smart phone which prized 5,000 Baht. Then the Company expected to be top three of this segment of smart phone market.

3. For the smart phones that declined, did the Company consider to decrease the stock or stop selling?

Managing Directors answered as following:

The Company stopped selling some brand of smart phones that was undemanding and focused on the popular and potential smart phone that still in demand.

4. For the Home Automation, had the Company found the specific products that matched with the demand in the Market?

Managing Directors answered as following:

The Company found the specific products that met the demand in the market. Also, there was some customers that had the showrooms in many areas had contacted the Company in order to demonstrate the home automation products in their showrooms. However, this might operate next year.

Mr. Suraporn, the representative of Thai Investors Association expressed the opinion as followings:

It was pleased to admire the action of the Company in joining the Anti Corruption with CAC and this should maintain and extend to the partners and customers continuously.

Managing Directors expressed the opinion as following:

Currently, the Company had extended and communicated the Anti Corruption to suppliers which was in accordance with the best practices of IOD and CAC. Furthermore, this would also extended to customers. We thanked you everyone in appreciated the intention of the Company in Anti Corruption;.

There were no further question from shareholders. The Chairman declared the Meeting closed, and expressed the appreciation to all shareholders for participating the 2016 Annual General Meeting.

Finished the Meeting at 17:30

.....  
(Mr. Suwit Chindasanguan)  
Chairman

.....  
(Ms. Nattamon Kaewnamngoen)

Company Secretary