

**Minutes of the Annual General Meeting of Shareholders  
Of the year 2016  
Masterkool International Public Company Limited**

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**Time and venue**

The meeting convened on 21 April 2016 at 13:30 hrs, Magic Room 2, 2<sup>nd</sup> Floor, Miracle Grand Convention Hotel, located at 99 Vibhavadi-Rangsit Road, Laksi, Donmuang, Bangkok to consider according to the agenda.

**Before the meeting**

Associate Professor Prakrit Tantisanon, the Chairman of the Board of Directors, acting as the Chairman of the meeting assigned Miss Mallika Trakoolthai, the Executive Director and the Company Secretary to duties as the secretary of the meeting and the master of ceremonies to introduce the board of directors, the management and the auditor who attended the meeting; along with clarifying regulation for the shareholders as follows:

**Directors' attendance**

- |                                       |   |
|---------------------------------------|---|
| 1. Assoc. Prof. Prakrit Tantisanon    | Chairman of the Board, Independent Director |
| 2. Mr. Sanpat Sophon                  | Director, Independent Director              |
| 3. Mr. Mongkol Kasaemsun Na Ayudthaya | Director, Independent Director              |
| 4. Mr. Kittisak Sriprasert            | Director, Independent Director              |
| 5. Mr. Kritsana Thaidumrong           | Director                                    |
| 6. Mr. Fung Meng Hoi                  | Director                                    |
| 7. Mr. Noppachai Veeraman             | Director                                    |
| 8. Mr. Nuntawat Kham-em               | Director                                    |
| 9. Ms. Sunanta Wanwat                 | Director                                    |

**Management's attendance**

- |                            |   |
|----------------------------|---|
| 1. Ms. Phornphan Nilprasit | Assistant Managing Director, Logistics          |
| 2. Mr. Komin Krodmee       | Assistant Managing Director, Factory Management |

**External Auditor's attendance**

- |                                |                                  |
|--------------------------------|----------------------------------|
| 1. Ms. Rungtawan Bunsakchalerm | BPR Audit and Advisory Co., Ltd. |
|--------------------------------|----------------------------------|

**Secretary of the meeting and the minutes taker**

- |                              |  |
|------------------------------|--|
| 1. Ms. Mallika Trakoolthai   | Executive Director and Company Secretary |
| 2. Ms. Jariyaporn Akkarawong | Assistant Company Secretary              |

Then, the secretary of the meeting introduced the observer in the meeting, Ms. Nipaporn Netkham of Nipaporn Netkham Law Office.

The secretary of the meeting reported to the meeting that a quorum of shareholders attending the meeting in person and by proxy as follows:-

Total numbers of shares	480,000,000	shares
Shareholders and proxies attending the meeting	61	persons
Representing numbers of shares	325,523,863	shares
Equal to	67.8175	% of total shares

There were:-

Shareholders attending in person	26	persons
Representing numbers of shares	245,484,982	shares
Equal to	51.1427	% of total shares

Proxies attending in the meeting	35	persons
Representing numbers of shares	80,038,881	shares
Equal to	16.6748	% of total shares

The number presenting at the time constituted a quorum according to the Articles of Association and Section 103 of the Companies Act B.E. 2535, which requires participants of the meeting in person and by proxy amounting to not less than 25 persons, or not less than one-half of the total number of shareholders; and in either case such shareholders shall hold shares amounting to not less than one-third of the total number of shares sold.

The number of shareholders as at the book closing date of 15 March 2016 for the Annual General Meeting of Shareholders for the year 2016 presented in total of 2,403 shareholders.

The rules and regulations of the Shareholders meeting were clarified as below:-

1. The meeting will be conducted in accordance with the agenda item 1 to 8 as specified in the invitation.
2. The Chairman will allow time for shareholders to ask questions concerning to the agenda before voting on each agenda.
3. For voting rights on each agenda, each shareholder shall have one vote for each share.
4. A resolution of the meeting will require the majority vote of the voting rights represented by the attending shareholders; except for agenda on Director's remuneration, a resolution will be passed by a two-thirds majority vote of the shareholders who attend the meeting.
5. Voting by open-ballots

6. The Chairman will ask if any shareholders object, disagree and abstain from voting in each agenda. For the purpose of passing a resolution, only ballot disagreeing and abstaining from voting will be counted. The remainder will all be deemed to constitute votes in agreement
7. In case where the shareholder or proxy arrives for meeting registration after the meeting has already commenced, said shareholder or proxy would be allowed to cast vote only for the remaining agenda which not yet entering consideration.
8. The Chairman will announce vote counting results to the meeting by specifying the number of votes, which are in favor or disagree or abstain

To comply with good corporate governance of shareholder's meeting in vote counting, the Chairman invited the representative of Nipaporn Netkham Law Office to act as the inspector and one volunteer from the shareholders to act as the witness of the vote counting process.

### **Opening**

Assoc. Prof. Prakit Tantisanon, The Chairman of the Board of Directors as the Chairman of the meeting welcomed all shareholders presented at the meeting and declared the meeting opened.

### **Agenda 1 To approve the Minutes of Extraordinary Meeting of Shareholders No. 1/2015**

The minutes of the Company's Extraordinary General Meeting of Shareholders No. 1/2015 on September 11, 2015 had been prepared and published as the enclosure of the meeting invitation as shown in the attachment of Agenda 1.

The Board of Directors considered and proposed to the meeting to approve the minutes of the Extraordinary General Meeting of Shareholders No. 1/2015 which captured and recorded in enough of the essential facts.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. As there were no questions raised, the Chairman requested the meeting to vote.

**Resolution The meeting considered and approved the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2015 held on September 11, 2015 as proposed by unanimous vote of the total votes of the shareholders present at the meeting and entitled to vote.**

Approved by	325,843,863	votes,	equivalent to	100.00 %
Disapproved by	0	votes,	equivalent to	0 %
Abstained by	0	votes,	equivalent to	0 %

### **Agenda 2 To acknowledge the Report of Overall Operation in the Year 2015**

The company results of operations and significant changes which occurred in the year 2015 had shown in the Annual Report 2015 which attached with the meeting invitation letter. The Committee is prepared to provide its shareholders informed of its operations and changes in the past year. The Chairman informed that this agenda was for acknowledgement, therefore no vote required.

The Chairman then invited Mr. Noppachai Veeraman, CEO, to report the operating results for the year 2015 to the meeting.

Mr. Noppachai Veeraman reported that the revenue totaled 640.78 million baht, an increase from the same period of last year by 117.29 million baht, representing 38.25 of its revenue. The major revenue came from evaporative air cooling products. The main sales channels were modern trade channel and export channel. The important factors of the growth of evaporative air cooling product were its quality and design which match the customers' needs.

However, cost of sales and services increased in proportion than the growth rate of revenue, mainly from the increase in the exchange rate of the US dollar. Moreover, the growth of the export channel which less margin compared to other channels. The selling and administration expenses increased due to affected from the foreign exchange as prior stated; including the marketing expenses and other expenses of the modern trade channel such as GP charging, PC hiring during the peak season. The Company's operating results, net profit of 9.63 billion baht from operations in the year 2015.

Mr. Noppachai Veeraman also stated on risk issue regarding foreign exchange loss; the company had already identified it as the corporate risk and provided management guideline for serious action on the matter.

For the related person transactions which occurred during the year 2015, the transactions were normal operation and beneficial to the business operations of the Company which necessary and reasonable. Shareholders can obtain details from the Annual Report 2015.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. Shareholders asked and commented as follows:-

**Mr. Pongsathorn Wanichsathien**, a proxy, asked and commented as follows:-

1. What is suitable net profit in the business?

Mr. Noppachai Veeraman clarified that the gross margin at around 40% was satisfactory by the net profits of more than 5% which is the company's goal; but in the previous year, the company faced foreign-exchange losses due to mis-estimation of weakness of Thai baht. Anyhow, the company had already managed all risk of fluctuations in currency exchange rates.

Regarding the selling and marketing expense issue, the company focused on increasing market share for gaining competitive advantage. Anyhow, the company has been issues and brought into the present year plan.

2. Does the company have business with the members of AEC? Whether the existing product lines of the company meets this target's needs? What are the company's strengths over competitors?

Mr. Noppachai Veeraman explained that the proportion of sales were divided to 3 groups of products: the misting fan about 12%, the evaporative air cooler about 73% and service and other group had around 14-15% of total sales.

For the proportion of sales by segments; there were the retail customers 50%, the corporate customers 20%, export 20% and service 10%.

MASTERKOOL strengths were the Alternative Cooling Solution that comes from the limitations of both air conditioners and fans. The company had continuously developed the products over 14 years; our team has specialized in the field of cooling technology. Moreover, the company in cooperation with NSTD for product design and plastic injection mold development. The company had been awarded one of 5 Thailand's innovative companies 2015.

In the last few years, the market was wide open. The sales through online channel were growing; for those who bought products online basically knew this kind of product. Including factsheet informed by the modern-trades to all vendors of the industry disclosed that the product was grown up; resulting the competition increased. However, the Masterkool Brand has been recognized in the market as the leading brand. With reference to the import data of the Customs Department, Masterkool imported around 50% of total import value of this product.

**Mr. Pawarit Surakittidumrong**, a proxy, asked and commented as follows:-

1. Controlling of selling, general and administrative expenses (SG & A) could be achieved in 30% or not? If there was any solution to manage this risk, please clarify.

Mr. Noppachai Veeraman clarified that the Management had already done the business plan for 2016 with the clear view of projection. The company cannot able to provide data in details; however, this year weather is very hot; it seems to be good for our business.

When there were no further questions raised, the Chairman closed the item.

**Resolution** Since this agenda was for acknowledgement, therefore there was no vote casting.

**Agenda 3** To consider and approve Annual Financial Statements Ended December 31, 2015

The Chairman informed that the Company's statement of financial position and statement of comprehensive income for the year ended 31 December 2015 had already been audited by the auditor of BPR Audit and Advisory Co., Ltd. and reviewed by the Audit Committee and the Board of Directors. The Chairman therefore invited Mr. Nuntawat Kham-em, the Deputy Managing Director and the Assistant Managing Director of the Financial and Accounting to report to the meeting for consideration.

Mr. Nuntawat Kham-em informed that the financial statements ended December 31, 2015 had already been audited by the auditor of BPR Audit and Advisory Co., Ltd. and reviewed by the Audit Committee and the Board of Directors orderly according to the enclosure 1 in the Annual Report 2015 which was mailed to all shareholders in advance with the invitation. Mr. Nuntawat Kham-em thus described the P&L and balance sheet to the meeting in brief.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution** The meeting considered and approved the financial reports for year ended December 31, 2015 as proposed by unanimous vote of the total votes of the shareholders present at the meeting and entitled to vote.

Approved by	325,876,863	votes,	equivalent to	100.00 %
Disapproved by	0	votes,	equivalent to	0 %
Abstained by	0	votes,	equivalent to	0 %

**Agenda 4 To consider and approve dividend payment for overall operation for the year 2015**

The Chairman informed that The Company's policy of dividend payment is to pay dividend to its shareholders in the rate of not less than 40% of net profit of separate financial statements of the Company after deduction of tax and legal reserve and other reserves (if any). However, the said dividend payment may be varied depending upon overall operation, financial position, liquidity, necessity to use working capital in operation, investment plan and business expansion in the future, market condition, appropriateness and other factors related to operation, and the Company's management subject to the condition that the Company shall have adequate cash for business operation. The said operation shall produce maximum benefit to its shareholders as deemed as proper by the Board of Directors and/or the Company's shareholders. According to annual net profit allocation, the Company shall allocate annual net profit as legal reserve for not less than 5% of annual net profit until the amount of reserve fund is not less than 10% of the authorized capital.

Then, the Chairman invited Mr. Noppachai Veeraman, CEO and Managing Director, to clarify regarding the dividend payment to the meeting.

Mr. Noppachai Veeraman clarified that the company has already reserved 596,839.06 Baht for the legal reserved at 5% of the net profit. The dividend payment for the fiscal year ended December 31, 2015 at

the rate of 0.02 Baht per share which derived from profit under BOI at 0.0019 Baht per share and non-BOI at 0.0181 Baht per share; total 480,000,000 shares, in the amount of not exceeding 9,600,000 Baht.

The record date for the rights to receive the dividends: May 9, 2016, the book closing date for collecting shareholder names under Section 225 of the Securities and Exchange Act: May 10, 2016 and the payment date: May 18, 2016. Therefore, the meeting was requested to consider and approve the dividend payment as proposed.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution** The meeting considered and approved the dividend payment for the fiscal year ended December 31, 2015 at the rate of 0.02 Baht per share which derived from profit under BOI at 0.0019 Baht per share and non-BOI at 0.0181 Baht per share; total 480,000,000 shares, in the amount of not exceeding 9,600,000 Baht. The record date for the rights to receive the dividends: May 9, 2016, the book closing date for collecting shareholder names under Section 225 of the Securities and Exchange Act: May 10, 2016 and the payment date: May 18,2016.

Approved by	325,676,863	votes,	equivalent to	99.9386%
Disapproved by	200,000	votes,	equivalent to	0.0614%
Abstained by	0	votes,	equivalent to	0 %

**Agenda 5** To consider and approve the appointment of the Company's director in replacement of the director who retired by rotation

The Chairman explained that in this 2016 Annual General Meeting of Shareholders, three directors who would retire by rotation namely:-

- 1) Mr. Mongkol Kasaemsun Na Ayudthaya Director, Independent Director, Audit Committee Member, Chairman of the Nomination and Remuneration Committee
- 2) Mr. Kritsana Thaidumrong Director
- 3) Mr. Nuntawat Kham-em Director, Executive Director, Deputy Managing Director, and Assistant Managing Director of Finance and Accounting

These three persons who were regarded as the interested parties left the meeting room during the election.

The Chairman clarified that the Nomination and Remuneration Committee has considered, selected, and nominated all three persons to be continued their directorship for another term as the persons have acquired knowledge, experience and expertise which required for the business; furthermore have all the

persons have qualifications and not possess any of the prohibited characteristics according to the Securities and Exchange Act, B.E. 2535.

The Chairman continued to individual agenda as following:-

**5.1) the retiring Mr. Mongkol Kasaemsun Na Ayudthaya, Director, Independent Director, Audit Committee, and the Chairman of the Nomination and Remuneration**

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution 5.1) the meeting considered and approved Mr. Mongkol Kasaemsun Na Ayudthaya to continue his directorship for another term.**

Approved by	325,676,863	votes,	equivalent to	99.9386%
Disapproved by	0	votes,	equivalent to	0%
Abstained by	200,000	votes,	equivalent to	0.0614%

**5.2) the retiring Mr. Kritsana Thaidumrong, Director**

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution 5.2) the meeting considered and approved Mr. Kritsana Thaidumrong to continue his directorship for another term.**

Approved by	325,676,863	votes,	equivalent to	99.9386%
Disapproved by	0	votes,	equivalent to	0%
Abstained by	200,000	votes,	equivalent to	0.0614%

**5.3) the retiring Mr. Nuntawat Kham-em, Director, Executive Director, Deputy Managing Director, and Assistant Managing Director of Finance and Accounting**

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution 5.3) the meeting considered and approved Mr. Nuntawat Kham-em to continue his directorship for another term.**

Approved by	325,676,863	votes,	equivalent to	99.9386%
Disapproved by	0	votes,	equivalent to	0%
Abstained by	200,000	votes,	equivalent to	0.0614%



Besides, the meeting also acknowledged the appointment of Mr. Kittisak Sriprasert in replacement of Ms. Phornphan Nilprasit who resigned since March 1, 2016 due to other responsibilities on the Executive Director and Assistant Managing Director of Logistics which needed her dedication to supervise closely to meet the Company's goals and objectives.

The Board of Directors has approved the appointment. Mr. Kittisak Sriprasert as the Director of the company in replacement, and agreed to propose to the General Meeting of Shareholders to acknowledge of such appointment.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman closed the item.

**Resolution Since this agenda was for acknowledgement, therefore there was no vote casting.**

**Agenda 6 To consider and approve the remuneration for the Directors for year 2016**

The Chairman informed the meeting that in order to comply with the Companies Act B.E. 2535 and Articles of Association which require the Annual General Meeting of Shareholders to consider and approve the Directors' remuneration. The Nomination and Remuneration Committee has considered it appropriate to maintain the remuneration of the Board of Directors and other committees for 2016 at the same rate as the amount approved in 2015.

The remuneration of Directors and committees is in form of meeting fee; no monthly payment. In the year 2015, the total of the meeting fee was 880,000 Baht. The details are as below:-

- Meeting fee for Chairman of the Board and Chairman of Committees 30,000 Baht/Meeting/Person
- Meeting fee for the Board and Committee Members 20,000 Baht/Meeting/Person
- No meeting fee for Directors who are the executive and employee due to receiving of fixed salary and the bonuses based on performance

For 2016, the same rate of meeting fee under the total amount of 1,760,000 Baht was proposed.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution The meeting considered and approved the Directors' remuneration for the year 2016 as proposed with a majority of at least two third of the votes cast.**

Approved by	323,475,763	votes,	equivalent to	99.1761%
Disapproved by	0	votes,	equivalent to	0%
Abstained by	2,687,100	votes,	equivalent to	0.8239%

**Agenda 7 To consider appointing the auditor and determine audit fee for the year 2016**

The Chairman invited Mr. Sanpat Sopon to further clarify to the meeting.

Mr. Sanpat Sopon proposed to the meeting the external auditors from PricewaterhouseCoopers to be the auditors of the company with the auditing fee of 2,300,000 Baht for the year 2016 (excluding disbursements) for annual financial statements of the Company and its subsidiary and quarterly financial statements of the Company and its subsidiary; including auditing for financial statements to present the Board of Investment (BOI).

The external auditors namely;

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|---------------------------------|----------------------------|
| 1. Ms. Nattaporn Phan-Udom      | C.P.A. (Thailand) No. 3430 |
| 2. Mr. Kajornkiet Aroonpirodkul | C.P.A. (Thailand) No. 3445 |
| 3. Mr. Pisit Thangtanagul       | C.P.A. (Thailand) No. 4095 |

One of the proposed auditors approves the financial statements of the Company and its subsidiary. The proposed remuneration of the auditors for the period ended December 31, 2016 and the review of quarterly financial statements of the Company and its subsidiary; including audited financial statements for the Company under the BOI regulations in the total amount of 2.3 million baht, excluding other expenses. The increase of 1 million in the year 2016 is due to the expansion of business and also improving of Thai accounting standards in accordance with IFRS.

The company's auditor and auditors presented for approval have no relationship or interest with the Company and its subsidiary, executives, major shareholders, or associated with such individuals.

The Chairman then asked the meeting if shareholders had any questions; or a comment about this matter. Summary of question and answer are as follow:-

**Mr. Surapol In-kham**, a shareholder, asked whether the auditing fee can be lower by considering other lower-cost firm.

Mr. Nuntawat Kham-em clarified that the auditing fee from other audit firms were brought to comparison and found that the audit fees were not much different. The company also intentionally chose one of the top tier audit firms.

There was no question raised, and then the Chairman requested the meeting to vote.

**Resolution** The Meeting considered and approved the appointment of auditor and determined the audit fees for the year 2016 as proposed with the votes of the shareholders who attended the meeting and have the right to vote as follow.

Approved by	323,182,163	votes,	equivalent to	99.0861%
Disapproved by	280,600	votes,	equivalent to	0.0860%
Abstained by	2,700,100	votes,	equivalent to	0.8278%

**Agenda 8 Other business**

The Chairman informed that under the Section 105 of the Companies Act B.E. 2535 requires that shareholders are able to offer any other business to consider in the shareholders' meeting must be held not less than one third of the total number of shares sold, therefore no other business was consider in this meeting.

Then, the Chairman asked the meeting if shareholders had any questions; or a comment further to the above, the shareholders asked questions as detailed below:-

**Mr. Surapol In-kham**, a shareholder asked what the company reacted in case of the cash balance used in share purchase.

Mr. Noppachai Veeraman clarified that the cash balance condition announced by SET therefore the Company does nothing regarding the cash balance announcement. The Company only focuses on business.

**Mr. Pongsathorn Wanichsathien**, a proxy, asked whether the company plans to reduce dependency on a single vendor and reduce its capacity risks. In the past period, have the company faced with quality problem and claimed the manufacturer? How the products shipped to foreign agents?

Mr. Noppachai Veeraman described that the company has three manufacturers and the company owns product molds. In case of the top manufacturer fails on production, then the molds will be moved to others for manufacturing. In the past, the company rejected products and claimed on discount to this manufacturer. Anyhow, after such claim, the company in cooperation with the manufacturer improved the manufacturer's productions as business partners. For export of products, the company also has the alternative of directing third-party / third-country shipping.

**Mr. Pongsathorn Wanichsathien**, further asked how the company avoid a negative impact on business results for the quarter 3/2016 and 4/2016. Does the company have planned to propose any project to housing development or condominium?

Mr. Noppachai Veeraman described that the management has a major challenge on cost controls and managing on sales and marketing expenses to be in line with the revenue. For project proposals, the companies continuously propose to several of target customers; taking quite some time. Regarding the market expansion to other countries that has different time of seasonality, the company also is looking for suitable agents in Africa, for example.

**Mr. Pongsathorn Wanichsathien**, further asked on the new model of products in the year 2016; and inventory management to serve markets throughout the year. What are the Company's strategies?

Mr. Noppachai Veeraman informed that more than 10 new models are in R&D pipeline which will gradually launch to the market. All products have an inventory planning and can be served throughout the year. The strategy of the year is the strategic partner such as Singer Thailand Public Company Limited which has high potential to penetrate grassroots-customers.

**Ms. Chonwana Parapasu**, a shareholder asked whether oil-price changes have a significant effect on product pricing or costing of the company. How was the margin of exporting comparing to other sales channels?

Mr. Noppachai Veeraman informed that the company has a clear agreement with the manufacturers including OEM pricing; therefore the manufacturers have never raised OEM prices affected by oil-price changes. Gross margin of export products were lower than others; however other expenses occurred by export operating were also low. Therefore, total in bottom line of export channel and others were not much different.

**Ms. Chonwana Parapasu** further asked regarding competitors of the company and how the company claimed for the leading brand. What may affect the 40% sales growth of the company?

Mr. Noppachai Veeraman informed that most of the competitors are trading companies that distribute electrical appliances, not only evaporative cooling products; so they may not have much expertise in cooling technologies. The potential competitor for the year is Hatari; anyhow its advertisement on evaporative cooling helps to boost overall cooling market. As informed prior, this year the company concerns on all expenses which need close monitoring and control.

**Ms. Chonwana Parapasu** asked how the stronger Thai baht during beginning period of the quarter 2/2016 benefits to the company.

Mr. Noppachai Veeraman informed that the company's business model works like a natural hedge by itself that offsetting export and import side. The company also booked cost-accounting at the exchange rate 37 THB per 1 USD.

Before meeting closed, there were 71 shareholders attending in person and by proxies, which represented 326,162,863 shares, equivalent to 67.95 of the total shares of the company.

When there was no further question or comment, the Chairman announced the meeting officially closed at 15:35 hrs.



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(Assoc. Prof. Prakrit Tantisanon)

The Chairman



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(Ms. Mallika Trakoolthai)

Company Secretary / Secretary of the Meeting