



**MOONG  
PATTANA**

**บริษัท มุ่งพัฒนา อินเตอร์เนชั่นแนล จำกัด (มหาชน)**

(TRANSLATION)

Minutes of the 2012 Annual General Meeting of Shareholders

Moong Pattana International Public Company Limited

Time and Venue of the Meeting

Date of Meeting April 25, 2012  
Time 13.00 hours  
Venue Meeting Room 7<sup>th</sup> floor, Moong Pattana Building, 32 Bangna-Trad soi 25, Bangna-Trad Rd.,  
Bangna, Bangkok 10260

The Commencement of the Meeting

Mr. Sumeth Lersumitkul, Chairman of the Board of Directors, presiding as the Chairman of the Meeting, informed the Meeting that there were 34 shareholders and proxies present at the Meeting of which was accounting for 95,499,700 shares, or 79.58% of the total shares of Moong Pattana International Public Company Limited. The amount of shares constituted a complete quorum as stated in the Company's Articles of Association. Therefore, the Chairman requested the Meeting to consider matters in accordance with the following agenda items which were already informed to the shareholders.

In this Meeting, there were directors of the Company, its auditor, and legal advisor attending the Meeting as follows:

Directors Attended the Meeting

- |                               |  |
|-------------------------------|--|
| 1. Mrs. La-Aid Vongvongepop   | Chairman of Audit Committee, Independence Director |
| 2. Mr. Thaevan Uthavath       | Member of Audit Committee, Independence Director   |
| 3. Mr. Manit Jeeradit         | Member of Audit Committee, Independence Director   |
| 4. Mr. Sumeth Lersumitkul     | Chief Executive Officer                            |
| 5. Mrs. Sureeporn Anuvatudom  | Senior Vice President                              |
| 6. Miss Suwanna Chokdee-anand | Senior Vice President                              |
| 7. Mr. Vipak Vetvitayavatana  | Vice President                                     |

Director in Absence

Miss Supranee Sukwiwatsirikun Director

Auditor Attended the Meeting

Mr. Khitsada Lerdwana, Ernst & Young Office Limited

Legal Advisor Attended the Meeting

Miss Athistha Chitranukroh, DLA Piper (Thailand) Limited

Secretary of the Company

Miss Raewadee Rassameesangpetch, Secretary of the Meeting

The Chairman assigned Miss Raewadee Rasameesangpetch, the Secretary of the Meeting, to inform the Meeting with the rules and the voting procedures as follows:

In order to comply with the Company's Corporate Governance Policy regarding shareholders' right and equitable treatment, the Board of Directors of the Company had scheduled the Record Date to determine the right to attend the Annual General Meeting of Shareholders on March 20, 2012 and had scheduled the registration book closing date on March 21, 2012 to compile the shareholder list as specified in section 225 of the Securities and Exchange Act. The list of the top 10 shareholders was as follows:

- 1) Mr. Sumeth Lersumitkul holding 74,625,000 shares
- 2) Mr. Methin Lersumitkul holding 4,500,000 shares
- 3) Mr. Suthee Lersumitkul holding 4,500,000 shares
- 4) Mr. Soraphan Lersumitkul holding 4,500,000 shares
- 5) Mr. Pornchai Tanuphatrachai holding 2,458,400 shares
- 6) Mr. Staporn Thinwatanakul holding 1,724,200 shares
- 7) Mrs. Sureeporn Anuvatudom holding 1,600,000 shares
- 8) Miss Chanathip Sritrakul holding 1,222,200 shares
- 9) Mr. Amornwat Tirakritaporn holding 1,200,000 shares
- 10) Mr. Theenapat Jirasuvinaï holding 1,115,500 shares

To be fair and transparent towards the voting and vote counting for each agenda item, the Company invited the legal counsel of the Company to be the witness of vote counting.

As a procedure for voting in each agenda item, the shareholders and the proxies would be required to use the voting ballots received at the time of their registration into the Meeting. Any shareholders or proxies who did not receive such voting ballots should identify themselves to the attending staff to get the ballots.

In proceeding of the Meeting, the Chairman would proceed to consider the agenda items specified in the invitation of the Meeting in order of priority and would provide the shareholders an opportunity to ask questions (if any) before giving a resolution in each agenda item. Any shareholders who wished to post a question should state their names; surnames and number of shares held or held on behalf of others in case of proxy.

After considering the detail in each agenda item, if the shareholders opposed the proposed resolution or wished to abstain from the vote, they should indicate such decision in the ballots and return them to the attending staff. To facilitate the counting of votes, the ballots with opposing votes will be collected first and followed by the ballots with abstention votes.

In counting the votes, the majority of votes would be regarded as the resolution of the Meeting. If there was a shareholder opposing the proposed resolution or abstaining from the vote, the opposing and abstention votes would be subtracted from the quorum for each agenda item to determine the number of affirmative votes. If there was no shareholder opposing the proposed resolution or abstaining from the vote, such agenda item shall be deemed unanimously approved by the Meeting.

A shareholder would have one vote for each share. A resolution of the Meeting in each agenda item should be decided by a majority of votes of the shareholders attended the Meeting and were entitled to vote. In case where the votes of the shareholders were tied in any agenda item, the Chairman should cast an additional vote as a casting vote. A shareholder with conflict of interest in any of the agenda item would not be allowed to vote in that particular agenda.

As information to the shareholders and providing opportunity to check the accuracy of the minutes, the Company would post the Minutes of the Annual General Meeting of Shareholders on the Company's website within 14 days after the meeting.

The Company also provided opportunity, through the Company's website during January 2012, for the shareholders to propose meeting agendas and names of persons to be considered for election as the directors of the Company. No agenda or name had been proposed.

**Agenda 1 To ratify the minutes of the 2011 Annual General Meeting of Shareholders, held on April 26, 2011**

The Chairman asked the shareholders to examine the minutes of the 2011 Annual General Meeting of Shareholders, held on April 26, 2011, with the total of 9 pages, which were submitted to the shareholders together with the invitation of the Meeting. There was a change required for Agenda 2: To acknowledge the 2010 Operating Results which appeared on page 3 of the said minutes as follows:

4. Profitability Ratios

	2009		2010	
	Previously	Changed To	Previously	Changed To
Net Profit Margin	10.45	11.3	10.59	11.2

**Resolution** The Meeting passed its resolution to ratify the minutes of the 2011 Annual General Meeting of Shareholders, held on April 26, 2011 as proposed by the following votes:

Agree	94,700,200	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 94,700,200 of the shareholders who attended and were entitled to vote, representing 100% of the votes.

**Agenda 2 To acknowledge the operating results for the fiscal year 2011**

The Chairman assigned Mr. Vipak Vetvitayavatana, Vice President-Finance and Accounting to inform the Meeting as follows:

## 1. Operation results for the fiscal year 2011

	(Unit: Million Baht)			
	<u>2010</u>	<u>2011</u>	<u>Growth/(Decline)</u>	<u>% Change</u>
Revenues from Sales	410.2	503.7	93.5	22.8%
Cost of Sales	201.6	269.7	68.1	33.8%
Selling and Administrative Expenses	197.8	230.3	32.5	16.4%
Net Profit	48.2	53.9	5.7	11.8%
Net Profit per Share	0.40	0.45	0.05	12.5%

Mr. Vipak explained the reason for higher percentage increase of cost of sales compared to the percentage increase of sales revenues was mainly due to the distribution of new products with lower gross profit margins compared to the existing products. The increase of selling and administrative expenses was mainly attributed to the increase of staff costs associated with the change of organization structure and the increase of new headcount, particularly the selling and marketing team, in order to drive for higher sales and support business growth. In addition, there was also an increase of sales promotion and marketing expenses in relation to the increase of sales revenues.

2. Mr. Vipak informed the financial status of the Company in relation to assets, liabilities and shareholders' equity as follows:

	(Unit: Million Baht)			
<u>As of December 31</u>	<u>2010</u>	<u>2011</u>	<u>Growth/(Decline)</u>	<u>%Change</u>
Assets	554.4	592.7	38.3	6.9%
Liabilities	231.9	248.0	16.1	6.9%
Shareholders' Equity	322.5	344.8	22.3	6.9%

Mr. Vipak explained on the increase of assets that was mainly due to the increase of cash on hand and trade receivables in line with increase of sales. Inventories, due to the emphasis on effective inventory management, declined by Baht 13.0 million. Investment in associated company, with the profit for the year, increased by Baht 11.3 million. As for liabilities, the increase of trade creditors was in line with business expansion, while there was an increase of reserve for employee benefit of Baht 11.8 million and the reduction of loans by Baht 34.0 million due to the repayment to the financial institute. As of today, the Company had no outstanding loan reported in its books. Shareholders' equity increased by Baht 22.3 million mainly from the profit of the year offset by dividend payment and reserve for employee benefits.

The Chairman offered opportunity for the shareholders to ask questions and express opinions.

Mr. Wallop Charaschimpleedul, holding 2,000 shares, enquired on the operation during 2011. The Chairman assigned Mr. Vipak to respond to the enquiries.

1. What was the cause of Baht 68.1 million increase of cost of sales?

Mr. Vipak explained that the sales revenues of the Company consisted of 3 major categories, i.e. mother and baby care, household products, and plastic products, which contributed different gross profit margin. Normally the distributed products would contribute low gross profit margin since the Company was not required to spend on marketing and promotion. During last year, such products showed remarkable growth leading to the increase of cost of sales.

2. Would such cost of sales decline in future for better proportion to sales?

The Chairman explained on the future change of cost of sales which would depend on the selling structure of the products. Sales of products with high volume would generally contribute lower gross profit margin while products with smaller volume would be expected to contribute higher gross profit. The Management was well aware to balance the combination of products with different margins in order to maximize the Company's profit.

3. What was the reasons for the increase of administrative expenses from Baht 106 million in 2010 to Baht 128 million in 2011, an increase of Baht 22 million (information from the Annual Report)?

Mr. Vipak explained that the organization re-structuring in 2011 had led to the increase of number of employees to support sales and business expansion as well as to maintain the Company's competitiveness, resulting in a significant increase of staff costs. At the same time, sales promotion and marketing expenses as well as transportation cost had also increased according to the increase of sales and fuel price.

The Chairman added that the increase of administrative expenses was generally due to the increase of headcount in the sales team to boost up sales in various distribution channels, and the marketing team in order to handle new products (in line with the Company policy in searching new business/distributorship). The Management realized the limitation of our existing employees in running the newly acquired business. Thus, new employees with diversified experiences in new business categories would be recruited.

The shareholder recommended the Board of Directors to set up direction to better manage the administrative expenses.

Mrs. La-Aid Vongvongpop, the Chairman of Audit Committee and independent director, added that the employee cost would not be possibly cut since it was one of the important spending. The significant increase of such cost for the year was for the preparation for future business expansion. In longer term, with the increase of sales revenues, employee cost as proportion to sales would decrease. The shareholders should give the Management and Board of Directors chance to properly manage the business.

**Resolution** The Meeting acknowledged the operating results for the year 2011 as presented.

**Agenda 3 To consider and approve the Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2011 which were audited and certified by the auditor**

The Chairman assigned Mr. Vipak Vetvitayavatana, Vice President – Finance and Accounting to present to the Meeting on this agenda.

Mr. Vipak informed the Meeting of the 2 new accounting policies which were adopted according the changes of Thai Accounting Standards (TAS) in the financial statements of the Company for the fiscal year 2011 as follows:

**1. TAS 19 Employee Benefits**

The Company was required to recognize and make provision for the liability related to employees' retirement benefits. The provision which was made during the transition period was adjusted to the beginning balance of the Retained Earnings while the adjustment of the provision for the year ended December 31, 2011 was made to Income Statement for the year.

**Retained Earnings**

Unappropriated Retained Earnings as at December 31, 2010	Baht	48,146,265
<u>Less</u> Accumulative effect of change in accounting policy		
for employee benefits	Baht	(12,219,593)
<u>Less</u> Dividend payment	Baht	(14,400,000)
<u>Add</u> Profit for the year	Baht	<u>37,557,249</u>
Unappropriated Retained Earnings as at December 31, 2011	Baht	<u>59,083,921</u>

**Balance Sheet – Non Current Liabilities**

Provision for long-term employee benefits – beginning	Baht	12,219,593
Provision for long-term employee benefits – ending	Baht	<u>11,856,358</u>
Amount adjusted to Profit and Loss	Baht	<u>363,235</u>

The Chairman offered opportunity for the shareholders to ask question.

Mr. Ittikorn Sae Lao, holding 624,500 shares, asked to which of the financial statements the Baht 363,235 adjustment was made.

Mr. Vipak explained that the adjustment was made to the administrative expenses in the Income Statement.

**2. TAS 40 Investment Property**

This new accounting standard required the entities to record the property not in use for operation as investment property using either cost model or fair value model. Previously the Company recorded the transaction under "Land Not Used in Operation" using cost model (Baht 19.48 million cost). With adoption of the new accounting policy, the transaction was reclassified as "Investment Property" using cost model. Such reclassification had no impact on either net profit or shareholders' equity.

**Resolution** The Meeting passed its resolution to approve the Balance Sheet and the Profit and Loss statement for the year ended December 31, 2011 which were audited and certified by the auditor.

Agree	95,300,900	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 95,300,900 of the shareholders who attended the Meeting and were entitled to vote, representing 100% of the votes.

**Agenda 4 To consider and approve the dividend payment from the operating results of year 2011**

The Chairman assigned Mr. Vipak Vetvitayavatana, Vice President – Finance and Accounting to present to the Meeting as follows:

Pursuant to the Company's policy regarding dividend payment, the Company shall pay a dividend payment to the shareholders of no less than 50 per cent of its net profit after deduction of income taxes and legal reserves. However, the dividend payment is subject to change depending on operation plan, investment, liquidity, and necessitates of the Company in the future. The Board of Directors may not follow the policy or periodically change the policy under the condition that the implementation shall provide the utmost benefit to the shareholders such as the money is for the reserve for loan repayment, the money if for the investment to expand business of the Company, or change of market situation which may affect the cash flow of the Company in the future.

The dividend payment from 2011 operating results of Baht 0.20 per shares was proposed to the Meeting together with the following detail:

	<u>2010</u>	<u>2011</u>
Net Profit (Separate Financial Statements)	Baht 36.96 million	Baht 37.56 million
Interim Dividend Payment	Baht 0.07 per share	None
Final Dividend Payment	Baht 0.12 per share	Baht 0.20 per share
Total Dividend Payment	Baht 0.19 per share	Baht 0.20 per share
Total Dividend Paid	Baht 22.8 million	Baht 24.0 million
% to Net Profit	62%	64%
Total Number of Shares	120 million	120 million

The Chairman offered opportunity for the shareholders to ask question.

Mr. Ittikorn Sae Lao, holding 624,500 shares, raised the following questions:

1. Why was the dividend payment made from the operating results of the Company only?

Mr. Vipak responded that profit from investment in associated company did not necessarily contribute to the increase of cash flow since the share of profit from associated company was only a consolidation in the financial statement under equity method. Operating cash flow would increase only if the Company received dividend payment

from such share of profit. Dividend payment from net profit of the Company would conservatively prevent any possible liquidity problem for the Company.

2. Would there be any interim dividend payment in 2012?

The Chairman explained that the Company's dividend payment policy did not specify number of dividend payment during the year. The payment of dividends would be made according to the cash flow and financial situation of the Company. The Board of Directors could not guarantee any interim dividend payment. However, the Board anticipated the annual dividend payment would be made.

Mr. Wallop Charaschimpleedul, holding 2,000 shares, enquired on the criteria for interim dividend payment.

The Chairman explained that the Board of Directors would consider declaring interim dividend payment when there was a high possibility that the Company would generate good profit for the year. In 2011, after the closing of the second quarter books of accounts together with the flooding disaster in many provinces, it was uncertain that the Company would be able to generate profit as usual. However, after those unfavorable events, the year-end closing of the Company's books revealed better operating results than previously anticipated. The Board of Directors therefore proposed to the Meeting for the dividend payment from 2011 operating results at a rate higher than those paid in 2010.

**Resolution** The Meeting considered the matter and approved the dividend payment from the 2011 operating results as proposed.

Agree	95,499,700	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 95,499,700 of the shareholders who attended the Meeting and were entitled to vote, representing 100% of total votes (There were additional shareholders registering to attend the meeting during this agenda, holding 198,800 shares in aggregate)

The Company would determine the name list of the shareholders who are entitled to receive the dividend on May 3, 2012 and compile the shareholder list pursuant to Section 225 of the Securities and Exchange Act by means of share register book closure on May 4, 2012 and set the dividend payment date on May 17, 2012.

**Agenda 5 To consider appointment of new directors replacing those retired by rotation**

The Chairman informed the Meeting that The Directors whose terms were ended this year comprised:

1. Mr. Sumeth Lersumitkul Chairman of the Board
2. Mr. Thaevan Uthavath Member of Audit Committee, Independence Director
3. Miss Supranee Sukwiwatsirikun Director



The Board of Directors deemed appropriate to reappoint two directors who retired by rotation namely, Mr. Sumeth Lersumitkul and Mr. Thaevan Uthavath as directors for another term. Miss Supranee Sukwiwatsirikun wished not to be reappointed as director for another term.

Mr. Wallop Jaraschimpleekul, holding 2,000 shares, enquired on the reason to reappoint only 2 directors out of the 3 retired directors.

The Chairman clarified that the Board of Directors had an opinion that only 7 directors on the Board would be sufficient to effectively run the Company's business and therefore proposed no additional name for shareholders' consideration.

**Resolution** The Meeting considered and passed its resolution to approve the appointment of the directors subject to be retired as directors for another term.

Voting results for Mr. Sumeth Lersumitkul

Agree	20,874,700	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 20,874,700 of the shareholders who attended the Meeting and were entitled to vote, representing 100% of total votes after deduction of the votes from interested shareholders (Since Mr. Sumeth Lersumitkul is a shareholder of the Company holding 74,625,000 shares, he was considered an interested shareholder)

Voting results for Mr. Thaevan Uthavath

Agree	95,497,700	votes
Disagree	-	votes
Abstain	2,000	votes

of the total votes of 95,499,700 of the shareholders who attended the Meeting and were entitled to vote, representing 99.99% of total votes after deduction of the votes from interested shareholders.

#### **Agenda 6 To consider and approve the directors' remuneration for year 2012**

The Chairman informed the Meeting that the remuneration of the Board of Directors, Audit Committee and other committees (if any) should be fixed to the amount not more than Baht 2.5 million, which was equivalent to the remuneration for 2009 and 2010.

**Resolution** The Meeting considered and unanimously passed the resolution to approve the matter as proposed.

Agree	95,499,700	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 95,499,700 of the shareholders who attended and were entitled to vote, representing 100% of total votes.

**Agenda 7 To consider appointment of auditor and determine auditor's fees for year 2012**

The Chairman informed the Meeting that in year 2011, the auditor of the Company, Ernst & Young Office Limited, an auditing firm listed in the SET's list, had been appointed as the Company's auditor.

Directors' opinion

The Board of Directors deemed it's appropriate to approve the appointment of the following auditors from Ernst & Young Office Limited as the Company's auditor for 2012:

- 1) Mr. Narong Puntawong C.P.A. Registration No. 3315 or
- 2) Miss Siraporn Ouaanunkun C.P.A. Registration No. 3844 or
- 3) Mr. Supachai Phanyawattano C.P.A. Registration No. 3930

One of the auditors named above would audit and express his/her opinion on the Company's financial statements. In case one or all of the above auditors could not carry out their audit assignment for the Company, Ernst & Young Office Limited would assign other auditor of Ernst & Young Office Limited to audit and express opinion on the Company's financial statements. The audit fee for the year 2012 would be fixed at Baht 700,000 which was the same amount of 2011.

The appointment of the auditors and determination of the auditor's fees were carefully considered by Audit Committee.

**Resolution** The Meeting considered and passed its resolution to approve the matter as proposed.

Agree	95,499,700	votes
Disagree	-	votes
Abstain	-	votes

of the total votes of 95,499,700 of the shareholders who attended and were entitled to vote, representing 100% of total votes.

**Agenda 8 Other Businesses**

The Chairman asked the shareholders if anyone would like to ask the questions in relation to the business operation of the Company or make suggestion on the administration to the Board of Directors.

Mr. Nattapol Kornsithikul, a shareholder holding 112,000 shares and a proxy from Miss Usa Wannapattarat, holding 42,000 shares, posted 3 questions as follows:

1. From the Company's website, the YURA logo had been deleted. Would the Company continue being the distributor of the products? If not, when would the distribution cease and what would be the impact to the Company's sales turnover?

Miss Suwanna Chokdee-anand clarified that the owner of YURA products had a plan to introduce several new products through "direct sale" which was not the distribution channel that the Company had expertise. The Company would continue selling the products for another quarter. In the past, sales turnover of YURA products

was minimal as it was still at the introducing stage to the market. The impact to the Company's sales turnover was very limited.

2. Out of the 4 new products which the Company gained distribution last year, the distribution of 2 of those new products was already cancelled. What was the reason? Would there be any new products to be distributed this year? How the Company built confidence for its shareholders on the distribution business?

The Chairman clarified that the Company had over 30 years of experience in selling mother and baby care products under Pigeon brand. In distributing new products, the Company sometime found out that the products did not fit the existing distribution channels or experiences of the Company.

3. Would there be any new contract for distribution? What type of product would it be?

The Chairman informed the Meeting that new contracts continued to flow in, but nothing could be disclosed at the moment.

Mr. Rithikrai Eurpieammolkol, holding 198,800 shares enquired on the performance of Q1/2012.

Mr. Vipak informed the Meeting that the performance of Q1/2012 would be better than Q1/2011.

Mr. Karoon Piriayont, holding 600,700 shares, shared comments from his dealing with the shop-owner in Supanburi regarding the sales of Pigeon products that generally the sales was good due to the good product quality. However, with high price of the products, sometimes the products were difficult to sell. Would it be possible that the Company introduce 2 different grades of the products, one of which could be sold at lower price?

The Chairman explained that, if comparing price and quality, the Pigeon products were considered cheaper than other brands. Pigeon products would last longer than other products which required frequent replacement. From the survey, it was found that the sales of cheaper products constantly dropped.

There were no other questions, Chairman thanked the shareholders, the observer from Asia Plus Security PLC.-- Khun Nithikorn Srikirintr, and the directors for attending the meeting and closed the meeting at 14.50 hours.

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(Mr. Sumeth Lersumitkul)

Chairman

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(Ms. Raewadee Rassameesangpetch)

Secretary of Meeting