

Translation

Kulthorn Kirby Public Company Limited
Minutes of the Ordinary Shareholders Meeting No. 40/2019
On 24 April 2019

The meeting was held at the company's meeting room, No. 126 Soi Chalong Krung 31, Chalong Krung Road, Khwaeng Lam Pla Thio, Khet Lat Krabang, Bangkok.

Mr Sumeth Simakulthorn, the Chairman of the board of directors who presided over the meeting, assigned Pol. Gen. Pateep Tanprasert, the Company Secretary to introduce the company's directors, other executives and the auditor present at the meeting which they are names as follows:

DIRECTORS in attendance

1 Mr Sumeth	Simakulthorn	Chairman of the board of director
2 Mr Tawatchai	Jaranakaron	Independent Director/Chairman of Audit Committee
3 Vice Admiral Naruedom	Sa-ardyen	Independent Director/Audit Committee
4 Mr Padoong	Techasarintr	Independent Director/Audit Committee
5 Mr Somlak	Jamtiranat	Independent Director
6 Mr Katiya	Greigarn	Independent Director
7 Mr Suraporn	Simakulthorn	Director
8 Mr Prasan	Tanprasert	Director
9 Pol. Gen. Pateep	Tanprasert	Director/Company Secretary
10 Mr Sutee	Simakulthorn	Director/President
11 Mr Titisak	Simakulthorn	Director/Executive Vice President (Marketing and Acting Manufacturing)
12 Mr Kanok	Suriyasat	Director
13 Mr Abhijit	Simakulthorn	Director
14 Mr Surath	Pralongsil	Director/Executive Vice President (Finance)

In total 14 persons present at the meeting, representing 99.33 % of total number of directors.

THE EXECUTIVES in attendance

1 Ms Penpak	Assarat	Deputy Manager, Finance Division
2 Ms Urai	Atipak	Manager (Accounting & Costing Department)

AUDITORS in attendance

Auditors from EY Office Limited :

Ms Satida Ratananurak and Ms Monwipa Engkagul



The Company Secretary then informed the meeting that there were 21 shareholders and 12 proxies, in total 33 persons present at the meeting, representing 830,114,857 shares or at 69.18% which is not less than one-third of the total 1,200,000,000 issued and sold shares and there were shareholders and proxies attended the meeting of not less than 25 persons. It constituted a quorum according to the company's Articles of Association.

The Chairman further stated that during proceeding on each meeting agenda if any shareholder has any question, please raise the question. As for the voting in each agenda, to counting votes from every ballot would be time consuming and he asked the Company Secretary to give detail on this matter.

The Company Secretary stated that in each agenda the Chairman would propose resolution for the meeting's approval. Any shareholder who disapprove with the chairman's proposal or abstain vote, could cast his/her vote and sign his/her name on the distributed ballot and raise his/her hand, so that the company's staff would collect his/her ballot and count the votes. Other shareholders who did not raise their hands would be assumed that they approved with the proposed resolution in the agenda. Thus, if there were no hand raised, let it be agreed that the meeting unanimously approved with the chairman's proposal.

The Company Secretary stated before the meeting started that for the 2019 Ordinary Shareholders Meeting the Company was aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance. The Company allowed the shareholders to propose the matter for consideration as agenda, submit the enquiries and name of the person to be elected as the company's director in advance since 1 October 2018 to 15 January 2019, notified and disclosed contact channels and period for proposing agenda and enquiries via SET and also provide details of the procedures on the company's website (www.kulthorn.com) and found that no shareholders proposed the matter for consideration as agenda, submit the enquiries and name of the person to be elected as the company's director to this meeting.

The Chairman therefore declared the meeting opened and proceeded the meeting according to the agenda.

The Meeting was opened at 10.10 hours

Agenda 1 To certify the Minutes of the Ordinary Shareholders Meeting No. 39/2018

The Chairman assigned the Company Secretary to propose the meeting to certify the minutes of the Ordinary Shareholders Meeting No. 39/2018 held on 25 April 2018 which the copy of the minutes was sent to all shareholders for considering in advance and had been already posted on the company's website.

The Company Secretary then informed the meeting that there were shareholders and proxies at the meeting, representing 862,430,346 shares

The Meeting, after considering unanimously certified the minutes of the Ordinary Shareholders Meeting No. 39/2018 held on 25 April 2018 with the following votes :

Approved	862,430,346 votes,	equal to 100 %
Disapproved	– none –	
Abstained	– none –	
Void ballot	– none –	

Agenda 2 To consider acknowledging the company's Annual Report and the Board of Directors' report for 2018

The Chairman proposed the meeting to acknowledge the company's and subsidiaries results of business operations in 2018 and the Board of Directors' report, details as appeared in the Annual Report 2018 which was sent to all shareholders for considering in advance.

The meeting acknowledged the company's Annual Report and the report of the Board of Directors for the year 2018.

Agenda 3 To consider approving the company's financial statements for the year ended 31 December 2018

The Chairman assigned the Company Secretary to present the matter to the meeting.

The Company Secretary stated that the Chairman requested the meeting to approve the company's financial statements for the year ended 31 December 2018 which was audited and certified by the company's auditor and was consented by the audit committee, and also was approved by the board of directors, details as appeared in the Annual Report 2018, the section of "Report of Independent Auditor and Financial Statements" which was sent to all shareholders for considering in advance.

The consolidated statements of the financial position and the income of the company and its subsidiaries are as follows:

Total assets	Baht	7,142.11	million
Total liabilities	Baht	5,573.81	million
Total shareholder's equity	Baht	1,568.30	million
Total revenues	Baht	7,482.71	million
Profit (loss) for the year	Baht	(605.79)	million
Basic earnings per share	Baht	(0.505)	

The statements of the financial position and the income of the company are as follows:

Total assets	Baht	6,588.98	million
Total liabilities	Baht	4,510.54	million
Total shareholder's equity	Baht	2,078.44	million
Total revenues	Baht	3,920.07	million
Profit (loss) for the year	Baht	(636.32)	million
Basic earnings per share	Baht	(0.530)	

After Company Secretary presented to the meeting, the Chairman then asked whether the shareholders had any questions or comments.

- Ms. Janenate Methaveevini, a shareholder asked that there were higher cost of goods sold and any measures to minimize such cost of sales and services. There were also incurred of higher depreciation and amortization which would impact the net loss.

- Director / President explained that as a result of higher competition in motor compressor market and risen cost of production affected last year sales. He requested Ms. Penpak Assarat, Deputy Finance Manager to clarify to the meeting.



- Ms. Penpak Assarat, Deputy Finance Manager explained to the meeting that major factor of the higher cost of production if compared to sales was due to the fact that lower sales of refrigerator and air-conditioner motor compressor as there were price competition from China, changed in refrigerants technology as well as standard requirement for efficiency and energy saving. In addition to 20% increasing of copper and steel price, this was resulted in increasing in selling and administrative expenses and provision for impairment of investment in subsidiary, Kulthorn Premier Co., Ltd., at the amount of 260 million Baht.

- Ms. Janenate Methaveevinij also questioned that to whom the Company lose market competition and what are the corrective measures. What are the factors of net loss from amortization of land and equipments?

- Director / President clarified that in 2018 the Company sold and transferred assets of Kulthorn Metal Product Co., Ltd, forged steel business, to Kulthorn Steel Co., Ltd, the Company subsidiary in order to minimize operation cost. The selling amount was based on actual accounting standard which was not incurred any loss.

- Ms. Janenate Methaveevinij further asked that having received higher number of interests, whether the Company would be able to deduct from interest payable and how to manage loss from exchange rate.

- Director / President explained that in the past the Company made an order of copper and steel from oversea market at US dollars cost, but recently the policy changed to Thai Baht. The Company also sold to international market at Thai Baht to mitigate risk from exchange rate. Therefore, there was a little risk from exchange rate.

- Ms. Janenate Methaveevinij inquired that in 2018 was the first year of negative inventory balance. She also asked how to manage on this matter.

- Director / President clarified that as lower sales in 2018, the Company was necessary to reserve inventory in parallel. The Company policy also aimed for AEC market in a bid to minimize higher competition from China, transferring of production base of motor compressor AZ model to Kulthorn Premier Co., Ltd. in Prachinburi Province to gain higher revenue; was another alternative to leave the mentioned area for larger compressor model.

- Ms. Janenate Methaveevinij asked that what was the Company expectation of product selling to the US and what is the investment and payback period.

- Director / President clarified that the Company had resolution of Shareholders' Meeting approval for the investment in expanding production capacity of compressor model AW which was granted investment promotion from The Office of the Board of Investment (BOI) but ceasing with regards to the switching over such amount of investment to purchase the assets of US manufacturer of compressor which is comprised of machine and equipment, trade name, and intellectual property such as patents and trade mark etc. under the amount of 12 million USD. The project has been called "Bristol" thus the Company may not need additional investment from the Shareholders' Meeting approval. The compressor produced from Bristol project can be able to deliver for user acceptant test on the 3rd quarter of 2019 and expected commercial production to take off in the year 2020.

- Ms. Janenate Methaveevinij questioned that how many projects are under investment promotion from BOI.

- Director / President clarified that there were two projects under The Office of the Board of Investment (BOI) privilege those are production improvement project with total value of 200 MB (completed project- on process of operation) and capacity production enhancement of compressor model AW with the amount of 400 MB under 584,000 units production capacity. Bristol project, in which capacity of 2 million units, is pending for 1.5 million units' BOI privilege.



- Ms. Janenate Methaveeviniy asked that during the operation of Bristol project which could take at least a year, what were the action plans to raise operating performance.

- Director / President clarified that the Company has transferred production line of compressor AZ model to Kulthorn Premier Co., Ltd. to facilitate the increasing number of jobs and income and to reduce redundancy of motor compressor of Kunthorn Premier Co., Ltd. to limit into 2 models whereas the Company also develop highest performance compressor which was ready for production including production capacity improvement project which was under investment promotion form The Office of the Board of Investment (BOI). Bristol project is on track for cost management and is expected to finish in due course.

- Ms. Janenate Methaveeviniy questioned about how to control and manage inventory for this year

- Mr. Surath Pralongsil, Director and Chief Financial Officer clarified that inventory for the year 2018 increased as a result of risen in raw materials in contrast this year 2019 the Company shall focus on lead time reduction whereby placing an order for production input to control stock as well as long period of pre-order in advance is not allowed but order placing from time to time will be applied.

No other question from the meeting, the Chairman then requested for the resolution on this matter from the meeting.

The Company Secretary informed the meeting that at present, there were shareholders and proxies at the meeting, representing 872,948,129 shares.

The Meeting, after considering unanimously approved the company's financial statements for the year ended 31 December 2018 with the following votes :

Approved	872,948,129 votes,	equal to 100 %
Disapproved	- none -	
Abstained	- none -	
Void ballot	- none -	

Agenda 4 To consider approving the dividend omission for 2018's operational results.

The Chairman assigned the Company Secretary to present the matter to the meeting.

The Company Secretary stated that the business operation in the year 2018 was effected from the world fluctuated economic situation and the high competition resulted the company revenues from sales and the operation profit were lower than the target. Then in order to secure the liquidity for 2019's operations the dividend payment for 2018's operational results should be omitted.

After reporting, the Chairman proposed the meeting to approve the omission of dividend payment for 2018's operational results.

The Meeting, after considering unanimously approved the dividend omission for 2018's operational results with the following votes :

Approved	872,948,129 votes,	equal to 100 %
Disapproved	- none -	
Abstained	- none -	
Void ballot	- none -	

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Agenda 5 To consider electing the directors to succeed those retired by rotation

The Chairman assigned the Company Secretary to present the matter to the meeting.

The Company Secretary stated that in accordance with Clause 14 of the Articles of Association, at every ordinary shareholder meeting one-third of the directors shall retire from office and a director who retire from office may be re-elected.

This year one-third of the directors retiring by rotation of 5 persons are as follows :

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|----------------------------|--|
| 1 Mr Sumeth Simakulthorn | Chairman of the Board of Director |
| 2 Mr Tawatchai Jaranakarun | Independent Director and Chairman of Audit Committee |
| 3 Mr Titisak Simakulthorn | Director |
| 4 Mr Somlak Jiamtiranat | Independent Director |
| 5 Mr Katiya Greigarn | Independent Director |

All directors of the company excluding the retiring directors agreed to propose to the meeting of shareholders to re-elect all of the 5 retiring directors to succeed those retired by rotation

The Board of Directors agreed upon the nomination of Mr Tawatchai Jaranakarun, Mr Somlak Jiamtiranat who are acting as independent directors with over 9 years of experience and knowledgeable of our business. Which that can support their independent opinion on concerned regulation and corporate governance of company. The company has sent the history of the person who has been proposed to be the director of the company for the shareholders for considering in advance. And in this resolution, it is a vote to elect each director individually.

The Meeting, after considering elected directors by voting in an individual election, respectively, with the following votes

Directors	Approved		Disapproved		Abstain		Void ballot
	Votes	%	Votes	%	Votes	%	
1 Mr Sumeth Simakulthorn	872,948,129	100	None	None	None	-	None
2 Mr Tawatchai Jaranakarun	872,948,119	99.999999	10	0.000001	None	-	None
3 Mr Titisak Simakulthorn	872,948,129	100	None	None	None	-	None
4 Mr Somlak Jiamtiranat	872,948,119	99.999999	10	0.000001	None	-	None
5 Mr Katiya Greigarn	872,948,129	100	None	None	None	-	None

After the meeting had elected 5 directors, the Company Secretary had announced the list of company's board of directors which consists of 15 persons as follows :

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|------------------------------------|-----------------------------|
| 1 Mr Sumeth Simakulthorn | 2 Mr Surapom Simakulthorn |
| 3 Mr Sutee Simakulthorn | 4 Mr Titisak Simakulthorn |
| 5 Mr Abhijit Simakulthorn | 6 Mr Praphad Phodhivorakhun |
| 7 Pol. Gen. Pateep Tanprasert | 8 Mr Prasan Tanprasert |
| 9 Mr Surath Pralongsil | 10 Mr Kanok Suriyasat |
| 11 Mr Tawatchai Jaranakarun | 12 Mr Padoong Techasarintr |
| 13 Mr Somlak Jiamtiranat | 14 Mr Katiya Greigarn |
| 15 Vice Admiral Naruedom Sa-ardyen | |

As Mr Tawatchai Jaranakarun, Mr Padoong Techasarintr, Mr Somlak Jiamtiranat, Mr Katiya Greigarn and Vice Admiral Naruedom Sa-ardyen, in total 5 persons are the independent directors.



Ms. Satida Ratananurak Certified public accountant no. 4753 and/or
Ms. Siriwan Suratepin Certified public accountant no. 4604 and/or
Mr. Wichart Lokatekrawee Certified public accountant no. 4451

Along with the company's annual auditing fee at Baht 1,330,000 which increased from the year 2018 amounting to Baht 170,000 and the reviewing fee for the first 3 quarters of interim financial statements in total amount of Baht 540,000 or Baht 180,000 each quarter which is the same amount as the previous year, in total amount of Baht 1,870,000.

EY Office Limited and the proposed auditors are independent persons and have no any conflict of interest with the company / the executives / the major shareholders, or other related to those parties.

After reporting, the Chairman requested for the resolution on this matter form the meeting.

The Meeting, after considering unanimously appointed the company's auditors for the year 2019 and approved the annual auditing fee, the reviewing fee for the interim financial statements, altogether 3 quarters as proposed with the following votes:

Approved	872,948,129 votes, equal to 100 %
Disapproved	- none -
Abstained	- none -
Void ballot	- none -

Agenda 8 To consider other businesses

For this agenda the Chairman asked the shareholders if they had any question.

- Mr. Chartchai Triwimol, proxy from Thai Investors Association inquired about the anti-corruption policy whether the Company has participated in Thailand's Private Sector Collective Action Coalition against Corruption.
- Mr. Tawatchai Jaranakarun, Chairman of Audit Committee responded that the Company has anti-corruption policy and it is considered as important issues and under the process of further study the details.

There was no other business to be discussed.

The Chairman then declared the meeting closed.

The Meeting was closed at 11.00 hours.

Sumeth Simakulthorn
Signed
(Mr Sumeth Simakulthorn)
Chairman of the Board of Directors

Note: The minutes of the meeting in English version has been translated from those in Thai, thus only the minutes in Thai will be used as reference.

