



**Minutes of Annual General Meeting for the Year 2019**  
**Sappe Public Company Limited**

**Time and Place**

The meeting was held on Thursday, 18 April 2019, 1.30 p.m. at Srinakarin 1 Room on the 9<sup>th</sup> Floor of Grand Four Wings Convention Hotel, No. 333 Srinakarin Road, Hua Mak Sub-District, Bang Kapi District, Bangkok.

**Directors present at the Meeting**

1.	Mr. Natee	Onin	Chairman
2.	Mr. Adisak	Ruckariyaphong	Vice Chairman and Chairman of Executive Committee
3.	Mr. Anan	Ruckariyapong	Director and President
4.	Ms. Piyajit	Ruckariyapong	Director and Chief Executive Officer
5.	Mr. Arnupap	Ruckariyapong	Director and Chief Operating Officer
6.	Mr. Padungdej	Indralak	Independent Director and Chairman of Audit Committee
7.	Ms. Kunnigar	Triyangkulsri	Independent Director and Audit Committee
8.	Mr. Surath	Pralongsil	Independent Director and Audit Committee
9.	Mr. Thana	Thienachariya	Independent Director

**Executives of Sappe Public Company Limited**

1.	Mr. Anak	Lapsuksatit	Chief Financial Office
2.	Mr. Worapong	Kietdumrongwong	Chief Sales and Marketing Officer
3.	Mrs. Yata	Onin	Chief Innovation Officer
4.	Ms. Kanlayaphorn	Sakutalakul	Senior Vice President - International Business
5.	Mr. Chinnavit	Learbannaphong	Vice President - Strategy & Finance
6.	Mr. Natthakit	Phonglertrit	Vice President - Operation
7.	Ms. Maneerat	Jarukitsopa	Vice President – Marketing
8.	Ms. Saranya	Thanawadee	Vice President Accounting and Chief Financial Officer of All Coco Group Company Limited
9.	Ms. Sutatip	Chantharangsee	Assistant Vice President - Finance New Business Partnership and Corporate's secretary

**Executive of All Coco Group Co., Ltd.**

1.	Ms. Nitreeya	Wongsa	Chief Sales and Marketing Officer
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**Auditors from KPMG Phoomchai Audit Co., Ltd.**

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| 1. | Ms. Sureerat | Thongarunsaeng | Audit Administration Director |
| 2. | Ms. Nitinat  | Khajorntraidej | Assistant Audit Manager       |

**Legal Adviser from SPLA Law Co., Ltd.**

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|----|-------------|------------------|--|
| 1. | Mr. Preecha | Yokthongwatthana | Senior Attorney-at-Law and Legal Adviser |
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**The Meeting started at 1.30 PM.**

Ms. Sutatip Chantharangsee, Corporate Secretary (“Ms. Sutatip”) greeted Shareholders and proxy holders in attendance and explained voting procedures to the Meeting as follows:

1. Votes would be cast based on the ratio of one (1) share to one (1) vote, therefore Shareholders’ votes came from their respective numbers of shares they held. Proxies must cast votes in manner specified in the proxy forms authorized by the Shareholders whom they represented only.

2. Suggestions or questions raised must be relevant to agenda presented at the particular moment. For comments on any other issues irrelevant to the agenda, such comments may be raised at the end of the Meeting. In order for the Meeting to be concise and efficient, it would be proceeded and focused on topics the Company considered essential and a priority as it deemed appropriate.

3. Any Shareholders who would like to inquire would have to announce their names, surnames, amounts of shares held as well as attendance status either by himself or proxy together with filling the information in a question coupon forming part of voting ballots to be handed to the Company’s staff in order to record details in the minutes of the Meeting with accuracy.

4. Casting the votes in each agenda shall be in a transparent manner whereupon Shareholders would be asked by the Chairman to confirm whether they would disagree or abstain. In case of disagreement or abstention being purported, Shareholders were required to clearly mark their votes on the ballot and raised their hands for ballot collection. Ballots that were collected after the voting system has been closed would be deemed as approval for such agenda. For Agenda Item No. 5: to consider the election of directors in place of those retiring by rotation, it is required to cast the vote to agree, disagree or abstain to each person one by one.

5. To count votes cast for each agenda, “disagreement”, “abstention” including those that were “void” (if any) would be deducted from total numbers of the votes passed by Shareholders present at each agenda presentation with the remaining votes counted as “agreement”.

6. Void ballots were the ones that were unclear, for example, a vote was marked in multiple checkboxes or a vote was struck out without a certifying initial or in case of vote splitting (except for custodians) etc.

7. Any Shareholders with conflict of interests to any agenda matter being discussed would not be allowed to cast their votes for such agenda, except for Agenda Item No. 5: to consider the election of directors in place



of those retiring by rotation, on which all Shareholders were entitled to vote as such matter did not bring them into conflict with others.

8. For the interest of time, votes that were processed at the end of each agenda presentation would be declared during the presentation of subsequent agenda.

9. Before leaving the Meeting room, Shareholders were requested to return the remaining ballots to the Company's staff at the exit areas.

The Chairman then declared that the Meeting is commenced and asked 2 individuals among the Shareholders and proxy holders in attendance be witnesses for the vote counting process of each agenda. **Ms. Arunee Suriyanrattakorn**, a shareholder who attended the Meeting by herself, showed intention to carry out the said duty.

When the voting procedures were clearly explained to the Meeting, the Chairman then welcomed the Shareholders and the proxy holders again and announced that at that very moment of the Meeting, there were 54 Shareholders attending by themselves and 50 by proxy, together 104 Shareholders in total which represented a total number of 250,259,389 shares or 82.2226% of the total number of sold shares, thus constituting a quorum pursuant to the Company's Articles of Association.

The Chairman therefore proposed that the Shareholders consider each Agenda items according to the notice of the Meeting delivered to every Shareholder as followings:

**Agenda 1**      **To consider and approve the Minutes of the 2018 Annual General Shareholders' Meeting, held on 26 April 2018**

The Chairman proposed the Meeting to consider and approve the minutes of the Annual General Shareholders' Meeting No. 1/2018 which was held on 26 April 2018, details of which were contained in the copy of the minutes of the Meeting sent to the Shareholders together with the notice of the Meeting.

The Chairman encouraged any inquiries and suggestions from the Shareholders. In response, some Shareholders raised questions and provided suggestions as follows:

**1. Mr. Wasant Phongphuthamon – a Shareholder, who attended the Meeting by himself, provided suggestions as follows:**

1.1 A suggestion that the Company record Shareholders' questions and suggestions in writing in the Minutes of Annual General Meeting No. 1/2018, held on 26 April 2018, as supporting information for consideration of each agenda.

The Chairman expressed his appreciation and informed that the suggestion shall be adopted in the subsequent Meetings.



As there were no additional questions and suggestions from other Shareholders, the Chairman then proposed to the Meeting to consider and approve the minutes of the Annual General Shareholders' Meeting No. 1/2018 which was held on 26 April 2018.

**Resolution** The Meeting passed the Resolution by the majority of the Shareholders who attended the Meeting and are eligible for casting the vote to approved the minutes of the Annual General Shareholders' Meeting No. 1/2018 which was held on 26 April 2018. The result of the vote casting of the Shareholders presented at the Meeting was as shown below:

Agreement	Amount	250,312,799	Votes equivalent to 99.9983%
Disagreement	Amount	-	Votes equivalent to 0.0000%
Abstention	Amount	4,200	Votes equivalent to 0.0017%
Void Ballot	Amount	-	Votes equivalent to 0.0000%

**Agenda 2** **To Acknowledge the Annual Report on the Company's Performances for the Year 2018**

The Chairman informed the Meeting that the performance of the Company for the year 2018 was presented on the Company's annual report and the explanation of the Management Discussion and Analysis or MD&A which were distributed to the Shareholders, in the form of QR code, together with the invitation letter of the Meeting.

Before informing the Shareholders of the Company's performance, the Chairman informed progress of anti-corruption project which the Company continuously considered it as an important matter. The Company formally declared its intention to join the anti-corruption project on 30 January 2018 and submitted self-evaluation documents regarding the anti-corruption policy (Self Evaluation No. 71) in order to join the project and the result of such evaluation was in the process. In the meantime, the Company has re-evaluated its policies and added its roles and responsibilities to prepare itself for further evaluation to earn its membership approval in the anti-corruption alliance according to the Collective Action Coalition within 18 months from the day that the Company formally declared its intention to join the project. The Company has never had any major dispute or lawsuit related to corruption.

Subsequently, the Chairman asked Ms. Piyajit Ruckariyapong, Director and Chief Executive Officer ("Ms. Piyajit"), to present the Company's operating performance for the year 2018 to the Meeting. Ms. Piyajit presented the Company's performance to Shareholders in video format. The summary was as follows:

**1. Financial Report for the year 2018**

Total sales in 2018 was 2,827 million Baht, slightly increased from the sales in 2017 by 5%. However, if no effect of the exchange rate was included, the total sales would be 2,895 million Baht, increased by 8% percent. 33% of the total sales were from domestic market and 67% were from international market.



Net profit margin in 2018 was 351.4 million Baht (equivalent to 12.2% of the total sales) or 406 million Baht if the effect of the exchange rate was excluded. The Company had well managed its selling expenses as planned which was 13.0% of the total revenue, the same level as the previous year. However, selling and administrative expenses (SG&A expenses) was slightly higher to 9.2% of total revenue but was still managed within the Company's budget.

Ms. Piyajit further reported that year 2018 was the first year the Company launched a new category of products, Healthier Snack. Products under this category included Beauti Jelly, developed from the Beauti Drink products, Jelly product for men's market under "Maxtive" brand and crispy grilled fish snack under "ZEA Max" brand. The proportion of products sold was categorized into 5 groups, 1) Juice Drinks, 71.9% of total sales 2) Functional Beverages, 11.6% of total sales 3) Functional Powder, 10.9% of total sales 4) Ready to Drink, 1.3% of total sales and 5) Healthier snack, 4.3% of total sales, an impressive proportion for the first-year launch.

The Company's products were exported to 91 countries worldwide but mainly in Asia, accounted for 42% of the total sales. 33% of total sales was sold in Thailand, 12% in Europe and America and 13% in Middle East respectively.

In addition, Ms. Piyajit reported to the Meeting the performance of All Coco Group Co., Ltd. ("All Coco"). The 2018 total revenue was 348 million Baht, the same level as the previous year. All Coco's industrial business unit has the highest volume growth at 19%, resulting from lower price of fresh coconuts.

## 2. International Market

The total sales increased by 10% from the previous year (or 14%, excluding exchange rate effect). In terms of Compound Annual Growth Rate (CAGR) during the past 5 years from 2013 to 2018, average growth was 10% per year.

Asia had the highest sales growth at 15%, followed by Europe and the United States of America at 10% and Middle East at 2%. Middle East market experienced the decrease due to uncertainty of currency in some countries as well as the appreciation of Baht throughout the year.

In 2019, the Company set a target growth at 10% for this market

Ms. Piyajit presented to the Meeting a video of "**Chew-neration**", Company's commercial advertising broadcasted in many countries as well as marketing activities which included On Ground, In Store and Online activities.

## 3. Domestic Market

Ms. Piyajit reported that Thailand beverage industry growth in 2018 was about the same level as the previous year, in terms of both volume and value which slightly decreased by 1.6% and 0.7% respectively.

Considering Functional Drink category in particularly, it was found that it had a steady growth rate in terms of both volume and value.

Ms. Piyajit presented to the Meeting a video of the Company's marketing campaigns broadcasted via online media channel in 2018 and the beginning of 2019, including



- 1) Beauti Acna, a new product in the group of Beauti Drink, taking care of acne problems, which received good feedbacks from consumers despite higher price at 25 Baht
- 2) Beauti Jelly Chamomile, a new product in the group of Beauti Jelly
- 3) Jelly product for men under “Maxtivate” brand and
- 4) Preaw Coffee under “Preaw...Der Woman” campaign. Despite lower growth of this group in 2018, the Company has continued to create marketing activities as well as to develop new products. In 2018 and beginning of 2019, the Company launched 2 new flavors of Preaw All Day product, Mocha and Cha Fe, an innovative product with mixtures of Thai tea and coffee and 2 new flavors of She-wy brand’s chewable tablets, coffee and green tea.

#### 4. Innovation

Ms. Piyajit reported to the Meeting that this year, the Company’s strategy would remain the same by focusing on innovation, under the theme of “**Innovate to Grow, Innovate to Win**”. In addition, Ms. Piyajit presented the model of innovation, created through 3 platforms, namely:

##### 1) Through Business Partnership with All Coco and Danone Group

As a major shareholder in All Coco with 51% shareholding, the Company had strong determination to co-develop and launch new products to the market within 2019.

##### 2) Through In-house Innovation

In 2018, the Company developed and launched new 18 SKUs in total with the main products, comprising Beauti Jelly (Fiber, Collagen and Chamomile formula), Jelly product under “Maxtivate” brand, crispy grilled fish snack under “Zea Max” brand, new flavors of Mogu Mogu, Beauti Acna, Preaw All Day and Shootz, and expected to launch new 20 SKUs in 2019.

##### 3) Through INNO Studio

This platform was created to co-develop, promote and launch products of Thai SMEs to global scale by leveraging the Company’s network in over 90 countries. In 2018 the Company co-developed crispy grilled shrimp chin products under “Chim Dii” brand and distributed oversea. Besides, the Company collaborated with Thai golden banana (“Hom Thong” banana) farmers, to develop food supplement product, helping improve intestines function, under “MeVative” brand.

Both products received SIAL SELECTION award from a well-known global trade exhibition, SIAL INNOVATION PARIS 2018.

#### 5. Danone Sappe Beverages Co., Ltd.

Ms. Piyajit presented to the Meeting that Danone Sappe Beverages Co., Ltd., (“Danone Sappe”) is a joint venture company with Danone Group, France, with investment proportion between Danone and the Company at 75% and 25%. The primary objectives of this partnership were 1) to distribute, through Danone Sappe, products of Danone Group in Thailand and 2) to collaborate in R&D of new products for distribution in Thailand.



Currently, Danone Group operates business under 4 main business groups, including

- 1) Essential Dairy and Plant Based Products Group: The group in which Danone has expertise among the world's top ranks. The product ranges include yogurt and milk under well-known brands in international market, such as Alpro and Silk
- 2) Water Group: Another main business group that Danone has expertise with several well-known brands including Evian, Volvic and Aqua, the largest drinking water business in Indonesia.
- 3) Early Life Nutrition Group, such as children's dairy products under well-known brand, DUMEX and
- 4) Advanced Medical Nutrition Group

In March 2019, Danone Sappe launched the first beverage product under “B'lue” brand, a fruit-flavored vitamin water, in 3 flavors, Cool Calamansi, Playful Peach and Positive Pear. B'lue is Danone’s beverage product distributed not only in Thailand but also abroad, including Philippines, Indonesia and China, in which it is distributed under “Mizone” brand. B'lue’s appearance is quite unique comparing to other products in the market. It comes in 500 ml. iconic and premium bottle with ergonomic grip and wide bottle neck for large refreshing gulps full of flavor.

Subsequently, Ms. Piyajit invited Mr. Adisak Ruckariyapong, Vice-Chairman of Board of Director, and Chairman of Executive Committee (“Mr. Adisak”) to present to the Meeting Corporate Social Responsibility (CSR) programs.

Mr. Adisak presented various CSR programs, performed by the Company in 2018 in a video format, which included 1) Reforestation under the King's Philosophy; 2) Aloe Vera growing, called “Wan Wan Wan” program; 3) Community knowledge development program; 4) “Good Morning Sappe” program to offer staff free breakfast; 5) INNO Think Competition program; 6) “Filial Piety” program to encourage love and support in the family; 7) Cloth donation program; 8) Water filters improvement and water coolers giveaway program and 9) 90-Day Fat burning program etc.

After the presentation of Company’s performance for the year 2018 ended, the Chairman then encouraged any inquiries and suggestions from the Shareholders. In response, some Shareholders raised questions and provided suggestions as follows:

**1. Mr. Therdsak Wangsate – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

1.1 A question about chances that the Company's products will be distributed by Danone in oversea market:

**Answer to the Question** Ms. Piyajit answered the question that, at the beginning of this joint investment, the Company would focus on building business of Danone Sappe to strongly grow in Thailand, but it was possible to discuss about this business opportunity in the future;



1.2 A question about possibility to improve existing products' bottles in a similar format as B'lue product:

**Answer to the Question** Ms. Piyajit answered the question that the Company has not had plan to improve the bottle in the near future yet but will study the possibility of such improvement and its associated costs, and may request Danone's cooperation regarding know-how and expertise in the bottled products.

1.3 A question about, after jointly investing with Danone, which groups of products the Company and Danone Sappe can co-develop and distribute:

**Answer to the Question** Ms. Piyajit answered the question that one of the objectives of this joint investment was to collaborate in developing new products for distribution in Thailand. Therefore, if it was mutually agreed that any product had an opportunity for business growth, both parties would collaborate to develop and distribute under the joint venture company.

1.4 A question about a payback period of All Coco Group:

**Answer to the Question** Ms. Piyajit answered the question that, if the break-even point was analyzed by taking the net profit of All Coco Group into consideration, All Coco Group would reach its break-even point since 2017, the first year that the Group yielded positive net profit.

**2. Mr. Suwit Seevilai-Rit – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

2.1 A suggestion about a label of B'lue product, which did not clearly convey the message that the beverage contained Vitamin B, and a suggestion on a trial to communicate through hang tags, a tactic previously adopted by the Company and became successful.

**Answer to the Question** Mr. Worapong Kietdumrongwong - Chief Commercial Officer ("Mr. Worapong") expressed his appreciation for the suggestion and explained that the label of B'lue products was designed to be aligned with Danone's global branding. For the suggestion of the hang tags, the Company acknowledged and would take into consideration.

2.2 A question about situation of Thailand's beverage market in 2019, the Company's target growth and tactics adopted to achieve that target:

**Answer to the Question** Mr. Worapong answered the question that the situation of Thailand's beverage market in the next 2 - 3 years would still be highly competitive. As for this 2019, the competition would be quite fierce, noticed by launches of new beverage products by many manufacturers in the summer. However, considering in a positive aspect, the fierce competition would naturally help building growth of the Company's products in the functional beverages category, as all manufacturers agreed that this group would be the next step of the beverage industry.





Regarding the growth rate, a definite figure was yet unable to be obtained but was estimated higher than the previous year.

Ms. Piyajit further answered the question that, in 2019 the Company set a target for growth by 30% from 1) launches of new products with expected 10% growth 2) Co-packing and distributing B'lue beverage product for Danone Sappe and 3) a consolidation of All Coco Group's sales and net growth into the Company's financial statements.

**3. Mr. Thada Sukho – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

3.1 A question about the growth rate of net profit, whether it was the same rate as the growth of sales:

**Answer to the Question** Mr. Anak Lapsuksatit - Chief Financial Officer (“Mr. Anak”) answered the question that the growth rate of the net profit was not the same as the growth rate of sales because of high investment in marketing expenses to support sales growth, which included 1) expenses for development and distribution of the new products 2) expenses for development and sale of All Coco’s new products in a mass scale, and 3) sales promotion expenses for B'lue beverage product.

3.2 A question about possibility that the Company would be a co-packer for Danone's existing beverage products distributed in Thailand:

**Answer to the Question** Ms. Piyajit answered the question that it was unlikely that the Company would be a co-packer for Evian mineral water, Danone's existing beverage product currently distributed in Thailand as source of such mineral water was from the Alps mountain in Europe.

Mr. Anak further informed that, currently the Company did not have a policy to manufacture beverage products for any third parties but it was possible to be a co-packer for Danone Sappe’s future beverage products.

3.3 A question about possibility to distribute B'lue beverage product in Cambodia, Laos, Myanmar and Vietnam (CLMV) in the future:

**Answer to the Question** Mr. Anak answered the question that the Company has already discussed with Danone about this and expected that distribution of B'lue beverage product in such countries, except Vietnam, would be the next phase after distribution of B'lue beverage in Thailand goes well as planned.

**4. Mr. Wasan Phongphutthamon – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

4.1 A question about investment budget for year 2019 and for the next year, as well as the investment impact on the Company's net profit:

**Answer to the Question** Mr. Anak answered the question that the investment budget for year 2019 included



1) The purchase of additional shares, 11%, in All Coco, equivalent to 40 million Baht approximately. In addition, the Company had an option to purchase additional shares of 9% in the future. The expected investment amount would depend on the fair price on the purchase date.

2) The joint investment with Danone in Danone Sappe Beverages Co., Ltd. at the amount of 25 Million Baht. The total investment is estimated at 300 Million Baht. Therefore, in the future, the Company may need to invest an additional amount of 50 Million Baht, then the total investment will become 75 Million Baht, equivalent to 25% shareholding.

As such, Mr. Anak emphasized that the Company exercised its best endeavor to manage, control and monitor proper spending of the investment budget and expenses, in order to ensure that the Company's profitability would be in accordance with the plan.

4.2 A question about possibility to import Danone's products from foreign countries to distribute in Thailand:

**Answer to the Question** Mr. Anak answered the question that it is possible to import Danone's products from foreign countries for distribution in the future, but in the initial phase, the Company would focus to strengthen B'lue beverage products in Thailand.

Apart from this, Mr. Anak further presented information to the Meeting the advantages of being the manufacturer and distributor of B'lue beverage products, comprising 1) higher capacity utilization rate of the factory, resulting to better cost management 2) knowledge of manufacturing technologies from Danone and 3) higher bargaining power with trade partners, in terms of the purchase of raw materials or marketing media.

4.3 A question about the proportion of domestic sales to international sales in 2018 and 2019:

**Answer to the Question** Ms. Piyajit answered the question that the proportion of domestic sales to international sales in 2018 was at 33% to 67%. For 2019, it is estimated at 40% (domestic sales) to 60% (international sales).

As there were no additional questions and suggestions from other Shareholders, the Chairman then proposed to the Meeting to consider acknowledging the Company's performance results for the year 2018.

**Resolution** The Meeting acknowledged the Company's performance results for the year 2018.

**Agenda 3** **To consider and approve the Company's Financial Statements for the Year 2018, ended 31 December 2018**

The Chairman requested Mr. Padungdej Indralak - Independent Director and Chairman of Audit Committee ("Mr. Padungdej") to report to the Meeting, and Mr. Padungdej reported that the Financial Statements for the Year 2018, ended the 31 December 2018 has been audited by the Certified Public Accountant and reviewed by the Audit Committee to be accurate and also endorsed by the Company's Board of Directors, and that they are presented



fairly, in all material respects, in accordance with Thai Financial Reporting Standards. The Financial Statements for the year 2018, ended 31 December 2018 appeared in the Annual Report for the year 2018 (in a form of QR Code), delivered to all the Shareholders together with the invitation letter of this Meeting.

The Chairman encouraged any inquiries and suggestions from the Shareholders. In response, some Shareholders raised questions and provided suggestions as follows:

**1. Mr. Wasan Phongphutthamon – a Shareholder, who attended the Meeting by himself raised questions and provided suggestions as follows:**

1.1 A question about the cause of significant decrease of the net profits in quarter 3 and 4 of the Financial Statements for the year 2018:

**Answer to the Question** Mr. Anak answered the question that, the major causes were:

1) The selling expenses of international sales reimbursed in comparatively substantial amounts during the latter half of the year

2) The administrative expenses not decreasing in consistency with the decrease of sales

3) The effect of foreign exchange rate. Whereas this effect was not taken into the account, 2018 Sales was at similar level as the previous year.

As there were no more inquiries and suggestions from the Shareholders, the Chairman then proposed to the Meeting to consider and approve the Company's Financial Statements for the year 2018, ended 31 December 2018, which has been audited by the Certified Public Accountant and reviewed by the Audit Committee to be accurate and also endorsed by the Company's Board of Directors.

**Resolution** The Meeting passed the Resolution by the majority of the Shareholders who attended the Meeting and are eligible for casting the vote, in favor of approval for the Company's Financial Statements for the year 2018, ended the 31 December 2018, which has been audited by the Certified Public Accountant and reviewed by the Audit Committee to be accurate and also endorsed by the Company's Board of Directors. The result of the vote casting of the Shareholders presented at the Meeting was as shown below:

Agreement	Amount	250,317,003	Votes	equivalent to	99.9983%
Disagreement	Amount	-	Votes	equivalent to	0.0000%
Abstention	Amount	4,200	Votes	equivalent to	0.0017%
Void Ballot	Amount	-	Votes	equivalent to	0.0000%



**Agenda 4** To consider and approve the allocation of net profit for the Year 2018 for legal reserve and dividend distribution

The Chairman proposed to the Meeting to consider approving the allocation of the net profit for legal reserve making the total legal reserve reach ten percent of the Company's registered capital, and approving the dividend distribution for the Year 2018 at the rate of 0.66 Baht per share from the net profit of the Company's performance during 1 January 2018 to 31 December 2018, totaling of 200.88 Million Baht (or equivalent to 60% of the net profit of the separated financial statements), which is the dividend policy of the Company to pay a dividend to the Shareholders for not less than 40% of net profit after tax deductions and all reserves required by laws, based on the separate financial statements.

Comparison of dividend payments in the past year are as follows:

Details of Dividend Payment	The Year 2018	The Year 2017
Net Profit of the Separate Financial Statements (million Baht)	335.26	419.80
Annual Dividend Payment (Baht per share)	0.66	0.69
Total Dividend Payment (million Baht)	200.88	210.01

The dividend for the year 2018 will be paid to those Shareholders who are entitled to receive the dividend as listed on the Company's record date (Record Date) on 30 April 2019 and the Company shall pay the dividend on 15 May 2019 after an approval of the 2019 Annual General Shareholders' Meeting

As there were no inquiries or suggestions from the Shareholders, the Chairman then proposed to the Meeting to consider approving the allocation of the net profit for legal reserve making the total legal reserve reach ten percent of the Company's registered capital, and approving the dividend distribution for the Year 2018 in accordance with the details presented above.

**Resolution** The Meeting passed the Resolution by the majority of the Shareholders who attended the Meeting and were eligible to cast the vote, in favor of approval for allocation of the net profit for legal reserve making the total legal reserve reach ten percent of the Company's registered capital, and approving the dividend distribution for the Year 2018. The result of the vote casting of the Shareholders presented at the Meeting was as shown below:

Agreement	Amount	250,317,103	Votes	equivalent to	99.9984%
Disagreement	Amount	-	Votes	equivalent to	0.0000%
Abstention	Amount	4,100	Votes	equivalent to	0.0016%
Void Ballot	Amount	-	Votes	equivalent to	0.0000%



**Agenda 5      To consider and re-elect the directors who are due to retire by rotation**

The Chairman announced to the Meeting that according to Article 20 of the Company's Articles of Association, at every annual general meeting, one-third (1/3) of directors shall retire from the Company. If the number of retiring directors is not a multiple of three (3), the number of directors that is nearest to one-third (1/3) shall retire. Retiring directors may be re-appointed.

At present, the Company has 10 directors. At the 2019 Annual General Meeting of Shareholders, one-third of directors required to be retired by rotation was in total of 3 directors who were:

- |                              |  |
|------------------------------|--|
| 1. Mr. Adisak Ruckariyaphong | Director and Vice Chairman               |
| 2. Mr. Surath Pralongsil     | Independent Director and Audit Committee |
| 3. Mr. Thana Thienachariya   | Independent Director                     |

The Chairman further explained that for transparency in considering and casting of votes in this Agenda, the three directors were to be invited to leave the Meeting's room until the vote casting completed. Regarding the nomination of directors, the Company invited all Shareholders to nominate candidates with suitable qualification to be elected as Directors for the period from 24 December 2018 to 31 January 2019 through the news system of the Stock Exchange of Thailand and published on its website. However, there was no Shareholder nominated any candidate.

The Chairman also informed the Shareholders that the Board of Directors have considered the qualifications, experiences and expertise of the 3 retiring directors with his/her occupation and performance as the Company's director, the Board of Directors deemed appropriate to approve the re-election of the 3 retiring directors as the Company's directors for another term. The profiles of the 3 retiring directors were delivered together with the invitation letter of this Meeting

As there were no inquiries or suggestions from the Shareholders, the Chairman then proposed to the Meeting to consider and re-elect the directors, who were due to retire by rotation.

**Resolution**      The Meeting passed the Resolution by the majority of the Shareholders who attended the Meeting and were eligible to cast the vote, re-electing the 3 directors who were due to retire by rotation, who were Mr. Adisak Ruckariyapong, Mr. Surat Pralongsil, and Mr. Thana Thienachariya, to be the Company's directors for another term. The result of the vote casting of the Shareholders presented at the Meeting was as shown below:



Director's Name	Agreement	Disagreement	Abstention	Void Ballot
Mr. Adisak Ruckariyapong	250,277,703 Votes 99.9826 percent	39,400 Votes 0.0157 %	4,100 Votes 0.0016 %	- 0.0000 %
Mr. Surat Pralongsil	250,317,103 Votes 99.9984 %	- 0.0000 %	4,100 Votes 0.0016 %	- 0.0000 %
Mr. Thana Thienachariya	242,932,103 Votes 97.0482 %	7,385,000 Votes 2.9502 %	4,100 Votes 0.0016 %	- 0.0000 %

**Agenda 6 To consider and approve the remuneration for the Board of Directors and sub-committee for the year 2019**

The Chairman informed the Meeting regarding the remuneration of the Board of Directors and Audit Committees by taking into account of their responsibility and duty as well as the increase of the transactions in the year 2019. As a result, the Chairman proposed remuneration for the Board of Directors and Audit Committees for the year 2019 at the aggregate amount not exceeding 9,000,000 Baht (Nine Million Baht) with the following details:

**1. Annual Fixed Fee and Attendance Fee:**

Details of remuneration	2019		2018	
	Annual fixed fee	Attendance fee	Annual fixed fee	Attendance fee
Chairman of Board of Directors	168,000 Baht/annum	25,000 Baht/attendance	168,000 Baht/annum	25,000 Baht/attendance
Director	168,000 Baht/annum	20,000 Baht/attendance	168,000 Baht/annum	20,000 Baht/attendance
Chairman of Audit Committee	-	25,000 Baht/attendance	-	25,000 Baht/attendance
Member of Audit Committee	-	20,000 Baht/attendance	-	20,000 Baht/attendance

**2. Director's bonus:** considering from net profit for the year 2019 and being allocated by the Board of Directors.

As there were no inquiries or suggestions from the Shareholders, the Chairman then proposed to the Meeting to consider and approve the remuneration for the Board of Directors and Audit Committee for the year 2019. In



this agenda, the directors who are the Shareholders of the Company and the independent directors who cast their votes on behalf of the proxy may deemed appropriated to cast their votes which would not be considered as conflict of interest because the remuneration is for every directors and not a compensation to a specific person.

**Resolution** The resolution was passed by not less than two-thirds of the total number of votes of the Shareholders who attended the Meeting and approved the remuneration for the Board of Directors and the Audit Committee for the year 2019 in the amount not exceeding Baht 9,000,000 (Nine Million Baht) by the votes of Shareholders who attended the Meeting and voting were as follows:

Agreement	Amount	250,317,003	Votes	equivalent to	99.9983%
Disagreement	Amount	-	Votes	equivalent to	0.0000%
Abstention	Amount	4,200	Votes	equivalent to	0.0017%
Void Ballot	Amount	-	Votes	equivalent to	0.0000%

**Agenda 7** To consider and appoint the Company's auditor and fix remuneration for the year 2019

In compliance with Section 120 of the Public Company Act B.E. 2535 specifying that the Shareholders' Meeting shall appoint the auditor and fix the auditor's remuneration annually. According to Article 53 of the Company, the auditor shall be appointed by the Annual General Meeting as well as determining his/her remuneration, and the appointed auditor shall not be the Company's director, employee, staff, or hold any position in the Company.

Thereby the Board of Directors proposed to the Meeting to approve the appointment of the auditors both of the Company and its subsidiaries as well as the auditor's remuneration for the year 2019 as follows:

1. **The Appointment of the Company's Auditor and its Subsidiaries' Auditors:** It was deemed appropriate to propose to the 2019 Shareholder's Annual General Meeting to consider appointing auditors from KPMG Phoomchai Audit Ltd. to be the auditors for Sappe Public Company Limited. One of the following names below shall be authorized to conduct the audit and express an opinion on financial statements of the Company for the year 2019.

1. Ms. Sureerat Thongarunsang Accountant No. 4409 or  
(She has been the Company's auditor for 2 year since 2017-2018)
2. Mr. Banthit Tangpakorn Accountant No. 8509 or
3. Ms. Marisa Tharathornbunpakul Accountant No. 5752

Regarding the Company's subsidiaries, the Board of Directors deemed it appropriate to appoint the auditors as follows:

1. BDR Consult Spol. s.r.o. as the auditor of Sappe Europe s.r.o.
2. KPMG as the auditor of Sappe Holding (Thailand) Company Limited



Regarding the Company's indirect subsidiaries, the Board of Directors deemed it appropriate to appoint the auditors as follows:

1. Stephen YS Chan & Co as the auditor of Sappe Hong Kong Company Limited and Sappe Trading (Hong Kong) Company Limited
2. Shanghai LiXin JiaCheng DongShen CPAs as the auditor of Sappe Trading (Shanghai) Company Limited
3. KPMG as the auditor of All Coco Group Company Limited and K Best Farm Company Limited
4. N & N Audit Company Limited as the Auditor of All Coco Company Limited

Nevertheless, none of the proposed auditors has relationship or conflict of interests with the Company, subsidiaries, executives, major shareholders or any person related to such persons in any way that would affect their independent performance.

**2. The Auditor's Remuneration for the Year 2019:** It was proposed to the Meeting to approve the auditor's remuneration of the Company and its subsidiaries for the year 2019 in a total amount not exceeding of 4,500,000 Baht (details as shown in the table below). The 2019 annual remuneration of auditor is higher than the rate of the year 2018. Herewith, it was proposed to approve other expenses such as transportation, document/printing, postal, communication costs but not exceeding 10% of the remuneration.

Company name	Audit Firm	Audit Fee		Remark
		2018	2019	
Sappe Public Company Limited	KPMG	1,850,00	1,900,000	Increase 3%
Sappe Europe s.r.o	BDR Consult spol.s.r.o	264,000	281,000*	Increase 6%
Sappe Holding (Thailand) Co., Ltd.	KPMG	150,000	170,000	Increase 13 %
All Coco Group Co., Ltd.	KPMG	-	830,000	1 <sup>st</sup> year as subsidiary
K Best Farm Co., Ltd.	KPMG	-	310,000	1 <sup>st</sup> year as subsidiary
All Coco Co., Ltd.	N&N Audit Co. Ltd.	-	25,000	1 <sup>st</sup> year as subsidiary
Sappe Hong Kong Co., Ltd.	Stephen YS Chan & Co.	55,000	55,000**	Same as 2018
Sappe Trading (Hong Kong) Co.,	Stephen YS Chan & Co.	55,000	55,000**	Same as 2018
Sappe Trading (Shanghai) Co., Ltd.	Shanghai LiXn JiaCheng DongShen CPAs	62,500	62,500**	Same as 2018
<b>Total</b>		<b>2,436,50</b>	<b>3,688,500</b>	<b>Increase 51 %</b>

*Remark: \*The actual remuneration for the year 2018 was less than the audit remuneration for the year 2018 which approved by resolution of 2018 Annual General Shareholders' Meeting as specified in Company's 56-1 report. \*\* Foreign exchange rate (EUR/THB) = 40.0 / \*\*\* Foreign exchange rate (HKD/THB) = 5.0 / \*\*\*\* Foreign exchange rate (CNY/THB) = 5.68*





The proposed remuneration for this year was considered from the increase in volume of transactions of the company and its subsidiaries which will be conducted within the year 2019 and there were 3 additional subsidiaries under All Coco. The appointment of the Company's and its subsidiaries' auditors as well as the remuneration of the auditors for the year 2019 has already been approved by the Audit Committee.

Even though, the Company has its subsidiaries in foreign countries and uses audit service from the other audit firms, the subsidiaries could deliver quarterly and annual financial statements to the Company in the required time. It can be assured that the Company will be able to prepare the consolidated financial statements within the time required by law.

The Chairman also informed the Meeting that in 2018 the Company did not pay the Non-Audit Fee to the Company's auditor.

The Chairman encouraged any inquiries and suggestions from the Shareholders. In response, some Shareholders raised questions and provided suggestions as follows:

**1. Mr. Wasant Phongphuthamon – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

1.1 A reason of 51% increase of 2019 Auditor's remuneration from the previous year.

**Answer to the Question** Mr. Padungdej answered the question that Year 2019 was the first-year that companies under All Coco have become subsidiaries, hence consolidations of their financial statements into The Company's financial statements were required. To shorten audit time and to be transparent, the Company decided to select the same auditor, KPMG for this group. For the audit fee, it was compared among several audit firms and was considered that the rate proposed by KPMG was suitable.

The Chairman also further explained that, every year the Audit Committee will review the appointment of auditors by comparing several audit firms to one another, in terms of both qualifications and the fees proposed by each firm.

As there were no additional inquiries or suggestions from the shareholders, the Chairman then proposed to the Meeting to consider and approve the appointment of the Company's auditor in order to express opinion on the Company's financial statement for the year 2019.

**Resolution** The Meeting resolved the approval of the appointment of KPMG Phoomchai Audit Limited as the Company's auditor with simple majority votes of the shareholders. One of the following names below shall be the Company's auditor and express opinion on the Company's financial statements for the year 2019.



<u>Name</u>	<u>License No.</u>	<u>Number of Year as the Company's Auditor</u>
1. Ms. Sureerat Thongarunsang	4409	2 Years (from 2017 – 2018)
2. Mr. Banthit Tangpakorn	8509	-
3. Ms. Marisa Tharathornbunpakul	5752	-

The Meeting resolved to approve such auditors for the Company's subsidiaries as follows:

1. BDR Consult Spol. s.r.o. as the auditor of Sappe Europe s.r.o.
2. KPMG as the auditor of Sappe Holding (Thailand) Company Limited

The Meeting also resolved to approve such auditors for indirect subsidiaries of the Company as follows:

1. Stephen YS Chan & Co as the auditor of Sappe Hong Kong Company Limited and Sappe Trading (Hong Kong) Company Limited
2. Shanghai LiXin JiaCheng DongShen CPAs as the auditor of Sappe Trading (Shanghai) Company Limited
3. KPMG as the auditor of All Coco Group Company Limited and K Best Farm Company Limited
4. N & N Audit Company Limited as the Auditor of All Coco Company Limited

It was also resolved to approve the Company's and its subsidiaries' auditors remuneration for the year 2019 in totaling amount not exceeding 4,500,000 Baht, and other related expenses such as transportation, document/printing, postal, communication costs but not exceeding 10% of the remuneration. The result of the vote casting of the shareholders presented at the meeting was as below:

Agreement	Amount	250,317,003	Votes	equivalent to	99.9983%
Disagreement	Amount	-	Votes	equivalent to	0.0000%
Abstention	Amount	4,200	Votes	equivalent to	0.0017%
Void Ballot	Amount	-	Votes	equivalent to	0.0000%

#### **Agenda 8**      **Other Matters (if any)**

The Chairman informed the Meeting that Agenda 1 to Agenda 7 had been considered already and Agenda 8 was for considering other businesses. In order to be in compliance with the Principles of Good Corporate Governance for Listed Companies 2017 and the Annual General Meeting Self-Assessment, the Meeting should consider only the matters that were notified to the Shareholders in advance only for fairness to all Shareholders.



As there was no Shareholder proposing further issues to be considered, the Chairman then encouraged the Shareholders to inquire or offer useful suggestions to the Company. In response, some Shareholders raised questions as follows:

**1. Mr. Suwit Seevilai-Rit – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

1.1 A question about additional investment in the machinery as it was highly possible that the current utilization rate will be increased due to manufacturing service provided to B'lue beverages:

**Answer to the Question** Ms. Piyajit answered the question that the Company additionally invested in the machinery since 2018 at the amount of 165 Million Baht to support the manufacturing of B'lue beverages. For year 2019, the Company has plan to invest additional capital expenditures (CAPEX) and operating expenditures (OPEX), at the amount of 200 to 250 Million Baht approximately, for Company's new products production, machinery's annual maintenance, as well as modification of the existing machinery to support B'lue beverages production.

1.2 A question about the situation of aromatic coconut in 2019, the past performance of All Coco's retail business in both domestic and international markets as well as its 2019 strategic plan:

**Answer to the Question** Ms. Piyajit answered the question that, in 2019 the Company integrated some of All Coco's team members into the Company for more efficient collaboration. The Company also used its sales personnel to distribute All Coco's products through various retail channels, such as fitness centers and airports.

For cafe business in Thailand, the Company is now studying proper locations to consider whether to open or close additional cafes in the future. For cafe businesses in the United States of America and Singapore, their performances were still at good levels.

Ms. Piyajit further answered the question about the situation of aromatic coconut in 2019 that although coconut price in the beginning of the year was low resulting to higher sales volume, the Company had plan to manage stock to be at a proper level as well.

1.3 A question whether the Company would continue the business of All Coco's spa products:

**Answer to the Question** Mr. Worapong answered the question that the Company would focus to develop products that could be distributed and accessed to wide ranges of consumers first. However, the Company would continue developing the spa products since they were considered as an innovation and aligned with the Company's direction.



**2. Mr. Wasant Phongphuthamon – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

2.1 A suggestion about All Coco's products menu in Chinese language for a cafe located in the Terminal 21 shopping mall, Pattaya due to lots of Chinese tourists.

2.2 A question about overall performance in Quarter 1 of 2019:

**Answer to the Question** Ms. Piyajit answered the question that the Company's sales performance was still growing but did not achieve 30% target growth because additional shares purchase in All Coco took place in February and commercial launch of B'lue beverages started by the end of March.

**3. Mr. Anu Wongsarakij – a Shareholder, who attended the Meeting by himself, raised questions and provided suggestions as follows:**

3.1 A question about operation management of fresh coconuts with fluctuation in price which would impact All Coco's industrial business unit and the Company's profitability:

**Answer to the Question** Mr. Arnupap Ruckariyapong - Director and Chief Operating Officer ("Mr. Arnupap") answered the question that business of All Coco comprises 2 main business groups, 1) products manufactured and distributed under "All Coco" brand and 2) products manufactured and distributed for industrial use with cost-plus price structure, hence low pricing risk. For products under "All Coco" brand, the Company would manage profitability by purchasing fresh coconuts when prices were low together with managing stock to be at proper level.

3.2 A question about packing cost management, adversely impacted by increasing oil and plastic prices:

**Answer to the Question** Mr. Anak answered the question that the Company has been continuously seeking methods to improve the production process to reduce plastic usage, as well as requesting assistances from Danone to help the Company to purchase resin at the better price than the market price. Therefore, packing cost for year 2019 would be expected in a favorable direction.

3.3 A question about growth opportunities of healthier snack category:

**Answer to the Question** Ms. Piyajit answered the question that the Company determined to build strong business growth for this category, proven by good proportion of sales, comparing to the total sales in 2018, which was the first-year launch of this category. Therefore, it was possible that this category would be ensured with strong growth, comparable to the functional beverage and functional powder categories, currently accounted for approximately 10% of the total sales.



The Chairman further asked other Shareholders and proxy holders to raise questions or provide suggestions but there was no further question and suggestion. The Chairman thus expressed his appreciation to all participants for devoting their time in attending today's Meeting and stated that minutes of this Meeting will be prepared and submitted to the Stock Exchange of Thailand within the period required by law. He declared the Meeting adjourned.

**Meeting adjourned 4.30 p.m.**

Signed \_\_\_\_\_ the Chairman  
(Mr. Natee Onin )

Signed \_\_\_\_\_ the Company's Secretary  
(Miss Sutatip Chantharangsee)