

**MINUTES OF 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED**

The meeting was held at Salon A Room, 2<sup>nd</sup> Floor, Swissôtel Le Concorde Hotel, No. 204 Ratchadaphisek Road, Huai Khwang, Bangkok, on Monday, March 26, 2018 at 14:30 hours.

**Mr. Kajohndet Sangsuban**, Chairman of the Board, chaired the meeting.

The Chairman informed the Meeting that there were 74 shareholders present in person, presenting 132,661 shares, and 50 shareholders by proxy, representing 366,416,363 shares. In total, 124 shareholders and proxies attended the meeting, representing a total of 366,549,024 shares, equivalent to 91.6373 percent of the total 400,000,000 issued shares which constituted a quorum pursuant to the Company's Articles of Association. The Chairman then declared the meeting open and proposed that the Meeting consider the following matters according to the agenda.

However, after the Chairman declared the meeting open, 7 additional shareholders were present in person, representing 82,408 shares, and 2 additional shareholders by proxy, representing 1,020 shares. In total, 133 shareholders and proxies attended the meeting, representing a total of 366,632,452 shares, equivalent to 91.6581 percent of the total 400,000,000 issued shares.

Then, the Chairman informed the Meeting that the Board of Directors, the Executives, and the Company's auditor appointed by the 2017 Annual General Meeting of Shareholders, attended the meeting to answer queries and an auditor representative from KPMG Phoomchai Audit Ltd. shall witness the counting of votes in each agenda item as follows:

**Board of Directors: 9 persons**

- |                                   |  |
|-----------------------------------|--|
| 1. Mr. Kajohndet Sangsuban        | Chairman of the Board of Directors and<br>Chairman of the Executive Committee  |
| 2. Mr. Karoon Chandrangsu         | Independent Director and Member of the Audit Committee   |
| 3. Mr. Cherapong Kamponpan        | Independent Director, Member of the Audit Committee, and<br>Chairman of the Nomination, Remuneration and<br>Corporate Governance Committee |
| 4. Mr. Naporn Sunthornchitcharoen | Director   |
| 5. Mr. Pratip Wongnirund          | Independent Director, Chairman of the Audit Committee, and<br>Member of the Nomination, Remuneration and<br>Corporate Governance Committee |
| 6. Mr. Payont Sakdejayont         | Director   |
| 7. Mr. Pichit Maipoom             | Director and Member of the Executive Committee   |
| 8. Mr. Aree Chavalitcheewingul    | Director, Member of the Nomination, Remuneration and<br>Corporate Governance Committee, and<br>Member of the Executive Committee           |
| 9. Mr. Kitti Soonthornmanokul     | Member of the Executive Committee and Managing Director  |

**Executives: 4 persons**

1. Mrs. Saowaluck Suwanprateep Deputy Managing Director and Executive Division Manager
2. Mr. Jirasak Rakdech Bangpa-in Plant Manager
3. Mr. Damrong Jitjaichum Product and Technology Development Division Manager
4. Mr. Seksan Montirapa Marketing and Sales Division Manager

**The Company's Auditor for the year 2017 and Auditor Representatives from KPMG Phoomchai**

**Audit Ltd.: 3 persons**

1. Ms. Thanyalox Keadkeaw Company's auditor for the year 2017
2. Ms. Chidchanok Ketwej Representative
3. Ms. Anyamanee Ingsirorat Representative (Acting as a witness to the vote counting)

**Secretary to the Board of Directors and Company Secretary**

Ms. Veranuch Sethameteekul

Before the meeting was started, the Chairman assigned the Secretary to explain the meeting procedures to the Meeting summarized as follows:

The Secretary introduced Mr. Pornsak Chaiwanichaya, the Shareholders' Right Protection Volunteer who attended the meeting by proxy of the Thai Investors Association to observe the meeting and invited the shareholders to witness the vote counting together with the Representative from KPMG Phoomchai Audit Ltd. However, no shareholders expressed their intentions to witness the vote counting. The Secretary then informed the Meeting of the Company's Articles of Association relating to the General Meeting of Shareholders as shown in Attachment No. 5 (pages 34–36) in the Notice distributed to the shareholders prior to the meeting as well as the voting procedures, voting counting, and announcement of voting result, as for the meeting to be timely conducted and for the Minutes of the Meeting to be accurately and completely recorded, which could be summarized as follows:

- (1) Casting of votes on each agenda item shall be made openly by shareholders raising hands whereby one share shall be equal to one vote.
- (2) Secret voting could be conducted if requested by at least 5 shareholders and the meeting, by a simple majority vote of the total votes of the shareholders attending the meeting and voting, approved the votes on such agenda item to be made secretly.
- (3) Before casting votes in each agenda item, the Chairman would inform the meeting of the ratio of the vote in such an agenda item in order to be approved by the meeting of Shareholders as per details in the Attachment No. 6 being distributed to the shareholders prior to the meeting (page 47–48).

- (4) In casting votes on each agenda item, the Chairman would request shareholders who voted to disapprove or abstained on such an agenda item to mark the voting card according to his/her signature affixed and to raise their hands to notify the Company's officers to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve were not required to raise their hands. All the voting cards were to be collected when the meeting adjourned.

In case of the shareholders who authorized their proxies, if the person who authorized the proxy had already casted vote in the proxy form, that person was required to raise their hand and cast votes according to their requisition. However, if the shareholders who authorized their proxies had abstained from voting or expressed their requisition not accurately in the proxy, the proxies could consider and vote on their behalf.

- (5) In vote counting, a system of negative deduction shall be used whereby the disapproval and abstention votes shall be deducted from the total number of votes attending the meeting for each agenda. The remaining votes shall then be counted as approval votes.

In addition, the Secretary informed the shareholders that the vote counting in each agenda item shall be counted from the total number of votes cast by shareholders and proxies present at the meeting on such an agenda item, which might vary from item to item since there may be some shareholders or proxies leave or later enter the meeting. The voting results of each agenda item shall be announced to the Meeting when the meeting of each agenda item was finished. However, were the vote counting of some agenda items to take longer than usual, the Chairman may request the Meeting to proceed to the consideration of the next agenda item, as for the meeting to proceed without interruption. The Meeting would be informed of the results as soon as the count has been completed.

After the shareholders acknowledged and agreed to the voting procedures, vote counting, and announcement of voting result which the same process as conducted last year, as described above, the Chairman then further proceeded with the agenda.

**1. To adopt the Minutes of 2017 Annual General Meeting of Shareholders, held on Friday, March 24, 2017**

The Chairman informed the Meeting that the Company had prepared the Minutes of 2017 Annual General Meeting of Shareholders, held on Friday, March 24, 2017 within 14 days as from the date of the Annual General Meeting of Shareholders and submitted to the Stock Exchange of Thailand and the Ministry of Commerce with the period required by law as well as posted on the Company's website (www.qcon.co.th) since Monday, April 3, 2017 and posted again as Attachment No. 1 in the Notice on Friday, February 23, 2018. The Board of Directors had considered and deemed that the Minutes were correctly recorded.

The Chairman, then, requested the Meeting to adopt the Minutes of 2017 Annual General Meeting of Shareholders. This agenda item required a resolution of a simple majority vote of the total number of votes of shareholders present at the meeting and voting.

**Resolution:** The Meeting resolved to adopt the Minutes of 2017 Annual General Meeting of Shareholders, held on Friday, March 24, 2017 as proposed by the Board, by a unanimous vote of the total votes of shareholders present at the meeting and voting as follows:

Total Shareholders	366,632,364	shares	
Approved	366,632,364	votes, equivalent to	100 percent
Disapproved	0	votes, equivalent to	0 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

## **2. To acknowledge the Company's Annual Report for the year 2017**

The Chairman informed the Meeting that the Board deemed it appropriate to propose the Company's Annual Report for the year 2017 to the Meeting for acknowledgement, details of which were as shown in 2017 Annual Report in Attachment No. 2 distributed to the shareholders together with the Notice and invited the Managing Director to report to the Meeting on the Company's operating result and major changes during 2017, after which any inquiries from the shareholders were welcomed.

The Managing Director reported the Company's operating result for the year 2018 to the Meeting summarized as follows:

Due to higher growth rate of Thailand economy in 2017 driven by export, government expenditure as well as private consumption and investment, lightweight block market grew accordingly by 5 percent compared to the previous year as a result of market acceptance despite strong competition.

For 2017, the Company's operating results reported an upturn in net profit for the year compared to 2016 due to an increase of 16 percent in revenue from sales driven by higher sales volume of both export and high-value-added products as well as efficient and uninterrupted control of product cost and expenditure. The Company continued to operate under its key strategies to wit the promotion of brick replacement, development of high-value-added products to meet the customers' demand, expansion into new market, control of production cost, and giving importance to environment, communities, and plant safety. In 2017, the Company was certified with Lebel No. 5 by Ministry of Energy owing to the products attributes being heat resistant, lightweight, strong and user-friendly. This project contributed to the promotion of energy saving in the country and corresponded to the consumers' demand of selecting energy efficient building materials.

In respect of communities, the Company had renovated buildings, toilets, libraries, and meeting rooms; donated stationery and entertainment media to 34 schools as well as scholarships to 4 schools; donated products to 102 temples and religious places; donated lightweight blocks and gave supports in building civil state houses and houses for the poor totaling 2 houses; aided employees affected by the flood totaling 107 houses; as well as participated in important ceremonies with the communities.

In addition, the Company continued to place importance on occupational safety as its precedence to which Occupational Health and Safety Assessment Series (OHSAS 18001:2007) was implemented since 2014. In 2016, the Company still followed up and developed the work of safety, health and environment at workplace continuously.

In addition to holding and following the Good Corporate Governance Principle as mentioned above, the Company also placed importance on Anti-Corruption operation as well as reinforcing organizational culture, giving knowledge and advice to every department regarding Anti-Corruption Risk Assessment and the effect on operation, designating the Preventive and Remedial Measures to reduce risk and put into practice, providing reporting channel (Whistleblowing System) as shown in the Annual Report, as well as promoting the awareness among employees in preventing corruption such as continuing to organize Ethic e-Testing regarding the Four Core Values and Anti-Corruption Policies for employees for the third consecutive year. Furthermore, the Managing Director had clearly communicated to all directors, executives, and employees to follow the National Anti-Corruption Commission Guidelines to Supplement Section 123/5 of the Organic Act on Counter Corruption regarding Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials and Agents of Public International Organizations.

Reasons for the success of the above operations lied within the formidable cooperation among employees, the Board of Directors, the members of the Sub-committees, the Executives, the agents, and most importantly the Company's customers who had always trusted and supported the Company's products.

Then, the Chairman additionally summarized the lightweight block market during 2017 to the Meeting that the domestic demand for lightweight block increased from 2016 approximately 3–5 percent and the annual domestic production capacity were approximately 50 million square meters. At present, the manufacturers operating machines at full power at around 60 percent of total production capacity whilst the Company could operate at higher capacity at around 80 percent where the addition to the 60 percent portion was for the most part a production of Reinforced Lightweight Concrete exported to CSR Hebel (CSR), Australia. Moreover, due to a slightly higher selling price than the domestic, the Company could therefore control the cost. The Company had orders from CSR during 2017 of approximately 700,000 square meters, an increase from 2016 driven by less orders to China since the Company's products met Australia's standard coupled with customers' satisfaction. As a result, the Company had advantage over other domestic manufacturers.

Then, the Chairman welcomed inquiries from the shareholders and answered the queries together with the Managing Director concluded as follows:

A query from Mr. Anu Wongsarakij

Management scheme for the increasing production cost – The Company anticipated a slight increase in product cost from 2017 since the Company turned into Lean Organization at the end of last year as a way to deal with the announcement of minimum wage increase which had impacts of approximately 12 Baht on the wages of Bangpa-in Plant and Nhongkae Plant and approximately 22 Baht for Rayong Plant, accounted for 3 percent of the labor cost. The Company added automation system in replacement of labor for some segment, reduced daily employment as well as production cost and spending on raw materials such as sand, transportation and optimization of production efficiency to reduce loss. Regarding the energy cost increase, Bangpa-in Plant would not be affected by gas price increase since the Plant was powered by steam energy. However, the Company continued to closely monitor the fuel price since Nhongkae Plant and Rayong Plant still used fuel oil and gas for production, respectively.

A query from Mr. Chanchai Loworapong

Operating result for Quarter 4/2017 representing a decrease from Quarter 3/2017 – The variance of sales volume shown between Quarter 4/2017 compared to Quarter 3/2017 was a result of stock and inventory management of CSR Hebel (CSR), Australia. CSR ordered products from the Company to stock up during Quarter 3/2017, hence higher exports, before slowing down their order during November–December 2017 in order to balance their stock which decreased the Company's sales and revenue accordingly coupled with strong competition on price in domestic market despite some increase in demand. The selling price in 2016 declined from 2015 around 15–16 percent due to lightweight block manufacturers and capacity increase. In 2017, the selling price increased but not more than 5 percent resulting in slightly higher revenue from domestic sales while exports remained the key revenue of the Company. Nevertheless, the number of orders from CSR went back to normal in the first quarter of this year.

Queries from Mr. Pawaris Surakittidamrong

- (1) Prospect for selling to CSR Hebel (CSR), Australia –It was anticipated that the growth rate of CSR's orders during 2018 would be approximately between 10–15 percent with constant average order for each month subject to CSR's stock and inventory management. In this regard, the Company had planned the production in advance as well as negotiated and discussed the prospect for future order with CSR on ground of the Company's concerns for the sustainability of exports in which CSR had responded that Plant Expansion Project was also under their consideration. However, since CSR used more advanced technology than the Company in manufacturing concrete lintel which was lightweight but capable of bearing heavy weight. Therefore, the Reinforced Lightweight Concrete products manufactured at Bangpa-in Plant exported to CSR were just an addition to their variety of CSR's products. Moreover, the orders for ALC products manufactured at Rayong Plant also increased.

- (2) Reason for unsuccessful market base expansion of lightweight block to replace brick – The penetration rate during 2015–2016 was around 7 percent and increased to around 10 percent during 2017. The main obstacles were low transportation cost of bricks since they were available locally and the customary habits of technician upon the belief that bricks were stronger, easier to use, and more convenient. The Company thus had to promote the quality and properties as well as correct understanding of lightweight block to all relevant target groups. In this regard, the Company anticipated quicker rate of replacement in the future bricks entailed high energy cost whereas the cost for plastering lightweight block was able to compete with bricks.

As there were no other inquiries or suggestions, the Chairman then requested the Meeting to acknowledge the Company's Annual Report for the year 2017.

### **3. To approve the Financial Statements for the year ended December 31, 2017**

The Chairman informed the Meeting that the Board of Directors proposed the Financial Statements for the year ended December 31, 2017 which were audited and signed by the Company's auditor (KPMG Phoomchai Audit Ltd.) and agreed by the Audit Committee to the Meeting for approval. Details of which were as shown in 2017 Annual Report (pages 115–189) distributed to the shareholders together with the Notice prior to the meeting, summarized as follows:

#### Consolidated Financial Statements:

Total Assets	2,021.62 million Baht
Total Liabilities	228.27 million Baht
Total Revenue	1,711.22 million Baht
Profit for the year attributable to owners of the parent	
- million Baht	5.46
- Baht/share	0.01

#### Separate Financial Statements:

Assets	2,231.89 million Baht
Liabilities	506.75 million Baht
Revenue	1,462.12 million Baht
Profit for the year	
- million Baht	28.60
- Baht/share	0.07

The Chairman then welcomed inquiries from the shareholders and answered their queries together the Managing Director summarized as follows:

Queries from Mr. Tara Cholapranee

- (1) Correspondence between revenue from sales and sales volume, proportion of domestic and export sales, and 2017 market share – For 2017, the Company's sales increased to approximately 13.1 million square meters from 2016 of approximately 12.9 million square meters driven by Reinforced Lightweight Concrete exports despite the drop in domestic sales of lightweight block. When comparing the selling prices per square meter of both products, it was found that the selling price of Reinforced Lightweight Concrete was almost 4 times higher than lightweight block resulting in higher margin than the domestic sales. Therefore, sales volume represented in square meter did not increase proportionately to the increase in revenue from sales. In the same manner, export revenue proportion of approximately 4 percent of total revenue for 2016 would increase for the amount equivalent to 18 percent in 2017 while sales volume represented in square meter would increase merely by 9–10 percent. The domestic market share in 2017 dropped from 46–47 percent in 2016 to approximately 43–44 percent.
- (2) Higher margin from exports – The Company's margin increased as a result of machines overhaul which contributed to capacity expansion of Reinforced Lightweight Concrete to approximately 100,000 square meters/month as well as fixed cost control. In addition, the Company also focused on reduction of waste as designated by CSR and improved the standard of the Company's products to meet international standard to be able to export.
- (3) Capabilities of other manufacturers in the country to produce Reinforced Lightweight Concrete products – Previously, the Company used to manufacture U-shaped lintel before continuously developed to panel to sell domestically which other manufacturers were also capable of producing such products either using the same or different technology from the Company. However, the marketing for this type of product was not merely focusing on the product itself alone since the convenience of installation needed to be taken into consideration as well. At present, the products were popular among construction projects due to quick installation and cleanliness owing to dry process. Nevertheless, the Company and CSR had been business alliance for a long time and expected to continue venturing together in the future.

A query from Mr. Anu Wongsarakij

Impact from appreciation of Thai Baht and fluctuation of freight – The Company constantly monitored the foreign exchange rate while attempting to negotiate directly with CSR. Regarding the freight which reduced during the past 5 years, the Company had looked into the impact from such matter but found no indication to shortage of ships. However, the Company would continue to closely monitor the fluctuation of freight.



A query from Mr. Pornsak Chaiwanichaya, the Shareholders' Right Protection Volunteer who attended the meeting by proxy of the Thai Investors Association

Guideline for performance improvement of the Company's subsidiary (Q-CON Eastern Co., Ltd. (QCE)) which had lower profit – Although the operating result shown in 2017 Annual Report was unsatisfying but when compared to 2016, the result significantly improved upon the attempts to reduce cost and promote the sales. However, QCE Plant in Rayong was affected heavily by price competition from other major manufacturers in the eastern part and therefore could not raise the price coupled with higher production cost than Bangpa-in Plant where steam energy from power plant was utilized in production process which helped to control the production cost and able to compete with other players. Moreover, QCE Plant had to compete with 7 cm block of other local players by promoting the quality attributes and the pros of the 7.5 cm block of the Company as well as other types of products in order to increase the selling price and able to compete in the market.

As there were no other inquiries or suggestions, the Chairman then requested the Meeting to approve the Financial Statements for the year ended December 31, 2017. This agenda item required a resolution of a simple majority vote of the total number of votes of shareholders present at the meeting and voting.

**Resolution:** The Meeting resolved to approve the Financial Statements for the year ended December 31, 2017 as proposed by the Board, by a simple majority vote of the total votes of shareholders present at the meeting and voting as follows:

Total Shareholders	366,612,351 shares		
Approved	366,612,343 votes, equivalent to	99.9999	percent
Disapproved	8 votes, equivalent to	0	percent
Abstained	0 votes		
Invalid	0 votes, equivalent to	0	percent

**4. To approve the Profit Allocation for the year 2017 as a Dividend at the Rate of 0.03 Baht per Share**

The Company had a policy to distribute dividend at the rate of not exceeding 50 percent of net profit for each fiscal year subject to accumulated loss or other necessities. In accordance with Section 116 of the Public Limited Companies Act B.E. 2535 and Article 47 of the Company's Articles of Association, the Company shall allocate at least 5 percent of its annual net profit as capital reserve, deducted by the accumulated loss carried forward (if any) until the said reserve reaches the amount of not less than 10% of the registered capital. The Company's current legal reserve had already reached 40 million Baht, or equivalent to 10% of the registered capital as required by law.

The Chairman informed the Meeting that for 2017, the Company reported net profit for the year in Separate Financial Statements of 28.60 million Baht and net profit for the year in Consolidated Financial Statements of 5.46 million Baht applicable for appropriation as dividend payment to the shareholders. The Board of Directors therefore deemed it appropriate to propose to the Meeting for approval the profit allocation for the year 2017 as a dividend at the rate of 0.03 Baht per share totalling 12 million Baht, accounted for 42 percent of net profit for the year which was in line with the dividend payment policy of the Company. The comparisons of the dividend distribution of the preceding years were as shown in the Notice on page 3, summarized as follows:

<b>Details of Dividend Payment</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
1. Profit (loss) for the year in Separate Financial Statements (million Baht)	28.60	(80.62)	196.85
2. Profit (loss) for the year in Consolidated Financial Statements (million Baht)	5.46	(107.74)	7.22
3. Number of Shares (shares)	400,000,000	400,000,000	400,000,000
4. Dividend (Baht/share)*	0.03	suspended	0.14
5. Total Dividend Payment (million Baht)	12	suspended	56
6. Dividend Payout Ratio (percent)	42  (to the net profit for the year in Separate Financial Statements)	suspended	28  (to the net profit for the year in Separate Financial Statements)
7. Legal Reserve (million Baht)	Fully reserved as required by law (40 million Baht)		

The natural person shareholders shall be entitled to claim tax credit according to Section 47 bis of the Revenue Code equalling to the product of dividend times 20/80 since the dividend payment of 0.03 Baht/share derived from the profit which was subject to corporate income tax of 20 percent.

The dividend shall be payable to the shareholders entitled to receive dividend according to the Company's Articles of Association, of record as of Monday, April 2, 2018 (The Stock Exchange of Thailand shall post the "XD" sign or the date on which the buyers of securities shall have no rights to receive the dividend on Friday, March 30, 2018). The dividend shall be payable on Wednesday, April 25, 2018 and receipt of such dividend shall be within 10 years.

The Chairman then welcomed inquiries from the shareholders and as there was no query from the shareholders, he then requested the Meeting to consider and approve the profit allocation for the year 2017 as a dividend at the rate of 0.03 Baht/share. This agenda item required a resolution of a simple majority vote of the total number of votes of shareholders present at the meeting and voting.

**Resolution:** The Meeting resolved to approve the profit allocation for the year 2017 as dividend at the rate of 0.03 Baht/share as proposed by the Board, by a unanimous vote of the total votes of shareholders present at the meeting and voting as follows:

Total Shareholders	366,612,351	shares	
Approved	366,612,351	votes, equivalent to	100 percent
Disapproved	0	votes, equivalent to	0 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

**5. To elect the Directors in Replacement for those to be retired by Rotation**

The Chairman informed the Meeting that pursuant to Section 71 of the Public Limited Companies Act B.E. 2535 and Article 18 of the Company's Articles of Association, at every Annual General Meeting of Shareholders, at least one-third of the directors must retire from office by rotation. If the total number of directors cannot be divided into one-third, the closet number to one-third of the total number of directors must be taken into account. The retiring directors may be re-elected. This year, there were three directors who were due to retire by rotation as follows:

1. Mr. Karoon Chandrangsue Independent Director and Member of the Audit Committee
2. Mr. Pratip Wongnirund Independent Director, Chairman of the Audit Committee, and Member of the Nomination, Remuneration and Corporate Governance Committee
3. Mr. Kitti Soonthornmanokul Member of the Executive Committee and Managing Director

For the sake of transparency, all of the above three directors volunteered to leave the meeting until the voting ended.

(The three retiring directors left the meeting room voluntarily.)

The Company provided an opportunity to minority shareholders to propose agenda for the meeting and to nominate qualified candidates(s) for election of directors during September 1–November 30, 2018. However, there was not any proposal or nomination from the shareholders.

The Nomination, Remuneration and Corporate Governance Committee considered the candidates for directorship in accordance with the nomination guidelines as agreed upon by the Board of Directors which instructed the Nomination, Remuneration and Corporate Governance Committee to nominate qualified persons for directorship of the Company from qualified individuals and experts which included individuals who were knowledgeable and competent to be directors in listed companies and must be fully qualified as stipulated by relevant laws and the Company's Articles of Association including the Company's Corporate Governance Principle, Corporate Governance Code recommended by the Office of the Securities and Exchange Commission (SEC), and the selection guidelines on candidates for

directorship recommended by Thai Institute of Directors (IOD). The candidates must be equipped with knowledge, professional skills, experience and expertise for the Company's line of business; possessing requisite attributes of leadership, vision, good morals and ethical principles, as well as clear and unblemished career records, making decisions based on facts and reasons, and capable of giving opinions independently. Moreover, the Nomination, Remuneration and Corporate Governance Committee took into account the diversity of the Board of Directors and the composition of knowledge and particular professional skills as deemed essential to the Board of Directors.

For 2018, the Nomination, Remuneration and Corporate Governance Committee (excluding the directors who were due to retire by rotation at the 2018 Annual General Meeting of Shareholders) considered the list of candidates, comprising three existing directors who were due to retire by rotation. The qualifications of each candidate were considered with all due circumspection as well as their performance as independent director, director, and the member of the sub-committees, and unanimously resolved to propose for consideration of the Board of Directors the three existing directors, namely, Mr. Karoon Chandrangsu, Mr. Pratip Wongnirund, and Mr. Kitti Soonthornmanokul to be the directors of the Company for another term as they were deemed qualified for the Company's line of business, knowledgeable and expert in building materials, and real estate and construction businesses, prominent in engineering and profoundly insightful about both end-users and customers of lightweight block including equipped with knowledge and experience for accounting and financial reviews; possessing requisite attributes of leadership, vision, good morals and ethical principles, as well as clear and unblemished career records; and have always performed their duties well as independent director, director, the Audit Committee member, the Nomination, Remuneration and Corporate Governance Committee member, the Executive Committee member, and Managing Director and therefore recommended the Meeting to consider and elect Mr. Karoon Chandrangsu, Mr. Pratip Wongnirund, and Mr. Kitti Soonthornmanokul to be the Company's directors for another term.

Profiles of the nominated candidates, durations of directorship/independent directorship, attendance at meetings of the Board of Directors and the sub-committees during the previous year, number of ordinary shares held in the Company, positions as directors or executives in listed companies and other companies/incorporations, and the relationships of the nominated candidates who are qualified as independent director, were as shown in Attachment No. 3 (pages 28–32) in the Notice.

In this regard, Mr. Kitti Soonthornmanokul was holding a directorship in a company of the same industry which could be considered a competition with the Company, i.e. managing director of Q-CON Eastern Co., Ltd. (QCE), the Company's subsidiary. Furthermore, the Nomination, Remuneration and Corporate Governance Committee had thoroughly considered and deemed that Mr. Karoon Chandrangsu and Mr. Pratip Wongnirund, the qualified Independent Directors in accordance with the Company's definition who have been holding the positions of independent director for more than 9 years, are capable of giving opinions independently. They have brought knowledge, extensive experience, and expertise to make recommendations beneficial to formulation of the Company's strategy and policy for business operation in accordance with sustainable development guideline.

Then, the Chairman informed the Meeting of the voting procedures for this agenda item that the Company's Articles of Association, Article 17 stipulated that with majority votes, the shareholders shall elect directors under the following criteria and procedures:

- (1) A shareholder shall have one vote for each share he holds or represents.
- (2) Each shareholder has the right in accordance with Item (1) to vote for one or more than one candidate nominated for directors but the vote shall not be distributed.
- (3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order until all of the Director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of Directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting who shall have a casting vote.

As there were no inquiries or any other additional nomination of other individual for election of directors, the Chairman then requested the Meeting to vote on the candidates on an individual basis according to the names appearing on the voting cards.

**Resolution:** The Meeting resolved to elect Mr. Karoon Chandrangsu, Mr. Pratip Wongnirund, and Mr. Kitti Soonthornmanokul as the Company's Directors for another term with the following votes:

**1. Mr. Karoon Chandrangsu**

Total Shareholders	366,612,351	shares	
Approved	366,612,243	votes, equivalent to	99.9999 percent
Disapproved	108	votes, equivalent to	0.0000 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

**2. Mr. Pratip Wongnirund**

Total Shareholders	366,612,351	shares	
Approved	366,612,243	votes, equivalent to	99.9999 percent
Disapproved	108	votes, equivalent to	0.0000 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

**3. Mr. Kitti Soonthornmanokul**

Total Shareholders	366,612,351	shares	
Approved	366,612,343	votes, equivalent to	99.9999 percent
Disapproved	8	votes, equivalent to	0.0000 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

In this regard, the Chairman concluded that since this year there were three persons elected in replacement for those who were due to retire by rotation equalling to the number of retiring directors, thus, the Meeting resolved to elect Mr. Karoon Chandrangsui, Mr. Pratip Wongnirund, and Mr. Kitti Soonthornmanokul as the Company's Directors for another term.

*(All three directors who were due to retire by rotation and re-elected as Directors of the Company for another term returned to the meeting.)*

The Chairman informed the voting results to the three directors as mentioned above and congratulated the three directors.

#### **6. To appoint the Company's Auditors and fix the Audit Fee for the year 2018**

To be in compliance with Section 120 of the Public Limited Companies Act B.E. 2535 and the Guidelines from Securities and Exchange Commission (SEC) stipulating that the Annual General Meeting of Shareholders shall determine the auditor and the audit fee of the Company. The existing auditor(s) is entitled to be re-appointed for not exceeding 5 consecutive years. However, he is entitled to be appointed as the Company's auditor after 2 years gap from the last 5<sup>th</sup> appointment.

The Chairman requested the Chairman of the Audit Committee (Mr. Pratip Wongnirund) to explain the details of this agenda item.

The Chairman of the Audit Committee informed the Meeting that for 2018 the Board of Directors agreed with the recommendation of the Audit Committee to select KPMG Phoomchai Audit Ltd. to be the audit firm for the Company due to its reputation, capability, professional standards, experience and expertise in auditing, effective audit procedures/tools, insightful knowledge and business understanding as well as excellent past performance. Moreover, the audit fee proposed by KPMG when compared to the auditing scopes and quantities of work as well as the audit fee charged to other listed companies of similar size was reasonable and would yield maximum benefit to the Company and therefore recommended the Meeting to consider and approve the appointment of the auditors and the audit fee as follows:

1. The appointment of auditors of KPMG Phoomchai Audit Ltd. whose qualifications comply with those set forth by Securities and Exchange Commission to be the Company's auditor for the year 2018 as follows:
  - Mr. Vairoj Jindamaneepitak (Certified Public Accountant No. 3565) or
  - Ms. Thanyalux Keadkeaw (Certified Public Accountant No. 8179) or
  - Ms. Dussanee Yimsuwan (Certified Public Accountant No. 10235)

In this regard, Mr. Vairoj Jindamaneepitak and Ms. Thanyalux Keadkeaw were appointed as the Company's auditor for the year 2017 for the first time, for 1 year in total whereas Ms. Dussanee Yimsuwan was nominated for the first time. The above rotation of auditors would help to broaden the Company's perspectives from their extensive knowledge and experience.

KPMG Phoomchai Audit Limited and the above-mentioned three auditors proposed to be the Company's auditors have neither relationship nor conflict of interest with the Company/ subsidiary/ the Management/ the major shareholders or related persons with the said entities or persons and will also be nominated to be the auditors for the year 2018 of Q-CON Eastern Co., Ltd. (QCE), the Company's subsidiary including SCG Building Materials Co., Ltd., the Company's major shareholder. Profiles of the nominated auditors and details of their independency were as shown in Attachment No. 4.

2. To approve the audit fee for the year 2018 of 406,000 Baht (increased from the year 2017 by 21,000 Baht) as well as the audit fee for the Consolidated Financial Statements from having QCE as its subsidiary and the quarterly review of the subsidiary's financial statements and Consolidated Financial Statements of 374,000 Baht (increased from the year 2017 by 12,000 Baht), totaling 780,000 Baht (increased from the year 2017 by 33,000 Baht, equivalent to 4% due to the rigorous improvement in the Thai Financial Reporting Standard requirements in order to meet the International Financial Reporting Standards.) The details were as follows:

	Unit:Baht		
<b>Audit Fee</b>	<b>2018</b>	<b>2017</b>	<b>Variance (2018-2017)</b>
1. The Company's Financial Statements	<b>406,000</b>	385,000	21,000
2. Consolidated Financial Statements	<b>43,000</b>	42,000	1,000
3. Quarterly Reviews of Separate and Consolidated Financial Statements	<b>331,000</b>	320,000	11,000
<b>Total Audit Fee</b>	<b>780,000</b>	<b>747,000</b>	<b>33,000</b>

3. To acknowledge QCE's audit fee for the year 2018 of 217,000 Baht (increased from the year 2017 by 12,000 Baht) to be paid by QCE.

The audit fee proposed above included only the audit services and not providing any other non-audit services, same as the year 2017.

Then, the Chairman welcomed inquiries from the shareholders after which the Deputy Managing Director answered the query and acknowledged the suggestion from the shareholder (Mr.Tara Cholapranee) proposing that the description shown in the Audit Fee table in pages 6 No. 3 of the Notice be revised for clearer understanding to be "Audit fee for the quarterly review of the Company's Financial Statements and the Consolidated Financial Statements".

As there were no other queries, the Chairman requested the Meeting to approve the appointment of auditors and the audit fee for the year 2018 as per details above. This agenda item required a resolution of a simple majority of the total number of votes of shareholders present at meeting and voting.

**Resolution:** The Meeting by a simple majority of the total votes of shareholders present at the meeting and voting resolved to appoint the Company's auditors for the year 2018 as follows:

- Mr. Vairoj Jindamaneepitak (Certified Public Accountant No. 3565) or
- Ms. Thanyalux Keadkeaw (Certified Public Accountant No. 8179) or
- Ms. Dussanee Yimsuwan (Certified Public Accountant No. 10235)

of KPMG Phoomchai Audit Ltd., and approved the audit fee of the Company's financial statements for the year 2018 of 406,000 Baht and the audit fee for quarterly review and for the Consolidated Financial Statements from having the subsidiary (Q-CON Eastern Co., Ltd. (QCE)) of 374,000 Baht totaling of 780,000 Baht increased from 2017 by 33,000 Bath as well as acknowledged QCE's audit fee for the year 2018 of 217,000 Baht. The voting details were as follows:

Total Shareholders	366,612,351	shares	
Approved	366,612,343	votes, equivalent to	99.9999 percent
Disapproved	8	votes, equivalent to	0.0000 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

**7. To approve the Remuneration of the Board of Directors and the Sub-Committees for the year 2018**

The Chairman requested the Chairman of the Nomination, Remuneration and Corporate Governance Committee (Mr. Cherapong Kamponpan) to explain the details of this agenda item.

The Chairman of the Nomination, Remuneration and Corporate Governance Committee informed the Meeting that the 2017 Annual General Meeting of Shareholders, held on March 24, 2017, approved the remuneration of the Board of Directors and the Sub-committees for the year 2017 which was in line with Article 33 of the Company's Articles of Association, which stipulated that the directors shall be entitled to receive remuneration in the forms of monthly remuneration, bonus, attendance fee, reward, or other forms of benefit as deemed appropriate by the Articles of Association or by the Annual General Meeting of Shareholders. The said remuneration shall be determined either as exact amount or approximate number, and shall be effective until other changes applied as the following details:

Remuneration of the Board of Directors



Chairman 25,000 Baht per month

Members 15,000 Baht per month

Remuneration of the Audit Committee

Chairman 20,000 Baht per month

Members 10,000 Baht per month

Remuneration of the Nomination, Remuneration and Corporate Governance Committee

1. The remuneration payment to the members of the Nomination, Remuneration and Corporate Governance Committee, whose qualifications met the definition of independent director set forth by the Board of Directors providing more rigid requirements comparing to those of the Capital Market Supervisory Board, in the form of an attendance fee payable in accordance with the actual number of attendance at the meetings at the following rates:

Chairman (Independent Director) 20,000 Baht per meeting

Independent Directors 10,000 Baht per meeting

2. The remuneration payment suspension of the members of the Nomination, Remuneration and Corporate Governance Committee without qualifications of independent director.

Remuneration of the Executive Committee

The remuneration payment suspension of the Executive Committee.

The Nomination, Remuneration and Corporate Governance Committee, under the criteria and guidelines for suitable and fair remuneration agreed upon by the Board of Directors, considered the remuneration based on the roles and responsibilities of the Board of Directors and the Sub-committees as well as other relevant factors to wit the Company's operating result for the year 2017, business expansion, and current economic conditions. After comparing such remuneration with the remuneration payments of other listed companies of similar size in the same industry, the Nomination, Remuneration and Corporate Governance Committee then unanimously resolved to propose the review of criteria and rates of remuneration payment for the Board of Directors and the Sub-committees for the year 2018 to the Board of Directors for consideration as well as the acknowledgement of the amount of remuneration paid to the Board of Directors and the Sub-committees during 2017 as the following details:

1. The maintenance of the remuneration (monthly) of the Board of Directors and the Audit Committee, and the maintenance of the criteria and the remuneration (attendance fee) of the Nomination, Remuneration and Corporate Governance Committee, and the remuneration payment suspension of the Executive Committee as approved by the 2017 Annual General Meeting of Shareholders, held on March 24, 2017.

2. To acknowledge the amount of remuneration (monthly) paid to the Board of Directors and the Audit Committee in 2017 of 2,220,000 Baht, equaling to the year 2016, and the attendance fee paid to the members of the Nomination, Remuneration and Corporate Governance Committee who were qualified as independent directors according to the Qualifications of Independent Director of the Company paid in accordance with their meeting attendance during 2017 of 60,000 Baht, totaling 2,280,000 Baht and the remuneration payment suspension of the Executive Committee in conformance with criteria as approved by the Shareholders Meeting.

The below comparison represented no change between the proposed remuneration for the year 2018 and those previously approved by the 2017 Annual General Meeting of Shareholders:

Board of Directors and Sub-committees	Positions	2018 and 2017 <i>(same criteria and rates of remuneration)</i>	
		Monthly remuneration (Baht/director/month)	Attendance Fee (Baht/director/meeting)
<b>Board of Directors</b> (1 Chairman and 8 Members)	Chairman	25,000	-
	Members	15,000	
<b>Audit Committee</b> (1 Chairman and 2 Members)	Chairman	20,000	-
	Members	10,000	
<b>Nomination, Remuneration and Corporate Governance Committee</b> (1 Chairman and 2 Members)	Chairman <i>(only independent directors)</i>	-	20,000
	Members <i>(only independent directors)</i>		10,000
<b>Executive Committee</b> (1 Chairman and 3 Members)	Chairman	suspended	suspended
	Members		

In this regard, the Company provides no other remuneration and benefits to the directors apart from those mentioned above. Details of roles and responsibilities of the Board of Directors and the Sub-committees including the remuneration payment to the Board of Directors and the Sub-committees were as shown in 2017 Annual Report under Management Structure section as well as the summary of remuneration paid to the Board of Directors and the Sub-committees during 2017 on an individual basis was as shown under the same section on page 41.



In such case, the Board shall hold the meeting within forty-five (45) days as from the date of receipt of such written request from the shareholders.

In the case that the Board does not hold the meeting within the period as prescribed under paragraph 4, the shareholders who subscribe their names or other shareholders holding the number of shares as required may summon the meeting within forty-five (45) days as from the date on which the period prescribed under paragraph 4 has elapsed. In such case, the meeting shall be regarded as the shareholders meeting summoned by the Board. The Company shall be responsible for necessary expenses arising from the summoning of such meeting and facilitate as it deems appropriate.

In the case that the quorum of the shareholders meeting summoned by the shareholders as prescribed under paragraph 5 is not formed according to Article 37, the shareholder as prescribed under paragraph 5 shall be collectively responsible for the expenses arising from the summoning of such meeting to the Company.

The general meetings of shareholders shall be held in the locality where the head office of the Company is located or in a nearby province, unless the Board determines otherwise.”

etc.,

etc.,

etc.,

As there were no inquires from the shareholders, the Chairman then requested the Meeting to consider and approve the amendment to the Company’s Articles of Association, Article 34. This agenda item required a resolution of an affirmative vote of not less than three-fourths of the total number of votes of shareholders present at the meeting and entitled to votes. Subject to the approval of the Meeting, Article 34 of the Company’s Articles of Association shall be as proposed by the Board.

**Resolution:** The Meeting by a unanimous vote of the total votes of shareholders present at the meeting and entitled to votes, approved the amendment to the Company’s Articles of Association, Article 34 as proposed by the Board. The voting details were as follows:

Total Shareholders	366,612,315	shares	
Approved	366,612,315	votes, equivalent to	100 percent
Disapproved	0	votes, equivalent to	0 percent
Abstained	0	votes	
Invalid	0	votes, equivalent to	0 percent

#### **9. Other Business (None)**

Then, the Chairman welcomed inquiries and suggestions from the shareholders, after which, the Chairman together with the Managing Director answered the shareholders’ queries concluded as follows:

##### Suggestion and queries from Ms. Saowalak Jirayusayotin

- (1) Plant visit for shareholders– The Company took into consideration.
- (2) Progress on distribution of the Company’s minor shareholdings (Free Float). – The Company could not yet resolve to distribute the Company’s free float to meet the regulation set forth by the Stock Exchange of Thailand. However, the solution for such matter was under the Company’s consideration.

- (3) The Major Shareholder's policy regarding delisting the Company's securities from being listed securities. – The Company had no policy regarding the aforesaid matter since the Company still relied upon investment from minor shareholders as well as their suggestions beneficial to the Company's business operation.
- (4) Comparison between lightweight block and brick – Lightweight blocks were proven to be thermal insulation properties owing to their porous texture especially G3 and G4 products with firm textures contrasting to thermal conductivity of bricks. However, most consumers believed that bricks were harder, thicker, and stronger than lightweight blocks; the Company therefore continuously promote the qualities of lightweight blocks to every target group and kindly asked that the shareholders promoted and supported the Company's products.

A query from Mr. Anu Wongsarakij

Countermeasure against new products and materials such as plastic which would later replace lightweight blocks – Such a phenomenon would eventually happen in the same manner as lightweight blocks which were invented to replace bricks and it would be unavoidable. However, the Company believed that building materials which contained cement as the main raw material would still be low-cost in comparison to other types of raw material such as steel and thus able to compete on price despite consuming longer time during construction. Nevertheless, the Company continued to develop and add value as well as variety to the Company's products such as sound barrier wall panels to be offered for sale to Department of Highway and Bangkok Expressway and Metro.

queries from Mr. Pawaris Surakittidamrong

- (1) Advantages from EEC: Eastern Economic Corridor to the Company – Preliminarily, the Company gain some advantages from the said project through higher constructions within the area. Moreover, the Company benefited from the location of the Company's subsidiary's plant in Rayong Province, hence, an advantage to transportation cost, and not to mention that if the customers and architectures also had knowledge of lightweight block, the Company would have more advantages over other competitors.
- (2) Opportunities to export to other international customers like CSR Hebel (CSR), Australia – The Company was searching for other international customers in addition to CSR to which the Company had an opportunity to export the products to Singapore as well but due to limitation of high transportation cost as a result of the products loaded in containers reaching maximum capacity before weight, the Company thus turned to export Concrete Panel products from the Plant in Bangpa-in and lightweight blocks from the Plant in Rayong which would help to reduce transportation cost. However, to search for a customer like CSR was not an easy task since the case of CSR was a matter of building of long-term relationship as well as the fact that the Company's products were able to compete on price and were additional products of CSR.
- (3) Strategy for lightweight block market – At present, the manufacturers operating machines at full power at around 60 percent of total production capacity whilst the Company could operate at higher capacity at around 80 percent. Despite strong competition, when comparing the current construction trend with the last 2 years, both horizontal and vertical constructions projects increased along the train lines, EEC as well as projects from budgeted government agencies.

Suggestions and queries from Mr. Tara Cholapranee

- (1) The production of lightweight block in other colors apart from grey color to attract attention from customers and reduce the time spending in plastering. – The Company took this matter into consideration.
- (2) Domestic market demand for lightweight panel – At present, the domestic market demand for lightweight panel had doubled from the past since it was almost three times faster to be constructed and plastered, hence, less overall wages. In addition, it also helped to reduce loss in construction and plastering processes as well as convenient for such tasks which used to be wet process that produced dirt and had to be cleaned up after work. However, the lightweight panel was just an alternative option apart from brick, the Company thus had to continue expanding the customer base for the Company's products to replace the brick market which still took up 80 percent of the market.

There being no further business to transact, the Chairman thanked the shareholders for attending the meeting before wishing all the shareholders a safe trip home and declared the meeting closed.

The meeting was adjourned at 15:55 hours

*– Signed by –*

(Mr. Kajohndet Sangsuban)

The Chairman of the meeting

*– Signed by –*

(Ms. Veranuch Sethameteekul)

Secretary to the Board and Company Secretary

Minutes Taker