



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : http:// www.interhides.com



### Minutes of the 14<sup>th</sup> Annual General Meeting

(Enclosure No.1)

of

### Interhides Public Company Limited

#### Time and Venue of the Meeting

On April 24, 2019 at 14:00 P.M. (attendance registration starts from 13:00-14.00 P.M.) at Petchchopoo Room, The Emerald Hotel, No.99/1 Ratchadapisek Road, Din Daeng, Bangkok 10400.

#### Preliminary Proceedings:

The Moderator welcomed shareholders and introduced Board of Directors, Management and Company Auditors participating at the Meeting as follows:

#### Directors who attend the meeting:

1. Mr. Ongart	Thumrongskaunvong	Chairman / Managing Director
2. Mr. Somchart	Limpanuphap	Chairman of the Audit Committee/ Nomination, Remuneration Committee and Independent Director
3. Mr. Chor Nun	Peppaisit	Chairman of Remuneration Committee/ Audit Committee, Independent Director
4. Mr. Somyot	Akapaiboon	Chairman of Nomination Committee/ Audit Committee/ Remuneration Committee and Independent Director
5. Ms. Chutima	Busayapoka	Director / Deputy Managing Director
6. Mr. Thaksa	Busayapoka	Director
7. Mr. Niti	Nerngchamnong	Director
8. Mr. Wasin	Thumrongsakunvong	Director

#### Directors who not attend the meeting:

1. Mr. Ouychai	Matitanaviroon	Director / Nomination Committee and Remuneration Committee
----------------	----------------	---

#### Representative from Company's Auditor

1. Ms. Watoo	Kayankannavee	EY Office Limited
2. Ms. Hattaya	Senganit	EY Office Limited

#### Management Present

1. Mr. Chatchai	Lertnaisat	Financial Advisor
2. Ms. Malintip	Lavichat	Assistant General Manager
3. Ms. Wanvisa	Thumrongsakunvong	Company Secretary



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



The moderator explained to the meeting the procedures of voting, counting of votes and announcing of vote results which could be summarized as follows:

1. According to the Company's Articles of Association, each shareholder or a proxy authorized by any shareholder to vote on his/her behalf is entitled to vote equal to the number of shares held, whereby one share shall be equal to one vote.
2. Voting shall be made openly
3. Shareholders attending the meeting in person or by proxy shall cast only one of their votes, whether to vote for approval, disapproval or abstention. The votes on each agenda item cannot be divided.
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 accordingly with his/her signature affixed and to raise their hands to notify the Company's officers so as to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve should mark the voting card accordingly with his/her signature affixed but were not required to raise their hands. All the approval voting cards were to be collected when the meeting adjourned. Expect for agenda 5 to consider and approved the election of directors to replace the directors who retired by rotation the officer will collect all the votes.

As for the shareholders who authorized their proxies to the Directors or Independent Directors, the Company shall cast votes of approval, disapproval or abstention on each agenda item accordingly to their requisition.

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 counting and summing up the votes for each agenda, the votes indicated in proxy forms shall also be counted.
6. The total number of shareholder or proxies and the casting of the votes on each agenda might vary from item to item since shareholders or proxies might leave the meeting or later enter the meeting.
7. In case the shareholders or proxies wishes to leave the presence zone before the end of the meeting, it was requested that they return all the voting cards at the exit so that the officer could update our attendance lists.
8. The results of the vote count shall be announced at the meeting after the completion of the counting of votes for each agenda item. However, vote counting for some agenda items may take longer. In such cases, the Chairman may request the meeting to proceed to the consideration of the next item on the agenda to avoid disruption the meeting. The meeting will be informed of the result as soon as the vote counting has been finished.
9. Shareholders or proxies wishing to make inquiries or give any comments shall raise his/her hand. After the Chairman has given permission, such person would state his or her first name and last name, and the status either as a shareholder or proxy.

In addition, the Company allowed its shareholders to propose matter (s) or submit any enquiry to the Board of Directors of Company for consideration as agenda of the shareholders' meeting with proposing period from 18 January 2019 to 17 February 2019. There is none shareholders suggest and name or agenda.

The Chairman welcomed the shareholders attending 14<sup>th</sup> Annual General Meeting of Shareholders and informed the Meeting that there were



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



Shareholders present	42 person	347,197,385 shares
Shareholders present by proxy	2,074 person	93,862,964 shares
Total Shareholder	2,116 person	441,042,349 shares

Or equal to 78.72 percent of total 441,042,349 shares sold. A quorum was thus constituted according to the Company's Articles of Association. The Chairman, therefore, declared the 14<sup>th</sup> Annual General Meeting of the Company opened.

**Agenda 1: To consider and certify the Minute of the 13th Annual General Meeting of Shareholders held on 24 April 2018.**

The Chairman proposed the Meeting to consider and adopt the minutes of the 13<sup>th</sup> Annual General Meeting held on 24<sup>th</sup> April 2018, the Company has post the minute of meeting on Company's website ([www.interhides.com](http://www.interhides.com)) on May 2, 2018 for shareholders to review. The copy of the minutes was circulated to the Shareholders together with the meeting notice.

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders. The Meeting adopted the Minutes of the 13th Annual General Meeting held on 24th April 2018 with a majority vote of all shareholders who were present and voted (including the votes of additional shareholders who had registered at this stage). The detail of the votes was announced as follows:

Approved	441,042,349 votes	Equivalent to 100.00%
Disapproved	0 votes	Equivalent to 0.00%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	441,042,349 votes	Equivalent to 100.00%

**Remark** The resolution for the agenda requires the majority of votes of shareholders and proxy holders who attend the meeting and cast their votes

**Agenda 2: To acknowledge the Company's operating results and Annual Report for the year 2018**

Ms. Malintip, Assistant General Manager, reported the Company's performance for the year 2018 for the meeting's acknowledgement.



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



### Profit and Loss

Unit : Million Baht

	2017	2018	YoY
<b>Revenues from Sales &amp; Services</b>	<b>2,129.75</b>	<b>2,390.18</b>	<b>↑ 12.23%</b>
Other Revenues	37.06	14.64	↓ 60.49%
<b>Total Revenues</b>	<b>2,166.81</b>	<b>2,404.82</b>	<b>↑ 10.98%</b>
Cost of Sales & Services	(1,654.71)	(1,874.14)	↑ 13.26%
<b>Gross Profit</b>	<b>475.05</b>	<b>516.04</b>	<b>↑ 8.63%</b>
SG&A Expenses	(151.17)	(160.83)	↑ 6.39%
<b>EBITDA</b>	<b>513.29</b>	<b>545.13</b>	<b>↑ 6.20%</b>
Finance Costs	(32.32)	(33.71)	↑ 4.30%
Corporate Income Tax	(39.24)	(43.38)	↑ 10.55%
<b>Net Profit</b>	<b>289.38</b>	<b>292.76</b>	<b>↑ 1.17%</b>

In 2018, The Company and its subsidiaries recorded Revenues from Sales and Services of Baht 2,390.18 Million, representing an increase of 12.23 % y-o-y, Other Revenues was Baht 14.64 Million, 60.49% less than last year, mainly from Gain on FX Baht 13.54 Million. Cost of Sales and Services was recorded at Baht 1,874.14 Million, increased by 13.26% y-o-y. Gross profit was Baht 516.14 Million, improved 8.63% compared with last year.

Selling and Administrative Expenses was recorded at Baht 160.83 Million or 6.39% higher than last period. EBITDA rose to Baht 545.13 Million or 6.20% y-o-y. Finance cost slightly rose from Baht 32.32 Million to Baht 33.71 Million, mainly due to the higher interest rate.

For the period of 2018, Net profit registered at Baht 292.76 Million or 1.17% increase from last year.

Profit Margin in 2018, Gross Profit Margin decreased from 22.31% in 2017 to 21.59%. EBITDA Margin decreased from 24.10% in 2017 to 22.81% and Net Profit Margin also decreased from 13.59% in 2017 to 12.25% in 2018.

### Financial Position

Total assets recorded at Baht 3,393.64 Million, with an increase of Baht 345.50 Million, mainly from gradual recognition in construction of new building and machine improvement as planned for increasing the efficiency in production and service of the Company.

Long-term Loan fell from Baht 434.70 Million to Baht 418.82 Million mainly due to the repayment schedule. The Total Equity rose from Baht 1,467.91 Million in 2017 to Baht 1,629.65 Million.



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



### Financial Ratio

In 2017 and 2018, Current Ratio was 0.77x and 0.67x and Quick Ratio was 0.19x and 0.22x, respectively.

ROE slightly decreased from 21.11% in 2017 to 18.90% in 2018. Also, ROA slightly decreased from 10.00% in 2017 to 9.09% in 2018.

ISCR improved from 15.88x in 2017 to 16.71x in 2018. As committed with banks, the Company would maintain DSCR not less than 1.20x while in 2017 the DSCR of the Company was 2.26x, dropped from 2.45x in 2017.

Another financial covenant, D/E Ratio, the Company would maintain not higher than 2.0x, in 2018 the Company recorded D/E Ratio at 1.08x, same as in 2017.

### Cash Flow

In 2018, the Company has the beginning balance of cash and cash equivalent at Baht 4.74 Million. Net receive in cash and cash equivalents in period was Baht 0.32 Million.

- 1) Cash flows provided by operating activities – net was Baht 333.26 Million, mainly from operating profit.
- 2) Cash flows used in investing activities was Baht 485.47 Million from construction in process and machinery and equipment.
- 3) Cash flows provided by financing activities was Baht 151.94 Million. This was attributable to schedule repayment of Long-term Loan Baht 254.93 Million, draw down Long-term Loan from Bank Baht 240.0 Million and dividend payment of Baht 286.63 Million.

Hence, the Company has cash and cash equivalents of Baht 5.06 Million.

Ms. Malintip also reported about the Company's policy and activities to support an anti-corruption policy in the past year. The Company has a policy to conduct business in a transparent manner, in accordance with the principles of good corporate governance. One of the Company's Value focuses on the good corporate governance and compliance. The Company follows the business ethics and practices to support anti-corruption. The Company has also provided the additional endorsements to bank to support good corporate governance, society and environment.

The Chairman asked the Meeting for further questions.

### **Share Holder asked:**

From the company previously informed that the services will have a gross profit of 30%, but from the results, it is not as targeted. What would the company have any plan?



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



### Board Mr. Wasin Thumrongsakunvong answered:

The reduced gross profit of customers was due to the increase in production processes of our customers which the company was still unable to adjust the selling price. These was affecting company's gross profit.

### Share Holder asked:

In the first quarter of 2018, operating results decreased significantly, caused by the cost of leather. Have this problem been solved?

### Financial Advisor Mr. Chatchai Lertnaisat answered:

In the first quarter of 2018, the company has brought leather in the stock to rework. This caused the cost of sales increased. The company was improved during the 3rd and 4th quarter.

There was no further comment from the shareholders. This agenda is under informed therefore, no voting is requested.

Remark This agenda is for acknowledgement, therefore there is no vote casting.

### **Agenda 3: To consider and approve the Company's financial statements for the year ended December 31, 2018.**

The Chairman proposed that the Meeting consider and approve the statements of financial position and statements of comprehensive income for the year ended December 31, 2018 and the Auditor's Report, for the meeting's approval. The statements of financial position and statements of comprehensive income were reviewed and endorsed by the Company's Audit Committee and also certified by the Independent auditor, EY Office Limited, as being correct in accordance with the generally accepted accounting principles. Financial highlights of the consolidated balance sheet and statement of income are as following:

Value: Million Baht

	Consolidated Financial Statements	Separate Financial Statements
Total Assets	3,394	3,324
Total Liabilities	1,764	1,721
Total Sales and Service	2,390	2,131
Total Revenue	2,405	2,301
Net Profit	293	329
Earnings per share	0.54	0.61



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders. The Meeting, by a unanimous vote of the shareholders attending the meeting and having the rights to vote, resolved to approve the Board's proposal with voting results as follows:

Approved	442,405,998 votes	Equivalent to 100.00%
Disapproved	0 votes	Equivalent to 0.00%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	442,405,998 votes	Equivalent to 100.00%

**Remark** The resolution for the agenda requires the majority of votes of shareholders and proxy holders who attend the meeting and cast their votes.

**Agenda 4: To consider and approve the appropriation of legal reserve and dividend payment for 2018.**

The Chairman proposed that according to the Company Articles of Association clause 43 (Attach document No.4) and section 116 of The Limited Public Companies Act B.E. 2535(1992) the company shall allocate not less than 5% of the annual net profit to the statutory reserve until this reserve reaches 10% of the registered capital. The company has a policy to pay dividend to the shareholders each year according to the financial performance at a minimum of 40% of net profit. The Board of Directors may consider changing the dividend payment by considering various factors in order to maximize benefits for shareholders.

Year 2018, the consolidated net profit of the Company were Baht 293 million. The comparison of dividend payment is as follows:

	2018	2017	2016
Dividend payout ratio (existing shares: stock dividend)	0.00	0.00	0.16666667
Dividend Payment (Baht per share)	0.50	0.50	0.16851852
Total dividend payment (Baht per share)	0.50	0.50	0.34
Dividend payment ratio (%)	92.59	86.21	85.94



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



The Board recommends as follows:

1. As of December 31, 2018, the company has allocated net profit to the statutory reserve in the amount of Thai 69,000,000 Baht or equivalent to 11.60 percent of the registered capital. Therefore, there is no need to allocate profit as additional statutory reserve.
2. Resolved to pay the annual dividend at the rate of Baht 0.50 per share or equal to 254.50 million Baht. The Payout ratio is 92.59%. The company has been paid the interim dividend at 0.20 Baht on 12 September 2018, thereby having a final dividend of Baht 0.30 or equal to 166.06 million Baht. The record date to specify the list of shareholders entitled to receive dividend shall be 8 May, 2019. The stock dividend payment date is set on 22 May, 2019.
3. Individual Shareholders are not able to request for tax credit from the said dividend payment under Section 47 Bis of the Revenue Code.

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders. The Meeting, by a unanimous vote of the shareholders attending the meeting and having the rights to vote, resolved to approve the Board's proposal with voting results as follows:

Approved	442,405,998 votes	Equivalent to 100.00%
Disapproved	0 votes	Equivalent to 0.00%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	442,405,998 votes	Equivalent to 100.00%

**Remark** The resolution for this agenda requires the majority of votes of shareholders and proxy holders who attend the meeting and cast their votes.

**Agenda 5:** **To consider and approved the election of directors to replace the directors who retired by rotation.**

The Chairman informed the Meeting that in according to section 71 of The Limited Public Companies Act B.E. 2535(1992) and the Company's Articles of Association clause 17 and 18. At every Annual General Meeting of Shareholders 1/3 of all directors or after first two year directors who longest hold the position are due to retire by rotation, can be and eligible for re-election. The 2 directors who retire are as follows:

- |                                 |  |
|---------------------------------|--|
| 1. Mr. Ongart Thumrongskaunvong | Chairman / Managing Director   |
| 2. Mr. Somchart Limpanuphap     | Chairman of the Audit Committee/<br>Nomination, Remuneration Committee<br>and Independent Director |



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



The above directors are eligible to be re-elected for another term. The Nominating & Committee, without member who have conflict of interests, had considered all required qualifications of the directors pursuant to the applicable laws, the Company's Articles of Association, and Nominated of Directors and Management as define in the Company's Corporate Governance Policy, and qualification of candidate for director by considering from necessary skill including experience, knowledge and good understanding in Company's business as well as had contributed many valuable things to the Company.

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders. The Chairman then proposed that the Meeting consider and approve the re-election of the above director who retired by rotation and election of the person nominated by Nomination Committee ,by a majority vote of all shareholders who were present and had the right to vote. The details of the votes were announced as follows:

### 1. Mr. Ongart Thumrongskaunvong

Approved	442,151,998 votes	Equivalent to 99.94%
Disapproved	254,000 votes	Equivalent to 0.0574%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	442,405,998 votes	Equivalent to 100.00%

### 2. Mr. Somchart Limpanuphap

Approved	442,155,183 votes	Equivalent to 99.9424%
Disapproved	254,000 votes	Equivalent to 0.0574%
Abstained	815 votes	Equivalent to 0.0002%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	442,405,998 votes	Equivalent to 100.00%

Remark The resolution for this agenda requires the majority of votes of shareholders and proxy holders who attend the meeting and cast their votes.

### Agenda 6: To consider and approve the director's remuneration for the year 2019.

The Chairman informed the meeting that the directors' remuneration approved by the 13th Annual General Meeting of Shareholders on April 24, 2018, fixed the remuneration as follows:



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



### Board of Directors remuneration:

The Chairman of the Board Baht 40,000 /month

Directors Baht 25,000 /month

### Audit Committee remuneration:

The chairman of the Audit Committee Baht 20,000 /month

Audit Committees Baht 15,000 /month

### Remuneration comparisons from previous year

Remuneration	2019 (Propose)	2018
Chairman of the Board	40,000	40,000
Chairman of the Audit Committee and Independent Director	45,000	45,000
Audit Committee and Independent Director	40,000	40,000
Director	25,000	25,000

Comparing the directors' remuneration to other listed companies in the automotive industry, the Remuneration committee found that the Company's director remuneration was on the same level with the average of the industry. Therefore, the current remuneration should be maintained until further decision by the next Annual General Meeting.

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders, the Meeting, by a unanimous vote of the shareholders attending the meeting and having the rights to vote, resolved to approve the directors' remuneration as proposed, with voting results as follows:

Approved	443,296,748 votes	Equivalent to 100.00%
Disapproved	0 votes	Equivalent to 0.00%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	443,296,748 votes	Equivalent to 100.00%



## Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



Remark The resolution for this agenda requires not less than two-thirds of votes of shareholders and proxy holders who attend the meeting and cast their votes.

**Agenda 7: To consider the appointment of the Company's auditor and auditor's remuneration for the year 2019.**

The chairman announced to the meeting that to comply with the Public Limited Company Act And Article 49 of the Company's Articles of Association, which stipulates that the audit team must not be a director, staff member, employee, or person holding any position in the company. The Company's auditors any one of the following auditors for consideration will comprise of:

1. Miss Watoo Kayankannavee Certificate Public Account No. 5423  
(Has been the Company's auditor with signatory to the Company's Financial Statemetns for 4 year in 2015 – 2018)
2. Miss Siraporn Ouaanunkun Certificate Public Account No. 3844  
(Has never been the Company's auditor with signatory to the Company's Financial Statements.)
3. Miss Chonlaros Suntiasvaraporn Certificate Public Account No. 4523  
(Has never been the Company's auditor with signatory to the Company's Financial Statements.)

From EY Office Limited, being the Company's Auditors for the year 2019, which is an international standard firm and a certified auditor with qualifications as according to the announcement of the Office of the Securities and Exchange Commission. The total audit fee for 2019 will be in amount not exceeding Baht 2,544,000, excluding miscellaneous expense.

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders. The Meeting, by a unanimous vote of the shareholders attending the meeting and having the rights to vote, resolved to approve the appointment of auditors and the proposed audit fees, with voting results as follows:

Approved	443,291,748 votes	Equivalent to 100.00%
Disapproved	0 votes	Equivalent to 0.00%
Abstained	0 votes	Equivalent to 0.00%
Voided Ballet	0 votes	Equivalent to 0.00%
Total Voting shares	443,291,748 votes	Equivalent to 100.00%

Remark The resolution for this agenda requires the majority of votes of shareholders and proxy holders who attend the meeting and cast their votes.



# Interhides Public Company limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



**Agenda 8: To consider the amendment of the Company’s Objectives and the Company’s Memorandum of Association, Article 3 Objectives of the Company.**

The chairman announced to the meeting that the company wished to expand its operation to set up the electricity from a solar rooftop solar system. It is necessary to apply for permission to connect the electrical network of the Metropolitan Electricity Authority. Nevertheless the Company’s Memorandum of Association in Article 3, Objectives of The Company does not contain the objective about generating electricity from solar power generators regarding to the Metropolitan Electricity Authority rules. Therefore, it is proposed to the meeting to consider and amend one (1) clause of Clause 3 (Objectives) of the Memorandum of Association, where adding a new Clause 54, effecting the total number of objectives to 54 Clauses, detail of which are as follows:

Clause 54 (new)

“To Operate and distribution electricity from solar power generators”

The Chairman asked the Meeting if there were any questions or comments.

There was no comment from the shareholders, the Meeting, by a unanimous vote of the shareholders attending the meeting and having the rights to vote, resolved to approve the amendment of the Company’s Objectives and the Company’s Memorandum of Association, Article 3 Objectives of the Company as proposed, with voting results as follows:

Approved	440,912,848 votes	Equivalent to	99.4622%
Disapproved	2,383,900 votes	Equivalent to	0.5378%
Abstained	0 votes	Equivalent to	0.00%
Voided Ballet	0 votes	Equivalent to	0.00%
Total Voting shares	443,296,748 votes	Equivalent to	100.00%

Remark The resolution for this agenda requires not less than three-quarters of the total votes casted by shareholders and proxy holders who attend the meeting and cast their votes.

The Chairman asked the Meeting if there were any questions or comments.

**Share Holder asked:**

What was the progress of factory 10 as plan? When would phase 2, 3 and 4 be implemented? Did company have new customers to support or only GLI?

**Board Mr. Wasin Thumrongsakunvong answered:**

The Company has implemented phase 1. Phase 2 planned to implement in the middle if next month after the Europeans had installed. We decide to hold phase 3 and 4. We planned to improve the old



## **Interhides Public Company limited**

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



factory to be as effective as factory 10 cause of increasing of wages in the future. The Company prepared to reduce manpower. Regarding GLI, The Company terminated contract due to minimize risk. The Company took this opportunities to sell our own Wet Blue and generated more profit.

### **Share Holder asked:**

Any effect? Due to factory expansion to support GLI orders.

### **Board Mr. Wasin Thumrongsakunvong answered:**

There was a few impact. Anyway the factory 10 expansion should support order from Wolverine orders.

### **Share Holder asked:**

In the latest Annual Report. Please inform more detail about fertilizer business.

### **Board Mr. Wasin Thumrongsakunvong answered:**

Fertilizer was belongs to Intergreen Company Limited, a subsidiary of Interhides Public Company Limited, which was a recycling of waste. Intergreen had produced Protein Hydrolysate, one of our products. It should mix with other chemicals to stimulate plants to receive more nutrients. Currently being offered to the market in agriculture segment. Another product was Collagen, we were in research and development.

### **Share Holder asked:**

What is level of research and development at this moment? Could be considered at any level 1-10 and time of research and development?

### **Board Mr. Ongart Thumrongsakunvong answered:**

Approximately level 8, that could be consumed. But consumption level must need more confidence to sell this product depend on reliability. Currently we contact with Japan and Australia etc. In this moment we could not answered clearly due to experiments.

For the fertilizer, currently some company started to order.

### **Share Holder asked:**

How was the revenue from selling fertilizer?

### **Board Mr. Wasin Thumrongsakunvong answered:**

The revenue was not much and in process of experiment with palm, orange and tapioca.

### **Share Holder asked:**

Termination of contract with GLI, how was impact to capacity, please explain about sales of leather.



## **Interhides Public Company limited**

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



---

### **Board Mr. Wasin Thumrongsakunvong answered:**

We still utilized 100% capacity. Currently the tank system was already installed and waiting for the Europeans to start running.

There were many customers contacting and interested in our leather product. However, our company was not ready to sell due to there were no stock to sell directly. There were many customers which were different requirement and price.

### **Share Holder asked:**

After termination of contract with GLI, the revenue at 4<sup>th</sup> quarter was good due to GLI order or not? The cancellation of GLI orders, what would be affect in the future?

### **Board Mr. Ongart Thumrongsakunvong:**

In the 4<sup>th</sup> quarter, it was Wolverine's order. The last order of GLI was in January. The company did not expect to increase or decrease. The company expected the next year we could generate the same profits. There were many customers coming into our company. However, we had no stock to sell. The question whether it would be affect our company or not. There were for sure. But it was not significant. The company would conduct business with caution to avoid any impact and expect that it would not have serious impact.

### **Share Holder asked:**

How to calculate depreciation of factory phase 2 ?

### **Financial Advisor Mr. Chatchai Lertnaisat answered:**

Currently it was installation and the depreciation was not calculated.

### **Share Holder asked:**

Model of fertilizer business. What was the product? The company sold through fertilizer companies or sold directly by itself? And how much to sell per year and how much capacity?

### **Board Mr. Ongart Thumrongsakunvong:**

Products were called supplement to make plants more growth and more yield. Model of business was sale through intermediary. Some large farm would purchase directly from our company. As for small scale agriculture would buy through the company that sold fertilizer. Currently our capacity was 80 tons per month. In agricultural industry, the revenue would be 100 Million Baht per year. If Intergreen had received industrial waste disposal license which would be able to do this business only one factory on this area. In case of many orders, our company could receive raw material from other factories. Currently they had paid for disposal.



## **Interhides Public Company limited**

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



---

### **Shareholder asked:**

Which customers were produced from factory 10 phase 1? And which factory that customers were transferred from?

### **Board Mr. Wasin Thumrongsakunvong answered:**

Factory 10 phase 1 was producing Auto customers which were transferred from factory 1. Factory 1 was planned to improve automation system in order to reduce cost.

### **Shareholder asked:**

Would Trade war be affected? And would the EV cars be affected?

### **Board Mr. Wasin Thumrongsakunvong answered:**

The impact on the Trade war was positive because America was difficult to ship to China and China was also difficult to ship to America. They should deliver pass through us, the easiest way. For the EY cars, we did not have any impact because the inside car was still the same. The business that was affected would be the engine and battery business.

### **Shareholder asked:**

Would margin of tanning service be impacted? We used broker all the time, then change to sell directly. What was the selling price?

### **Board Mr. Wasin Thumrongsakunvong answered:**

The margin of selling would be 14-18% For example, the customers purchased the whole container without separating grade. Tanning service was more than leather sale but in term of revenue, it was less than leather sale. The Company was not worried about broker. Cause of our broker still trade to each country. The price depended on the market price.

### **Shareholder asked:**

Was there any source of raw material? Why did company think that we had no stock. It was shown that the company was not ready. What was estimates of investment and market trends?

### **Board Mr. Wasin Thumrongsakunvong answered:**

Normally the Company purchase raw material for making car seats and had good partners. Leather production must meet customer standard and there were many sources. There were necessary to make quality to meet customer standard. The order from aboard took 2-3 months, therefore the current orders had just arrived and it was on production process. For the investment, there was not much due to customers paid in advance. In the marketing, the Company had both Thai and foreign sales team. Also the Company invented method of reducing costs in various aspects. For the services, the Company continued to build good relationship with customers.



## **Interhides Public Company limited**

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website : [http:// www.interhides.com](http://www.interhides.com)



---

### **Shareholder asked:**

Now China was closing factories due to environment issues. I wondered that Chinese market was huge and if only 5-10% shared to Thailand, it should not be able to do?

### **Board Mr. Ongart Thumrongsakunvong:**

Currently business in China was still good. The tanning factories were not closed but had decreased due to increasing cost of waste water treatment. Therefore changing buying wet blue from abroad had a positive impact to company.

### **Shareholder asked:**

Did artificial leather affect the use of genuine leather?

### **Board Mr. Wasin Thumrongsakunvong answered:**

Nowadays, many carmakers used more artificial leather because of cost concern. Some brands would return to use more genuine leather.

These is no further shareholders' opinion.

The Chairman thanked everyone for attending the meeting and declared the Meeting adjourned at 15:45 P.M.

Mr. Ongart Thumrongsakunvong

(Chairman of the Meeting)