

AGENDA 4

TO CONSIDER AND APPROVE THE APPROPRIATION OF EARNINGS

Background and Rationale

According to Section 116 of the Public Limited Companies Act B.E. 2535, “The Company is required to set aside a statutory reserve at least five percent of its net profit after deducting accumulated deficit brought forward (if any) until this reserve is not less than ten percent of the registered share capital, except that the statutory reserve level set in the Company’s Memorandum of Association or in other regulations is required to be higher than such.”

Dividend Payment Policy

If there are no other necessities and the dividend payment has no significant impact on the Company’s normal operation, the Company’s dividend payment policy for each year is not less than 50 percent of the net profit of the separate financial statements after deductions of all provisions as required by the Company’s Articles of Association and regulations.

Board of Directors’ Opinion

The Board of Directors’ Meeting No. 298 (2/2017) dated February 20, 2017 has considered the appropriation of earnings and approved to propose to the Shareholders’ Meeting for approval of the appropriation of earnings for payment of dividend to shareholders at Baht 0.30 per share or equal to 76.92 percent of net profit per share, whereas details and records of dividend payments and establishment of provisions and reserves for the past 3-year period are as follows:

Payment of Dividends and Reserves Set Aside (Unit: million baht)	2016	2015	2014
Par Value per Share	1.00	1.00	1.00
Number of Paid Up Shares (million shares)	1,048	1,048	1,048
Number of Treasury Shares as at end of year (million shares)	100 ⁽¹⁾	-	-
Net Profit per Share (calculated based on weighted average of ordinary shares)	0.39	0.33	0.29
Dividend per Share (Baht per Share)	0.30	0.25	0.27
Dividend Payout Ratio %	76.92%	75.76%	93.10%
Retained Earnings (Loss) from Previous Year	726.36	644.37	625.53
<u>Add</u> Net Profit (Loss) for the year	392.28	343.97	301.78
<u>Add</u> Actuarial gains (losses)	(26.21) ⁽²⁾	-	-
Income tax relating to components of other comprehensive income	5.24 ⁽²⁾	-	-
Comprehensive Profit (Loss) for the year	371.31	343.97	301.78
<u>less</u> Legal Reserve	-	-	-
Treasury Shares Reserve	520.76	-	-
Payment of Interim Dividend 1/20xx	142.19	125.75	157.19
Payment of Dividend 2/20xx	142.19 ⁽³⁾	136.23	125.75
Unappropriated Retained Earnings (Loss) Carried Forward	292.53	726.36	644.37

- (1) The Company has the Treasury Stock Program for financial management purposes with maximum amount of share repurchase not exceeding Baht 520,000,000 and number of share repurchase not exceeding 9.54 percent of the total paid-up shares or equal to 100,000,000 shares. As at December 31, 2016, the Company had repurchased 99,996,200 ordinary shares for Baht 519,980,240 at Baht 5.20 per share. Such repurchase shares have a 6-month period for the resale of shares from the share repurchase date but not later than 3 years. The Company has set the date for the resale of shares within December 31, 2017.
- (2) Actuarial losses have resulted from projection relating employee benefit obligations for employees who are entitled to receive it upon retirement under the Thai Labor Protection Act. Such obligations are assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors. Additional details can be found from the Notes to the Financial Statements for the year ended December 31, 2016.
- (3) As can be seen from the Table above, for Year 2016, the projected dividend payment No. 2/2016 was calculated from the issued and paid-up ordinary shares deducted by the number of treasury stock remaining as of the end of year 2016, however the actual number of shares with rights to receive the dividend will be calculated from the issued and paid-up ordinary shares deducted by the number of treasury stock remaining as at the Record Date of March 7, 2017.

Dividend Payout As Compared to Net Profit Year 2016

The Shareholders will receive dividend appropriated from the net profit of the separate financial statements of year 2016 at Baht 0.30 per share or 76.92 percent of the net profit per share, which is concurrent with the Company's dividend payment policy. The Board of Directors had already approved the payment of interim dividend no. 1/2016 on September 9, 2016 at Baht 0.15 per share. Therefore, there remains a dividend of Baht 0.15 per share for the dividend payment no. 2/2016, which is expected to be paid on May 19, 2017. The Shareholders who will be eligible to receive this dividend payment must have their names appear on the share register book on the Record Date of March 7, 2017. Accordingly, the eligibility for the dividend payment no. 2/2016 must be approved at the 32nd Annual General Meeting of Shareholders (Year 2017) before the Company can proceed further with the aforementioned dividend payment amount.

Accordingly, the Shareholders must pay income tax on the dividend received according to the Revenue Code (The Company will pay the dividend from net profit after deduction of corporate income tax at the rate of 20 percent).

Voting Procedure

The resolution for this meeting agenda shall be based on the majority votes from all the votes of shareholders attending and voting at the meeting. If the vote counts are even, the Chairman of the meeting shall have the right for a casting vote.