

**Invitation to 2014 Ordinary  
Shareholders' Meeting  
No. 1/2014**



**Moving Towards  
a Social Enterprise**

**Invitation to 2014 Ordinary Shareholders' Meeting**

**No. 1/2014**

**MFEC Public Company Limited**

**On 21<sup>st</sup> April 2014, 10.30 a.m.**

**At the meeting Room, 25<sup>th</sup> Floor**

**699 Modernform Tower Srinakarin Road Suanluang Bangkok**

**As for a proxy, please bring along completed Proxy Form for convenience in registration.**

<b>Document for the Annual General Meeting of Shareholders</b>	<b>Attachment</b>
- A copy of the 2013 Annual General Meeting of Shareholders, dated 24 April 2013 (For Agenda 1)	1
- Summary of financial information from the 2013 annual report (For Agenda 2 and 3)	2
- The allocation of monies as the reserved fund in compliance (For Agenda 4)	3
- Dividend payment policy and comparative information for dividend payment during 2011-2013 (For Agenda 5)	4
- Brief Profile of Directors Retired by Rotation and Nominated for Re-appointment and Details of Directors' Remuneration for 2014 (For Agenda 6)	5
- Details of Auditors and Audit Fees (For Agenda 7)	6
 <b>Supplementary Document for the Annual General Meeting of Shareholders</b>	
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For more information, please contact

MFEC Public Company Limited.

Phone: 0-2664-5999 Ext. 2713, 2714, 5881

Fax: 0-2722-8388 Ext. 2713, 2714, 5881

21 March 2014

Subject: Invitation for the Annual General Meeting of Shareholders No. 1/2014  
To: Shareholders of MFEC Public Company Limited

MFEC Public Company Limited's Board of Directors resolved to call for the Annual General Meeting of Shareholders No. 1/2014 at 10:30am of Monday 21 April 2014 (Registration will begin at 09:30am.). The meeting venue is set at the conference room, headquarter, 25th floor, Modernform Tower, No. 699, Srinakarin Road, Suanluang Subdistrict, Suanluang District, Bangkok. The following agenda will be lined up for consideration in the meeting.

**Agenda 1: To adopt the minutes of the General Annual Meeting of Shareholders No. 1/2013 (Attachment 1)**

**Facts and Reasons:** The Annual General Meeting of Shareholders No. 1/2013 was held on 24 April 2013. A copy of its minutes is attached herewith.

**The Board of Directors' Opinion:** The minutes of the Annual General Meeting of Shareholders No. 1/2013, dated 24 April 2013, was properly and perfectly recorded. Thus, the Board proposes the AGM to adopt the minutes. The company disseminated the minutes of meeting on its website, www.mfec.co.th, and submitted a copy of the minutes to the Stock Exchange of Thailand within 14 days after the meeting and the Ministry of Commerce as required by laws.

**Agenda 2: To acknowledge the company's 2013 operating performance and the Board of Directors' annual report (Attachment 2)**

**Facts and Reasons:** According to the Articles of Association, the Company's 2013 operating performance is shown in the annual report attached herewith the invitation letter to the shareholders. Thus, the shareholders will be able to acknowledge a summary of the company's following operating performance in 2013.

**Summary of Operating Performance in 2013**

Profit/Loss	2013
Total Revenue (Million Baht)	4,790.64
Total comprehensive profit (Million Baht)	232.21
Earnings per Share (Baht/Share)	0.53

Financial Position	As of 31 December 2013
Total assets (Million Baht)	3,160.58
Total liabilities (Million Baht)	1,320.98
Total shareholders' equity (Million Baht)	1,839.60

**The Board of Directors' Opinion:** The Board agrees to propose the AGM the company's 2013 operating performance and the annual report for acknowledgment.

**Agenda 3: To approve the statement of financial position and the statement of Comprehensive income for the year 2013 ending 31 December 2013 (Attachment 2)**

**Facts and Reasons:** Following the Public Company Limited Act and the Company's Articles of Association, Article 33 and 34, the balance sheet and statement of income for the annual accounting period ending 31 December 2013 are shown in the Finance Statement Section of the annual report. The financial statements, properly reviewed by the Audit Committee and audited by the auditors, are attached herewith the invitation letter to the shareholders

**The Board of Directors' Opinion:** The Board agrees to propose the AGM the audited balance sheet and statement of income for 20123 which expresses the Company's financial status and operating performance, for approval. The financial statements were audited and certified by Dhammaniti Auditing Company Limited's auditors and properly reviewed by the Audit Committee.

**Agenda 4: To consider and approve appropriation of legal reserve (Attachment3)**

**Facts and Reasons:** According to the Articles of Association, Article 37, the Company is required to set aside at least 5 per cent of net profit as the legal reserve on the annual basis. The allocation may cease when the legal reserve stays no less than 10 per cent of the registered capital.

**The Board of Directors' Opinion:** The Board agreed to propose the AGM to lower the company's retained earnings by 3.01 million baht. After the decrease, total retained earnings amounted to 44.15 million baht or 10% of the company's registered capital. The move is in accordance with the Articles of Association and laws.

**Agenda 5: To consider and approve an allocation of profit for dividend payment to the shareholders (Attachment 4)**

**Facts and Reasons:** The Company has a policy to pay dividend at a rate of no less than 50 per cent of its net profit. The record of dividend payment is shown in Attachment 4. In 2013, the company posted 232.21 million baht in net profit after corporate income tax from operating performance. Its retained earnings, which has not yet allocated, totaled 360.41 million baht. The company has sufficient cash flow to make dividend payment following the Company's Articles of Association, Article 36. Thus, the Board of Directors' Meeting No. 1/2014, dated 19 February 2014 resolved the dividend payment of 0.45 baht per share for the shareholders. The dividend will be paid out of the Company's retained earnings as of 31 December 2013. The shareholders are subject to deduction of the withholding tax at 10 per cent of dividend from non-BOI businesses.

The dividend payment will be paid to the shareholders on 19 May 2014. The shareholders will be listed for dividend rights on 30 April 2014. Gathering of the list following Section 225 of the Securities and Exchange Act will be done through share registration closing on 2 May 2014.

**Comparative Table for Dividend Payment in the Past Three Years**

Item	Performance		
	2013 (Proposed Year)	2012	2011
Number of ordinary shares as of 31 December (shares)	440,402,555	439,351,555	438,300,555
Retained earnings as of 31 December (million baht)	360.41	253.24	224.38
Net Profit (million baht)	232.21	182.33	202.29
Earnings per share (baht/share)	0.53	0.42	0.54
Dividend per share (baht/share)	0.45	0.33	0.33
Dividend payout (%) Based on dividend paid throughout a year against net profit	85	79	71
Dividend payout (%) Based on dividend paid throughout a year against retained earnings	55	57	65

2013, the Company was subject to the corporate income tax at 20% of net income.

**Remark:**

1. The dividend payout is calculated on annual dividend in comparison with retained earnings as of 31 December 2013. The Board of Directors' Meeting, No. 1/2014 resolved to propose the AGM No. 1/2014 the dividend payment of 0.45 baht per share.
2. In 2014, President exercised his warrants, under the ESOP-W2, into 1,051,000 ordinary shares. With this warrant exercise, the company's current registered capital is 441,453,555 baht or 441,453,555 shares.(After this exercise, there remained no warrants un-exercised).
3. Propose to make dividend payment of 0.37 baht per share from net profit, which is taxed at 20%, and of 0.08 baht per share from retained earnings, which is taxed at 23%.

**The Board of Directors' Opinion:** The Board agrees to propose the AGM the dividend payment of 0.45 baht (Forty-five Satang) per share to the shareholders for the 2014 performance, according to the Company's dividend payment policy of at least 50% of its net profit. The dividend will be paid out of annualized net profit and retained earnings as of 31 December 2013. The dividend payment is scheduled on 19 May 2014 and listing of the shareholders eligible for the dividend is set on 30 April 2014. Gathering the list following Section 225 of the Securities and Exchange Act will be done through share registration closing on 2 May 2014.

Agenda 6: To consider and approve the appointment of new directors in replacement of the retired directors by rotation, and determine 2014 remuneration for directors (Attachment 5)

**Facts and Reasons:**

(1) To appoint new directors in place of the retired directors by rotation. According to the Articles of Association, Section 3, Article 13 requires one-third of directors to retire by rotation in every AGM. If the number cannot be divided by three, the number retired shall be close to one-third. The following three directors were retired by rotation.

- |                    |                  |               |
|--------------------|------------------|---------------|
| 1. Mr. Siriwat     | Vongjarukorn     | Vice Chairman |
| 2. Mr. Threerachai | Keeratitachakorn | Director      |
| 3. Mr. Paitoon     | Sirichatchaikul  | Director      |

All of three directors had knowledge and experience, and provided benefits to the Company.

**(2) To determine 2014 remuneration for directors**

The remuneration for directors are set to suit their duty and responsibility. It will be reviewed every year, based on Article 14 of the Company's Articles of Association. In 2014, the remuneration for the Board and Audit Committee, and remuneration and travel allowance for Chairman of the Risk Management Subcommittee will be proposed for a raise. The remuneration are set to be in accordance with other industry peers.

The Company has yet appointed the Nominating Committee and the Remuneration Committee. The nomination and determination of remuneration were done by the Board of Directors' Meeting, No. 1/2014.

Details (1) and (2) are attached herewith the invitation to the shareholders.

The details are described in the following table.

Remuneration for Directors				
Item	Up %	2014 (Proposed Year)	2013	2012
1. Annual Remuneration		Baht/Year	Baht/Year	Baht/Year
- Chairman	10	264,000	240,000	216,000
- Director	14	192,000	168,000	144,000
Remuneration for Subcommittee (Subcommittees consist of Audit Committee and Risk Management Committee)				
Item	Up %	2014 (Proposed Year)	2013	2012
1. Annual remuneration for Audit Committee		Baht/Year	Baht/Year	Baht/Year
- Chairman	10	264,000	240,000	216,000
- Other directors	10	264,000	240,000	216,000
2. Annual remuneration for Risk Management Committee		Baht/Year	Baht/Year	Baht/Year
For Chairman only	10	264,000	240,000	216,000
Remuneration				
- Travel allowance	25	60,000	48,000	42,000



Chairman of the Risk Management Committee, who also acts as the Audit Committee member, the remuneration will be paid for the Chairman position of the Risk Management Committee only. Remuneration will proposed not to be paid for other subcommittee members, who also hold the member position of the Board.

**The Board of Directors' Opinion:**

- (1) The Board agrees to reappoint three directors, who retired by rotation, as the Board's members for another term since they possess all qualifications with no prohibited characteristics, following the Public Company Act. They also contain knowledge and experience, benefiting the company for the passing years. All of three directors, who retire by rotation this year, abstained from voting in this agenda.
- (2) The Board agrees to raise the rates of remuneration for the Board of Directors and Audit Committee, and the rates of remuneration and travel allowance for Chairman of Risk Management Committee. The raises are in accordance with the Company's industry peers following the Stock Exchange of Thailand's data in 2012. Details are elaborated in Attachment 5.

**Agenda 7: To consider and appoint auditors for the year 2014, and determine remuneration (Attachment 6)**

**Facts and Reasons:** To be in compliance with the Public Company Act and the company's Articles of Association, Article 29 requiring the Annual General Meeting of Shareholders to appoint auditors and determine their remuneration on a yearly basis. In 2014, the Audit Committee nominates the following three auditors from Dharmaniti Auditing Company Limited as three auditors of the Company and its subsidiaries after reviewing their quality, appropriateness, independence and required qualifications.

1. Ms. Wannisa Ngambuathong with the audit license 6838
2. Mr. Thanawut Piboonsawat with the audit license 6699
3. Ms. Sullalit Ardsawang with the audit license 7517

The nominated auditors have no relationship and/or no stake with the Company/subsidiaries/executives/major shareholders or any relevant persons.

Audit fees for Year 2014 The Board of Directors' Meeting No. 1/2014 had a resolution to propose the Annual General Meeting of Shareholders to approve total audit fees of 1,143,000 baht for 2014.

The audit fees consist of the following items.

Items	Up (%)	2014 (proposed year)	2013	2012
● Fees for auditing and preparation of consolidated financial statements	-	1,103,000	1,103,000	1,050,000
● Fees for auditing of BOI income	-	40,000	40,000	35,000
Total	-	1,143,000	1,143,000	1,085,000

The Board of Directors' Opinion: The Board agrees to propose the Annual General Meeting of Shareholders to appoint three auditors from Dhammaniti Auditing Company Limited as the company's auditors and determine 2014 remuneration for the auditors.

**Agenda 8: Others (If any)**

This is for your acknowledgement. We would like to invite the shareholders to attend the Annual General Meeting of shareholders for the year 2014 on the date and at the place mentioned above. If any shareholders will not be able to attend the meeting on their own, please appoint your proxies to attend the meeting. You can authorize the rights to an independent director or any other person to attend the meeting and the proxy certificate shall be delivered to the company prior to the meeting schedule.

Sincerely Yours

On behalf of MFEC Public Company Limited



(Mr. Adirake Patitus)

Chairman



- Remark: 1. If any shareholders would like to receive the 2013 annual report in a hard copy, Please contact the company's secretary at 0 2664 5999 Ext. 2713, 2714, 5881.
2. The shareholders can access the information of the Annual General Meeting of Shareholders, No. 1/2014 and its attachments on the web site [www.mfec.co.th](http://www.mfec.co.th).

The company's Secretary

Tel. 0 2644 5999 Ext. 2713, 2714, 5888

Email address : [secretary@mfec.co.th](mailto:secretary@mfec.co.th)