



SVI PUBLIC COMPANY LIMITED.

Head Office / Factory

142 Moo 5, Bangkadi Industrial Park, Tiwanon Road, Bangkadi, Muang, Pathumtani 12000, Thailand
Phone : (662) 9639101 Fax : (662) 9639070-1 Email : office@svi.co.th http://www.svi.co.th

Bangkadi Factory

141 Moo 5, Bangkadi Industrial Park, Tiwanon Road, Bangkadi, Muang, Pathumtani 12000, Thailand
Phone : (662) 9636401-10 Fax : (662) 9636409



MD 551725

Attachment to the Minutes of the Annual General Meeting of Shareholders No. 1/2013

SVI Public Company Limited
Held on Wednesday, April 24, 2012
At Convention Hall, Chulabhorn Research Institution,
54 Kamphangphet 6 Road, Laksi, Bangkok 10210

During the meeting, there were questions from the shareholders and responses by the Board and CEO as follows:

1. Could you let us know the status of M&A in Europe.
 - The economic situation in Europe has not been stabilized yet. In order not to take risk, we have to consider carefully how to invest there.
2. What is the revenue growth in 2013 and 2014 if M&A does not take place?
 - The normal growth rate of the company is 20-30% each year.
3. When does the company expect to receive the compensation of flood damages from insurance companies?
 - The amount of compensation for assets damages is in process of negotiation, expect to finalize by mid of this year. However, the claim of BI (Business interruption) is in process collecting information for Loss Adjuster.
4. Since the fiscal year 2012's net operating profit was lower than the previous year, whether the Company can achieve net profit at 9-10% of revenue this year?
 - We are in process to launch new products for new customers, which more revenue can be generated at the mid of this year. We expect that we can achieve the same percentage of profit at pre flood level next year.
5. What currency, Yen or USD, is the company selling to Japanese customers?
 - We are selling in USD to Japanese customers, due to the fluctuation of currency. The risk of foreign exchange can be taken care of by the natural hedge since we buy materials in USD as well.
6. What is the plan to solve daily rated employee shortage?
 - We have to let them work overtime currently. We have to employ more automation in production line in long term.
7. What is your strategy to manage the company for the next three years?
 - We have to reduce our materials price purchased from suppliers, add new products and new customers by expanding our market both in Europe and US. Investment in M&A has to be considered carefully, depended on economic situation in Europe.
 - The company is mainly producing industrial product which largely used in developing and developed countries. The product is long life cycle. Whereby, the medical product has more demand because more people keep good health and more old age people. The niche product is high growth and less competitive. We do not produce consumer product since the life cycle is short, keep changing based on demand and technology.
8. If the company expands the business in US market, what kind of product will be focused?
 - The products will be Industrial and Niche product. We already got a customer who produce slip printer, such as, ATM's slip, Casino's slip machine, etc.
9. How much is the company impacted by the strength of Baht? How much is Q1'13 profit impacted by the strength of Baht?

- The impact is mainly related to the days of holding inventory, starting from the receipt of materials, issued to production line, manufactured to be finished goods, ship it to customer and collect payment from customers. When we receive materials, assuming that the exchange rate is Baht 30:USD1, while we ship product to customer, the exchange rate is Baht 29:USD1, the Baht strengthens by 3.3%, thus the materials costs will be slightly higher. However, the company will gain on exchange rate upon payment to suppliers. Since, the company has purchased materials in USD currency for 76% and the revenue is in USD currency for 85%, thus the risk on foreign exchange is handled by natural hedge, including the purchase of forward exchange contract so as to reduce risk on fluctuation of currencies.
 - The first quarter profit this year is partially impacted by the strength of Baht and higher depreciation costs, due to more new machine being purchased to replace those damaged by flood.
10. Can the company increase selling price in relation to strengthen of Baht?
- We have to consider many factors carefully, whether our customers can accept the new price or not.
11. How much unrealized exchange gain and losses were included in 2012's income statement?
- This information was reported in the company's cash flow, page 54 of the annual report. The unrealized exchange gain was Baht 14,356,736, resulted by the comparison of the exchange rate at the end of the year with the exchange rate when the transaction of assets or liabilities occurred. Thus, the company's assets and liabilities have to be marked to market at the end of the year.
12. There were some questions from Shareholders related to the company's financial statement which was reported in 2012's annual report as follows:
- 12.1 What was the reserve of doubtful debts in the amount of Baht 140 Million, reported in page 66?
- It was the reserve for one customer who had moved business from the company during flooding and put the payment of our billing on hold. However, this case has been settled at the beginning of 2013.
- 12.2 Why did the company reserve for the impairment costs of investment in Tianjin in the amount of Baht 22.8 Million?
- The impairment cost of investment in Tianjin has been reserved, since Tianjin factory has not generated a profit currently.
- 12.3 Can the losses of Baht 1,274.9 Million reported in the fiscal year 2012 carry forward to offset with the profit in the future?
- Since the losses in FY 2012 was related to the provision of flood damages, thus it had to be adjusted back upon filing of tax return, Por Ngor Dor 50, to the Revenue Department.
- 12.4 Referred to page 46, the auditor stated under the topic "other matter" that the company's subsidiaries were audited by another auditor. Could you clarify what does it mean?
- Khun Sophon Permsirivallop, the auditor of Ernst & Young Office Limited answered this question that this statement was only a note, however, he certified the company's Financial Statement without any condition. Representatives from Ernst & Young Office Limited went to Tianjin at the end of 2012 for verification of the audit worksheet.
- 12.5 In comparison of Income Statement of fiscal year 2012 and 2011, it is found that the net profit of 2011 excluding flood damages was higher than that of 2012 excluding the insurance interim payment. why?
- The profit of the fiscal year 2012 was less than 2011, mainly resulted by flood. We spent time in recovering the plant and purchased new machine which the production

lines were gradually started producing products. Thus, the revenue at the beginning of 2012 was low and gradually increased. However, total revenue of 2012 was less than 2011, coupled with more expenses related to flood recovery and depreciation costs and new machine being purchased to replace those damaged by flood.

- 12.6 With reference to page 63, the interest rate charged to a subsidiary company is at 2% which is very low. Why not the company charging higher interest so that a subsidiary company can save income tax with high interest expenses.
- The loan provided to a subsidiary company is mainly for an investment in Tianjin, thus the interest is not high because Globe Vision has no income and no tax liability.
- 12.7 With reference to page 82, item 30.4 b. there was a comment from auditor that the company has a lawsuit where the liability is Baht 2 Million, I would like to know if this case was the same case as mentioned in item 30.4 a. or not. Why there was no legal advisor's opinion as in item 30.4 a.
- The case of item 30.4 b. is not the same as 30.4 a. The case of 30.4 a. was related to one of our customers who put the payment of our billings on hold as to compensate with its damages of business and assets caused by the flood. The dispute was whether the flood event in October 2011 was a force majeure (uncontrollable event) or not. Thus, the legal opinion was to confirm that the flood crisis was uncontrollable event or force majeure which the company had no liability for not being able to manufacture the product and delivered to this customer while the company was impacted by flood. Whereby, the case mentioned in 30.4 b. was related to one of our suppliers who provided mold and tooling for producing materials for us. However, this supplier has held our mold and tooling, not transferring them to our new supplier. Thus, we have to hold the payment to this supplier until those mold and tooling are released and returned to us. The company already recorded this liability in the fiscal year 2012.
13. Why does the company need to add one more director, from 5 to 6 people? Why not the company consider an odd number of directors, not an even number, so that there is no concern on a tie of voting. Does the company have to amend the Memorandum of Association as to accommodate the additional director?
- Since we have a small number of directors currently, thus, we have the same directors being appointed for many sub-committees. Regarding tie voting caused by an even number of directors, it should not be a concern, because the Chairman of the board of directors normally abstains from voting. In case, if it is really needs for absolute decision, the Chairman will vote for final decision of that agenda. The company does not need to amend the Memorandum of Association for additional director because it's already included in the company's objectives.
14. Khun Chatchaval Jiaravanon was requested by Shareholder to present his education background, expertise and strategy to support the company.
- Khun Chatchaval informed the meeting that he graduated from University of Southern California, major in financial management and minor on computer science. Since he has many year experiences in variety of businesses, he is confident that he can contribute his knowledge and experience to support SVI after getting more understanding of SVI's business.
15. What is the auditor fee of Baht 250,000? Why do the other companies not paying for this fee?
- This special audit fee is for the privileges of corporate income tax exemption report required by the Revenue Department for BOI's promotion project. Those companies who do not have this special audit fee because they might not be under BOI's promotion scheme or they did not get approval from the shareholders meeting.
16. Why does Ernst and Young audit only Globe Vision, not auditing other subsidiaries?
- Although E&Y has not audited other subsidiaries, but E&Y had sent auditors to audit Tianjin's factory at the end of last year.

17. Could you make a comparison of audit fee for 3 years in the invitation letter for next year AGM.
- Yes, we will consider it.
18. Since the company declared stock dividend to reserve cash for operation, however, in case, if the company receive payment from insurance company compensated for the flood damages , whereas the chance to do M&A abroad is not positive. Thus, the company will have high excess cash. What is the plan to utilize those cash?
- The company has to reserve cash to be ready for investment in M&A or to invest in integrated parts.
19. Regarding the payment of stock dividend, the fractions of shares remaining after the allocation, the dividend shall be paid by cash in the amount of Baht 0.1429 per share, it seems that the company has to bear high costs for issuing Checks, postal fee, etc. Thus, the company should consider to pay dividend on all shares by stocks, the fractions of shares can be round up or down.
- The Chairman of the meeting clarified that the method of round it up or down will cause unfair treatment to shareholders. Since the payment of dividend is based on eDividend which save a lot of costs to the company.
20. Could you let us know if there is a fence between the plant at address 141 and 142 or not? Has the company completed renovation of those plants?
- There is a fence between those two plants currently. This is for security control purpose. The renovation of SVI-1 has almost completed, but SVI-2 has not started renovation yet, we have to wait for more businesses as to utilize the facility effectively.
21. Since the company has a few factories located closely at Bangkadi Industrial Park, which can be exposed to risks, such as, flooding or any serious incident. Thus, we would like to know whether the company has a plan to have plants at separate location or not.
- We have now three plants located separately, one plant at Changwattana road, and one plant at Tianjin, China. We started production at Changwattana's plant when we had an impact by flood at the end of 2011.

Reported By

Pissamai Saibua
Secretary of the Company