

(Translation Only)

**Minutes of Annual General Meeting No. 1/2014**  
**Of**  
**Charn Issara Development Public Company Limited**  
**(“Company”)**

Time and Place:

The meeting was held on 25 April 2014 at 2 p.m., at the meeting room on 21<sup>st</sup> floor, Charn Issara Tower 2, New Petchaburi Road, Bangkok Sub-district, Huaykwang District, Bangkok.

Directors present at the Meeting:

- |                                 |  |
|---------------------------------|--|
| 1. Mrs. Srivara Issara          | Chairman of the Board of Directors                   |
| 2. Mr. Songkran Issara          | Managing Director                                    |
| 3. Mr. Pravesvudhi Raiva        | Director   |
| 4. Mrs. Linda Prasertsom        | Director   |
| 5. Mrs. Teeraporn Srijaroenwong | Director   |
| 6. Mr. Phisud Dejakaisaya       | Independent Director and Chairman of Audit Committee |
| 7. Mr. Witit Ratchatatanun      | Independent Director and member of Audit Committee   |
| 8. Mr. Pinit Puapan             | Independent Director and member of Audit Committee   |

Directors absent from the Meeting:

- |                          |          |
|--------------------------|----------|
| 1. Mr. Niti Osathanugrah | Director |
|--------------------------|----------|

Other persons attended at the Meeting :

- |                                |   |
|--------------------------------|---|
| 1. Ms. Waraporn Prapasirikul   | representative from EY Office Ltd. (Ernst & Young Office Ltd. (Auditor) |
| 2. Mr. Sriprasert Sriprawatkul | representative from EY Office Ltd. (Ernst & Young Office Ltd. (Auditor) |
| 3. Ms. Linda Osathaworanan     | Siam Premier International Law Office Ltd. (Legal Advisor)              |
| 4. Ms. Nattaya Tantirungsi     | Siam Premier International Law Office Ltd. (Legal Advisor)              |

Chairman of the Board of Directors (“Chairman”) was Chairman of the meeting and had introduced Directors presented in the Meeting and representatives from the auditor office of EY Co.,Ltd. (Khun Waraporn Prapasirikul and Khun Sriprasert Sriprawatkul), representatives from legal consultant company, Siam Premier International Law Office Co.,Ltd. (Khun Linda Osathaworanan and Khun Nattya Tantirungsi) and representative from OJ International who conduct the vote count then reported to the Meeting that there were shareholders attended in person and by Proxy as follows:-

Shareholders attended in person: 40 persons holding 287,607,515 shares representing 40.00% of the total shares

Shareholders attended by proxy holders: 20 persons holding 126,668,222 shares representing 17.60% of the total shares

Total shareholders attended at the Meeting: 60 persons holding 414,275,737 shares representing 57.60 of the total shares

which constituted a quorum as required by the Company’s Articles of Association. The Chairman, therefore, declared the Meeting duly convened and proceeded with the following agendas:

**Agenda 1: Chairman’s Announcement (if any)**

The Chairman reported on the situation of the Company in the past year that the Company had 2 extraordinary shareholders meetings, the first one in August when debentures were issued and par value was changed from Baht 5 to Baht 1 with an objective to increase liquidity of shares trading in the Stock Exchange, the objective of which was reasonably responded. There was a report on injecting Sripanwa hotel into a property fund which was successful. Later there was a second extra ordinary meeting of shareholders in September on interim payment of dividend which was paid out in new issued shares to increase shares volume which was thought to be an appropriate approach at the ratio of 5 old shares to 1 new share and cash of Baht 0.03/old share to pay for tax. Since the Company has many new shareholders so an introduction to the Company was made that the Company is rather a small property developer but it has determined to create top quality product. As property development may take time during construction combining with the fact that the accounting principle on income realization method recently recognized revenue only upon transfer of title which made the Company’s operating results fluctuated which the Company had made several improvements to lessen such fluctuation such as developing a variety of projects including high rise, 7-8 storey buildings and increase resort development in provinces which will drive income earning.

The Company strived to emphasize details in developing every projects to ensure customers’ confident on utmost quality. The Company has strong partner with ethic which will enhance value of the Company. In addition, the Company chose to work with top designers, engineers and interior design.

The investment in Bangkok Property Fund (BKKCP) and Sripanwa Property Fund (SPWPF) are good investment. The Company has land bank for further project development including land bank of its partners waiting for future development to expand the Company's business. Late last year, the Company had embarked on an organizational re-structuring to increase co-operation between the Company and its subsidiaries, making it more effective. The efforts also emphasized on personnel development in all departments.

The operating results of 2013 was deem excellent with total assets of approximately Baht 4,000 million, revenue of Baht 1,893 million and net profit of Baht 302 million compare to the year 2012 when net profit was Baht 120 million and net loss of Baht 20 million in the year 2011. Net profit per share was Baht 0.42, Debt to Equity Ratio has also decreased, from the high of 2.53 in 2011 to 1.53 in 2013.

In summary on various projects of the Company, the Baht 2,600 million Issara Ladprao has only less than 5% unsold, the Baht 2,000 million ISSI Condo Suksawat launched last year will complete around the end of 2015, the Baht 800 million Baan Sitawan Pakchong which was launched late last year will be able to transfer this year. The early transfer of Baan Sitawan was made possible by the Modular construction method from SCG Heim which was very fast with 20 years structural warrantee. The 30 rooms in Phase 2 of Sripanwa hotel will start construction in 2014 with completion expected in 2015 and was targeted to inject this new phase into the property fund. Phase 1 of Baan Thew Talay with project value of Baht 2,000 million has been sold by 80%, the construction of which was started in 2012 with completion expected in 2014. The Baht1,800 million Baan Thew Talay Phase 2 is sold by 40% while its construction has started late last year with completion expected in 2015. Baan Thew Talay Phase 3 with a project value of Baht 1,800 million will start its construction in late 2014 and is expected to be completed in 2017. The Baht 160 million Issara Village has only a few units left while the Baht 1,800 million Issara Chiangmai and Baba Beach Club Phangha will start their construction in late 2014 and complete in 2017. The Baba Beach Club Phangha comprises of 2 beachfront villas, 20 pool villas, 5 storey condominium of 52 units with a combined project value of Baht 1,500 million. The Baht 750 million Issara Collection condominium will start construction in late 2014 and is expected to be completed in 2016.

Lastly, on corporate social responsibility (CSR) the Company was selected as one of the 5 pilot companies which are called Sustainable CSR of the Stock Exchange to be a model for sustainable corporate social and environmental responsibility development due to the fact that the Company has continuously worked in the area for a long time. The Company has a responsibility towards its customer to produce the best for customer, providing employment opportunity and pay attention to its staff, business counterpart and shareholders. It has demonstrated its interest in environment, nation such as promoting ethic and morale, arranging for prayer and dhama teaching for all staff and management to participate on every other Monday. It has allowed the public to participate in the dhama teaching every Tuesday evening and has made donations to those in need and student. One of the cures for social problem and the Nation's agenda in the long run is

educational reform. The reform will shape up a good human resource which is both smart and ethical at the same time. Therefore the emphasis has been on educational approach of Bhudha Panya where the Company has a target to give continued support to Bhudha Pratheep foundation. There is a retail shop, Kusol Kamlang Sarm at Charn Issara Tower 2 where supply come from donations of all surplus belongings for sale at low price which is operated by the Company's staff during lunch break with all revenue donated to the foundation without any expenses deduction.

Thereafter the Chairman had assigned Mr. Weerachai Wijittanakul, Finance and Accounting Manager to conduct the meeting on agenda with notification on voting which is managed by OJ International Company Limited who will make all vote count by collecting voting card only from those who vote against and abstain. For those who vote for, voting card collection is not needed for the convenient and speed of the vote count. Mr. Weerachai was then conducted meeting on agenda as follows:-

From additional registration of shareholders and proxies there are following summary of those who attend the meeting in person and by proxy:-

Shareholders attended in person: 20 persons holding 35,862,166 shares representing 5.00% of the total shares

Shareholders attended by proxy holders: 8 persons holding 2,857,414 shares representing 0.40% of the total shares

Total shareholders attended at the Meeting: 88 persons holding 452,995,317 shares representing 63.00 of the total shares

**Agenda 2: To confirm the previous minutes of the Extra General Meeting No. 2/2013 held on 26 September 2013**

The Chairman requested the Meeting to consider the previous minutes of the Extral General Meeting No. 2/2013 held on 26 September 2013 and approve the said minutes accordingly.

After consideration, the Meeting voted as follows:

Approved 452,995,317 votes or 100%

Disapproved 0 vote or 0%

Abstained 0 votes or 0%

**Resolution:**

The Meeting passed a resolution with the votes of 100% to certify the previous minutes of the Extra General Meeting No. 2/2013 held on 26 September 2013.

**Agenda 3: To confirm the Annual Report for the year 2013.**

The Chairman informed the Meeting that the Company had already sent the Annual Report for the year 2013 to the shareholders with the Notice of the Meeting. Such Annual Report entailed projects of the Company and operation for each project. The Chairman gave a summary of the Company's past performance for the year 2013 to the Meeting that the Company has the total assets of Baht 4,130 Million with total debt of Baht 2,496 Million, shareholders' equity of Baht 1,634 Million, revenue from sale, rental and services of Baht 1,056 Million, total revenue of Baht 1,893 Million, initial profits of Baht 364 Million and net profit of Baht 303 Million.

After consideration, the Meeting voted as follows:

Approved	452,995,317 votes or 100%
Disapproved	0 vote or 0%
Abstained	0 votes or 0%

**Resolution:**

The Meeting passed a resolution with the votes of 100% to approve the Annual Report for the year 2013 and the Company's performance ended as of 31 December 2013.

**Agenda 4: To consider and approve the Financial Statements which have already been examined by the Company's auditor for the fiscal year ended as of 31 December 2013.**

The Chairman requested the Meeting to approve the Financial Statements which had already been examined by the Company's auditor for the fiscal year ended 31 December 2013.

Mr. Weerachai Wijittanakul the Finance and Accounting Manager has summarized on the financial statement and profit and loss statement including the cash flow to the meeting.

In this agenda there were 3 additional shareholders and proxy registered which make attendance by shareholders and proxies as follows:-

Shareholders attended in person: 2 persons holding 1,400 shares representing 0.00% of the total shares

Shareholders attended by proxy holders: 1 person holding 30,000 shares representing 0.00% of the total shares

Total shareholders attended at the Meeting: 91 persons holding 453,026,717 shares representing 63.00 of the total shares

The chairman allowed question from the meeting.

Mr. Kamjon Arunwilairat shareholder has questioned as follows:-

Has Sri Panwa Management Co.,Ltd reached its breakeven point?

Mr. Songkran Issara, Managing Director has responded that Sri Panwa Management is a new company which has started its operation to manage Sripanwa hotel project. The Company was incorporated following the sale of assets to Sripanwa Hotel Property Fund.

Mr. Kamjon has made an additional enquiry if there is a loss will the Company need to compensate?

Mr. Songkran has responded that the Company has done above target during the past 8 months and has a reserve of Baht 20 million and a bank guarantee.

Mr. Phaiboon Paspanthong, shareholder has made an enquiry on note to financial statement page 132 which noted that there were sales to those who are not Thai under 30 years long term lease, (1) if there are other projects sold to foreigner? and (2) has income been booked in full? (3) Is there any different between accounting and revenue codes? What is the effect?

Mr. Songkran Issara has responded that Sripanwa is the only project which entered into a long term lease agreement with foreign customers on land and house due to the fact that foreign customer is not able to acquire freehold title on property therefore a 30 years long term lease has been adopted. Revenue realization on Revenue Codes will be amortized throughout the lease term with less tax burden while the account of listed company has realized those revenue in full.

Mr. Pongtawat Cheeranavanit, shareholder has following questions:-

1. The Company underwrites expenses for the Sripanwa property fund, how much revenue does it need to achieve?
2. The gross profit for the hotel operation has reduced by 5% with reason noted that more revenue need more staff which drive cost.

Mrs. Wilai Intagool has clarified that the Company has an obligation to pay Baht 151 million rental to the Fund. At the revenue of Baht 400 million and 40% gross margin such rental is well covered. So to speak, the minimum revenue must be Baht 400 million. In the event of less revenue the Company has a certain fix cost, as revenue exceed fix cost the surplus will be profit and gross margin will be increased from 30% to 40%

Mr. Suthas Kancharoensuk, shareholder has enquired on cash flow report to the meeting, if there is any plan?

Mr. Weerachai Wijittanakul has reported that the cash flow has been prepared and reported to the Meeting.

After consideration, the Meeting voted as follows:

Approved	453,026,717 votes or 100%
Disapproved	0 vote or 0%
Abstained	0 vote or 0%

**Resolution:**

The Meeting passed a resolution with the votes of 100% to approve the Financial Statements for the fiscal year ended as of 31 December 2013.

**Agenda 5: To consider and approve the declaration of dividend payment for the year 2013.**

The Chairman informed the Meeting that since the Company and its subsidiaries had profits from the performance in the year 2013 pursuant to the Profit and Loss Statements which had been approved by the auditor in the amount of Baht 303 Million. There were also profits from the Company's special projects which are in the amount of Baht 100 Million. Hence, the Board of Directors' meeting was of the opinion that there should be a declaration of dividend payment to the shareholders holding ordinary shares of the Company in the amount of 719,999,598 shares with a par value of Baht 0.07, totaling Baht 50,399,971.90. The date for dividend payment is on 23 May 2014 and the Record Date for determining the shareholders who are eligible for such dividend payment was fixed on 8 May 2014 and the Company shall collect the list of shareholders in accordance with Section 225 of the Securities and Exchange Act by closing its Share Register Book on 9 May 2014.

The Chairman gave a chance to the Meeting to ask any question.

Mr. Suthas Kancharoensuk, shareholder has commented that as the Company has many form of dividend payment which make it difficult for shareholders to make a projection, sometime dividend was paid even when there was net loss. If possible, wish the Company make regular payment of dividend.

After consideration, the Meeting voted as follows:

Approved	453,026,717 votes or 100%
Disapproved	0 vote or 0%
Abstained	0 votes or 0%

**Resolution:**

The Meeting passed a resolution with the votes of 100% to approve the dividend payment to the shareholders holding ordinary shares of the Company in the amount of 719,999,598 shares with a par value of Baht 0.07, totaling Baht 50,399,971.90. The date for dividend payment is on 23 May 2014 and the Record Date for determining the shareholders who are eligible for such dividend payment was fixed on 8 May 2014 and the Company shall collect the list of shareholders in accordance with Section 225 of the Securities and Exchange Act by closing its Share Register Book on 9 May 2014.

**Agenda 6: To consider and approve the appointment of directors to replace those retiring by rotation and fixing of remuneration for directors and chairman (details of directors' biographies are shown in Attachment No. 3).**

The Chairman informed the Meeting that since there were directors retiring by rotation at least one third of the total directors namely:

- |                                |   |
|--------------------------------|---|
| 1. Mr.Songkran Issara          | Managing Director                             |
| 2. Mr.Pravesvudhi Raiva        | Director / Chairman of Remuneration Committee |
| 3. Mrs.Teeraporn Srijaroenwong | Director                                      |

The Chairman, therefore, would like to suggest re-appointing the directors retired by rotation as the Company's directors for an additional term and fixing the remuneration for the directors and chairman for the year 2014 as follows:

1. Remuneration for Chairman of the Company – Baht 80,000 per month.
2. Remuneration for other directors including member of the Audit Committee – Baht 35,000 per month per person.
3. Meeting fees for the Audit Committee
  - Chairman of the Audit Committee – Baht 50,000 per meeting.
  - Audit Committee member – Baht 30,000 per meeting per person
  - Chairman of the Remuneration Committee – Baht 20,000 per meeting per person
  - Remuneration Committee member – Baht 10,000 per meeting per person

The Chairman, therefore would like the Meeting to consider.

There were shareholders questioned as follows:-

Mr. Thosaporn Thamrongsuwanakit, shareholder and proxy holder from Thai Investor Promotion Association has questioned that at the beginning of the Meeting Khun Weerachai has informed that the Company shall adopt cumulative vote in the election of Directors, will legal consultant please explain the different between cumulative vote and one share one vote?

Mrs. Linda Osathaworanan, legal consultant has explained that legally if the Article of Association has indicated otherwise then the Articles shall be followed,



according to the public company act, cumulative vote is where a shareholder shall cast vote in accordance with shares hold multiply by number of position to be elected such as this time we will elect 3 Directors, those who has 100 shares will then multiply with 3 which is 300 then the 300 may be used to elect each of the 3 Directors or give all to vote any one Director or separate those 300 among those 3 Directors in any desired proportion. The result will be counted on each Director being voted for. On one share one vote shareholder has a right to vote for all Director without a separation of vote among each Director.

Mr. Thosaporn Thamrongsuwanakit asked if one share one vote shall be adopted in today's vote?

Mrs. Linda Ostahaworanan replied that according to the Company's Articles of Association it was not noted specifically that cumulative voted is adopted therefore one man one vote shall be adopted today.

Mr. Suthas Kancharoensuk, shareholder questioned where the industrial average of remuneration has come from?

Mr. Weerachai Wijittanakul replied that the Stock Exchange of Thailand has summarized remuneration in all industries and that the latest information used is from the year 2012

After Consideration, the Meeting passed a resolution as follows:

**Resolutions:**

Approved for the re-appointment of the directors retired by rotation as the Company's directors for another term with the following votes:

- |    |                             |   |
|----|-----------------------------|---|
| 1. | Mr.Songkran Issara          | Managing Director                             |
|    | Approved                    | 453,026,717 votes or 100%                     |
|    | Disapproved                 | 0 vote or 0%                                  |
|    | Abstained                   | 0 vote or 0%                                  |
| 2. | Mr.Pravesvudhi Raiva        | Director / Chairman of Remuneration Committee |
|    | Approved                    | 453,026,717 votes or 100%                     |
|    | Disapproved                 | 0 vote or 0%                                  |
|    | Abstained                   | 0 vote or 0%                                  |
| 3. | Mrs.Teeraporn Srijaroenwong | Director                                      |
|    | Approved                    | 453,026,717 votes or 100%                     |
|    | Disapproved                 | 0 vote or 0%                                  |
|    | Abstained                   | 0 vote or 0%                                  |

4. Approved the director remuneration for the year 2014 as suggested by the Chairman with the following votes:

Approved	453,026,717 votes or 100%
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Disapproved	0	vote or	0%
Abstained	0	vote or	0%

**Agenda 7: To consider and approve the appointment of the Company's auditors approved by the Securities and Exchange Commission Thailand and fixing of the auditors' remuneration for the fiscal year ended on 31 December 2014.**

The Chairman suggested to the Meeting that EY Office Ltd. ( Ernst & Young Office Ltd.) should be appointed as the Company's auditor for another year with the following auditors: Miss Waraporn Prapasirikul C.P.A. Licence No. 4579 or Mr. Narong Pantawongse C.P.A. Licence No. 3315 or Miss Siraporn Ouaanunkun C.P.A. Licence No. 3844 and fix the auditor's remuneration for the Company and its subsidiaries, including auditing fee for each quarter for 7 companies altogether in the amount of Baht 3,065,000 which is higher than 2013 by Baht 375,000 or 13.9%.

On this agenda there were additional 2 shareholders registered to attend the meeting the quorum was therefore as follows:-

Shareholders attended in person: 1 persons holding 14,400 shares representing 0.00% of the total shares

Shareholders attended by proxy holders: 1 person holding 46,000 shares representing 0.00% of the total shares

Total shareholders attended at the Meeting: 93 persons holding 453,087,117 shares representing 63.00 of the total shares

There was shareholder questioned the Auditor on how the Auditor's remuneration was calculated?

The Auditor has responded that the Auditor's remuneration will be calculated from time spent on auditing works which by principles are as follows:-

1. The change of accounting standard, there have been improvements made to fit with international standard therefore every year there are new issues that the Company must comply with.
2. The Company's business has expanded and there are new incorporated company such as Sripanwa Management Co.,Ltd who has related business with the Fund, all these new items made the Auditor spend more time in auditing.

Mr. Pisud Dejakaisaya, Chairman of the Audit Committee has added that the Company has also requested quotations from other auditing firms for comparison but that from EY Co. is still the lowest.

Mr. Suthas Kancharoensuk, shareholder has noted that BKKCP has sold part of their assets late last year which was not a big transaction but the audit fees has increased by 40% when compare to those of other companies or subsidiaries.

The Auditor had further responded that when looking at the Fund account one may assume that there should not be any issue which require Auditor's time but in fact its assets account which shows fair market value will need independent appraiser to appraise, in accounting there are calculation on cash flow therefore when conducting an audit on the Fund's account it is necessary to study the appraisal report to see assumptions adopted in making such appraisal if they are appropriate and reasonable. If this information is not reliable the account which shows profit and loss will then incorrect. It is therefore need a lot of time to audit the appraisal report to ensure the information is correct and reliable which also involve discussion with the appraiser.

After consideration, the Meeting passed a resolution as follows:

**Resolution:**

Resolved unanimously to appoint EY Office Ltd to be the Company's auditor with auditing fees for the company and its subsidiaries of Baht 3,065,000.-

**Agenda 8: To consider other matters (if any).**

There are no other matters to be considered.

There were additional shareholders making following questions:-

Mr. Pongtawat Cheranavanit, shareholder has following questions:-

1. As there are many development projects under Issara United Co.,Ltd and Charn Issara Viphaphol Co.,Ltd if the Company realizes profit on equity method or consolidated account?
2. What are projects under Charn Issara Viphaphol?
3. Who are Viphaphol Co.,Ltd.?
4. Summary of backlog on every project.
5. What is the suitable net profit margin?

Mr. Weerachai Wijittanakul has responded to those questions as follows:-

1. The Issara United Co.,Ltd and Charn Issara Viphaphol Co.,Ltd are included in the consolidated financial statement of the Company.

2. Projects under Charn Issara Vipaphol are Issara Village, The Issara Chiangmai and Issara Collection Sathorn.
3. Mr. Songkran Issara responded that Vipaphol Co.,Ltd is in auto parts production business for a long time and this company is related to Thai Insurance.
4. Mrs. Teeraporn Srijaroenwong has reported that the Company has 9 projects of total value of Baht 15,689 million, Baht 9,273 million sales, Baht 5,323 million transferred, Baht 3,950 million waiting to be transferred total Baht 15,689
5. Net profit margin should be at 10% of sale

Mr. Pongtawat Cheranavanit, shareholder has made further enquiry that from those projections made on the Opportunity Day, if all projects are still on as noted and if construction plan is still on schedule?

Mr. Songkran Issara has responded that construction of Baan Thew Talay 1 is close with no effect from the politic while there may be some delay in sale on projects such as Baan Thew Talay 3 and the Issara Chiangmai which will be on hold until year end.

The Chairman thanked all the shareholders and the meeting was adjourned at 4 pm.

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(Mrs. Srivara Issara)

Chairman of the Meeting

Certified by

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(Mrs. Teeraporn Srijaroenwong)

Director