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Minutes of the Extraordinary General Meeting of Shareholders no.1/2012

Inoue Rubber (Thailand) Public Company Limited

Held on Friday 22nd June 2012

at Vitya Memorial Hall 2nd Floor

157 Moo. 5 Phaholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170

The meeting commenced at 14.00 hours

Mr. Atsushi Imamura, Director and Managing Director, informed the meeting that as to the late Mr. Vitya Leeissaranukul, the Chairman position was vacant, and the Vice Chairman was going abroad on a business trip, could not participate in this meeting. Therefore, he proposed to the meeting to elect Mrs. Pimjai Laochinda, Director and President, to be the Chairman of the meeting.

As no shareholders raised any objection, the meeting resolved to elect Mrs. Pimjai Laochinda to be the Chairman of the meeting.

The Chairman of the meeting greeted the audience and introduced directors who presented at the meeting as follows;

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|--------------------------|----------------|--|
| 1. Assoc.Prof.Dr.Chesada | Loha-unchit | Independent Director / Chairman of Audit Committee |
| 2. Mr. Vichit | Vuthisombat | Independent Director / Audit Committee |
| 3. Ms. Chaovana | Viwatpanachati | Independent Director / Audit Committee |
| 4. Mr. Atsushi | Imamura | Director / Managing Director |
| 5. Mrs.Porntip | Sethiwan | Director |
| 6. Mrs. Pimjai | Laochinda | Director / President |

The Chairman additionally introduced Mr. Picharn Sukparangsee, Legal consultant from Siam City Law Offices Limited, Mrs. Praewphan Songhong, Accounting Manager, and Ms. Tisakorn Youngmod, Secretary of the meeting.

Prior to the meeting started, the Secretary of the meeting informed to the meeting that there were 45 shareholders and proxies represented at the meeting, representing 144,257,350 shares, or 72.13 percent



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which more than one-third of the total 200,000,000 issued shares of the Company. A quorum was therefore constituted in accordance with the Articles of Association of the Company. The registration was allowed for late registrations.

When constituted a quorum, the Chairman declared the meeting duly convened and asked the Secretary of the meeting to explain the voting and counting procedures.

The Secretary of the meeting informed the meeting of the procedures as follows:

- Each shareholder or proxy has number of votes equal to the number of shares held by them. One share shall be equal one vote.
- Each shareholder may vote for, against, or abstain, on each agenda item, using the ballot received upon registration.
- Before casting a vote for each agenda, the shareholders will be given opportunities to ask questions or express their opinions relevant to that agenda item. The shareholders, who wish to ask questions, are requested to stand at the microphone and stated their full names before asking questions or giving opinions.
- In counting the votes, only the votes of against and abstentions are counted and deducted from the total number of votes casted by the shareholders presented at the Meeting. The balance will be treated as the number of votes in favor of that agenda.
- The shareholders who wish to leave before the Meeting finishes, or absent during any agenda, may exercise their rights by handing in their ballots in advance to the staff.
- The vote result will be announced at the end of the next agenda.

Then, the Chairman proposed that the Meeting consider the following agendas.

Agenda 1 To consider and approve the minutes of the 2012 Annual General Meeting of Shareholders, held on 27 January 2012

The Chairman requested the meeting to consider and approve the minutes of the 2012 Annual General Meeting of shareholders, held on 27 January 2012, which had already been distributed to shareholders



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together with the notice of this meeting, as well as been posted on the Company's website (www.ircthailand.com).

As no shareholders raised any questions or asked that the minutes be amended or added, the Chairman then requested the resolution from the meeting.

Resolution: The meeting unanimously resolved that the minutes of the 2012 Annual General Meeting of Shareholders, held on 27 January 2012, be adopted by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of votes attending the meeting and have the right to vote
1. For	144,257,350	100%
2. Against	-	-
3. Abstentions	-	-

Agenda 2 To approve an amendment of the Company's objectives and the Company's Memorandum of Association no. 3

The Chairman informed the meeting that the current Company's Objectives would not be versatile to the future potential businesses chances which influenced to the new sources of revenue.

Therefore, the Board of Directors deemed appropriately that the meeting approved the amendment of the Company's Objectives by adding 14 clauses which were clause no.16 to clause no. 29 as follows;

" (16) To engage in purchasing, sourcing, renting, hire-purchasing, importing, right owning, occupying, using, managing, improving, modifying, producing assets, equipments, machines including parts of any machines for commercial, rent out, lease in Thailand and international.

(17) To operate business of contracting and manufacturing for all kind of motorcycle parts and auto parts, and cars and motorcycle assembly plant.

(18) To operate business of contracting for the construction of home buildings, commercial buildings, offices buildings, bridges, roads, and other civil works.



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- (19) To trade machineries, machine tools, engines, handling equipment for motor vehicles, electrical appliances, generators, water pumps, refrigerators, air conditionings, and parts and accessories of those mentioned above.
- (20) To import and export all kind of things mentioned in this Company's objective.
- (21) To engage in the auction for the sale of goods and services, mentioned in the Company's objectives, to individual, entity, government agencies, and government related organizations.
- (22) To buy, rent, or by other means of obtaining, and to operate rubber plantations and other agricultural plantations, for production of the raw materials needed in operations or goods mentioned in this Company's objectives.
- (23) To produce electricity for utilizing within the Company and for selling to others in according to the regulations of electricity authorities.
- (24) To trade raw materials for construction, including materials, equipments, tools, and appliances used in constructions, all kind of artisans equipments, color paints, painting equipment, all kinds of building accessory.
- (25) To trade latex, rubber sheets, and all other goods made from rubber, parts of rubber trees, including synthetic rubber, raw material, chemicals, or products made by scientific methods.
- (26) To engage in transportation business, goods and people transportation by land, water, and air, domestic and international, includes providing customs clearance services and all kind of freight transport.
- (27) To rent, rent out, hire-purchase, make available for hire-purchase, cars, automotive vehicles, engines, machineries, machine tools, handling tools, and equipments.
- (28) To provide repair services, maintenance services, inspects, and tests cars, motor - boat, motor - vehicles, machineries, engines, tools, and equipments including appliances of those things.
- (29) To operate fuel stations, provide repair services maintenance services, test vehicles, injection for cleaning, and spray rustproof solution for all types of vehicles, including install, test, repair all type of security equipments. "

The Chairman explained further that for a purpose of official regulation process to amend the Company's Memorandum of Association, the meeting was required to approve the authorized proxy person(s) that the Board of Directors and/or the Authorized Directors assigned to precede in this official regulation process to amend the Company's Memorandum of Association at the Department of Business Development, Ministry of



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Commerce. The above mentioned authority should extend to any adjustments in complied with the requirements of the registrar.

After the explanations, the Chairman asked if there was any question. There was a question as follows:

Mr.Chatchai Khunngam – a shareholder :

1) What does the Company intend to do upon adding these Company's Objectives? From the list, there are many businesses, of which is fuel station business. I believe that was added to cover business objectives in general. However, I recommend that it is very low-margin business. Accept, setting it up for the Company's own used and sells to staff at economical price.

The Chairman :

1) The Company had surveyed company's objectives of other companies in the automotive industry and other related industries and found that those companies have company's objectives about 40 clauses. Comparing those to 15 clauses of the company's objectives of IRC, IRC has much smaller number. The second reason, the ASEAN region is a fast-growing economy. Especially, AEC will start soon and will bring about many opportunities, however, high competitions. To expand our business opportunities, first, we need to add more company's objectives. The Company must be prepared otherwise opportunities may have passed while we are spending 2-3 months to arrange a shareholders' meeting. Therefore, the Company requires adding another 16 clauses to cover all potential businesses.

For example the additional objective no. 16, to produce or modify machineries and equipments, is related to our current capability of the R&D team which can assemble the machineries. These machines are basically exported to our related company in ASEAN. For other objectives, we propose for the future business potential in AEC, for example logistic business. Logistic is very important in the just-in-time system using in the automotive industry. The objective of the fuel station operation as you mention is actually in the thin margin. I agree. However in the far future, when the Company expand into the large scale. It might need to establish its own station for cost-wise.

There was no further question. The Chairman then inquired for the resolution and explained that passing approval for this agenda required votes not less than three quarter of the total number of votes represented at the meeting and had the right to vote.



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Resolution: The meeting unanimously approved the amendment of the Company's objectives and the Company's Memorandum of Association no. 3, and approved the authorized proxy person(s) that the Board of Directors and/or the Authorized Directors assign to precede in this official regulation process at the Department of Business Development, Ministry of Commerce, and to make any adjustment in complied with the requirements of the registrar, by the following votes:

Vote	Number of Votes (1 vote = 1 share)	% of votes attending the meeting and have the right to vote
1. For	144,402,850	100%
2. Against	-	-
3. Abstentions	-	-

Remark : After the end of the first agenda, there was 1 additional shareholder presented with 145,500 shares.

Agenda 3 Other topics

There was no other topic proposed for consideration.

Then Mr.Chatchai Khunngam - a shareholder - asked questions as follows;

1) How was IRC during the flood crisis? I am asking because I did not attend the AGM meeting in January.

2) Regarding to the Company's transportation service for the shareholders to attend the shareholders' meeting, please kindly consider to set up additional pick up point. It can be somewhere out-of-town, such as at Chatujak. The existing pick up point, the Stock Exchange of Thailand building, is in the center city and it is difficult for some shareholders to enter into the center city.

3) From the minute of 2012 AGM page 7/12, the president answered the question about selling price adjustment due to the soaring natural rubber price last year. Please explain the result of the selling price adjustment process. At this moment the natural rubber price shows the down trend. What will the Company do with the selling price ?

4) From the minute of 2012 AGM page 8/12, I remember that in a shareholders' meeting, there was a resolution approved the investment of the retained earnings in the government bond. At present, how much



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retained earnings the Company has? And how much percentage of the return from the investment in the government bond after deducted the inflation? How much is the ROE? This leads to the question from Mr.Wuttichai Perapattanapoom, asking the Company to consider paying higher dividend, because currently the dividend is paid at about 30%, while the dividend policy is higher. Please explain the progress of consideration.

The Chairman answered as followed;

1) Thank you very much for your concern on the Company, especially about the flood. During October – December, Wongnoi and Rangsit areas received full impact from the flood. It was very fortunate that we had high-royalty staff and team work to help protecting the Company. The Company did not get flood in both factories, at Wongnoi and at Rangsit. The Wongnoi factory site is 3 meters higher level than the Phaholyothin Road. During the flood crisis, the Company's gym became a temporary shelter. We allowed staff and workers to stay on board at the factory. Some productions could be done for supporting the customers' operations. We used the boats to transport our products to the delivery trucks for logistic purpose. The production line started normal operation in mid-November.

The Rangsit site was surrounded by water. The production line stopped for 2 months. The natural rubber price was very low at about 80-90 baht per kg., but could not buy and stocked it because there were no logistic and no storage. During the flood, the productions in the country were suspended including the major tires producers such as Bridgestone, and Goodyear.

The company could not claim the flood insurance because there was no flood in the factories. We can only make the insurance claim for the flood protection expenses which is not a large amount.

2) According to the transportation arrangement for the shareholders to attend the shareholders' meeting, the secretary team will follow up, as the conveniences of the shareholders. The location of another pick up point will be decided upon recommendations from the shareholders which will be collected through the Company's website.

3) The minute of 2012 AGM page 7/12, summarized that selling price was adjusted later than the increasing in price of raw materials. When we negotiated, we had mutually negotiated on formulation. More than half of the customers had agreed on the formulation price adjustment. Therefore the variation of raw materials will reflex in the formulation. However, lead time is still there because the price-data needs some



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period of time for collecting. From now, the uncertainty in price adjustment will be less because of the formulation. The lead time can be 3 - 6 months depend on the agreements with the customers. Some customers had not agreed on the formulation. Therefore, it is in negotiation-base from time to time. However, this group is about 40% of all customers. The marketing department will have to follow up.

The ratio of natural rubber price to sale at 2-5%, mentioned by the shareholder, was occurred 10 years ago when the natural price was 40-50 baht per kg. At this moment, the natural rubber price is 110 Baht / kg. in May-average, it becomes 9% of sales which is double from that of 10 years ago, proportionately. From now, the Company has applied the formulation price adjustment with most of the OEM customers. It assists in stabilizing the profit margin of the Company. However, the lead time of 3-6 months is still taken into account.

4) About the retained earnings that were investing in bond, I believe it is a confusion on your understanding. It should be about couple years ago, the Company held short-term cash and didn't want to deposit it in the low-return saving account at that time. Therefore, the Company asked for a resolution to amend the Company's objectives no. 7 to be "to borrow money, overdraw from banks, juristic persons or other financial institutes and to land money to financial institutes or state organization guaranteed by the government or to give credit by any other methods, whether there is security or not, as well as to accept, issue, transfer and endorse on bills or other transferable instruments". This objective was for supporting the case of investing those short-term cash in a mutual fund, such as Krung Thai Bank's fund. That was a short-term transaction.

As there was no further question, the Chairman thanked all the shareholders for their attendance and declared the meeting adjourned.

The meeting closed at 14.53 hours

Sign


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(Mrs. Pimjai Laochinda)
Chairman of the Meeting