

**- Translation -**  
**Siam General Factoring Public Company Limited**  
**The Extraordinary General Meeting of Shareholders No.1/2011**  
**25<sup>th</sup> August 2011**  
**At Salon A Room, 2<sup>nd</sup> Floor, Swissotel Le Concorde Bangkok**  
**204 Ratchadapisek Rd. Huay Kwang, Bangkok 10320**  
**The meeting commenced at 10.00 a.m.**

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**Director's name who attended the meeting:**

1. Mr. Wisait Panutat	Chairman of the Board
2. Mr. Chavalit Saleepol	Chief executive officer
3. Mr. Piniw Wuthipand	Chairman of Audit Committee
4. Mr. Thitisak Skulkroo	Director
5. Mrs. Supanut Pongserm	Audit Committee Member
6. Mr. Pipat Inphongphan	Audit Committee Member
7. Mr. Thirapat Goysookho	Managing Director

**Accounting Manager who attended the meeting:**

1. Ms. Wipajaree Tanusate	Manager, Finance and Accounting Department.
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Mr. Wisait Panutat Chairman of the Board was Chairman of the meeting.

**Start the Meeting**

The Chairman reported in the meeting that to settle the record date for the right to attend the meeting and pursuant to Section 225 of the Securities and Exchange Act B.E. 2551, the book closing date on 4 August 2011, there was shareholders' entitlement to attend the Meeting 1,771 shareholders with the total of 591,422,617 shares sold, separate to 591,422,597 ordinary shares and 20 preferred shares.

In the Extraordinary General Meeting of Shareholders No.1/2011, there were a total of 66 shareholders holding 239,260,082 shares or 40.46 % of the total number of shares sold, comprising

- 41 shareholders attending the meeting by him/herself, holding 27,546,221 shares, representing 4.66 %; and
- 25 shareholders attending the meeting by proxy, holding 211,713,861 shares, representing 35.80 %

The quorum was present in accordance with the Articles of Association of the Company No.33, which stipulate that there shall be not less than 25 shareholders holding in aggregate not less than one third of the whole shares.

In this regard, Mr. Piniw Wuthipand, Chairman of the Audit Committee, attended the meeting as proxy for 4 shareholders, holding 140,962,510 shares. Mr. Thirapat Goysookho, Managing Director, acted as proxy for 1 shareholder, holding 42,500,000 shares.

Prior to proceeding with the Meeting in accordance with the agenda, the staff had explained vote method in each agenda to shareholders, after that, the Chairman asked the meeting to discuss the following agenda:

**Agenda 1** To consider and certify the Minutes of the Annual General Meeting of Shareholders in 2011 held on 27<sup>th</sup> April 2011.

The Chairman asked the meeting to certify the Minutes of the Annual General Meeting of Shareholder in 2011 held on 27<sup>th</sup> April 2011 which had been distributed to shareholders as per attachment 1 of the notice of the meeting, as publicized on the Company's website at [www.sgf.co.th](http://www.sgf.co.th) in 14 days after the meeting in 2011, in respect of which, no shareholders proposed any amendment. The Board of Directors had considered that the Minutes of the Meeting were correctly and completely recorded, and thus such Minutes of the Meeting should be approved.

- ❖ Ms. Kannaporn, a shareholder, asked for the reason that the income from leasing was declined, and asked about the proportion of income from leasing and main income of the Company.

The Managing Director clarified to the Meeting that income from leasing was 4% of total incomes. The Company had not increase the service of leasing, and emphasize in factoring which is the main income of the Company, so the income from leasing was declined.

With no more question, the Chairman asked the meeting for consideration and resolve.

Resolution: After consideration, the meeting had the major vote resolved to certify the Minutes of the Annual General Meeting of Shareholders in 2011 held on 27<sup>th</sup> April 2011. Approved totaling 239,035,082 votes, and abstained totaling 225,000 votes or an approval rate 99.91% of the whole attendant shareholders entitled to vote.

Agenda 2 To consider and approve the reduction of registered capital of the Company by canceling the Company's authorized but unissued shares and the ordinary shares reserved for the exercise of warrants.

The Chairman assigned Chief executive officer to present detail to the meeting as follow:

The Chief executive officer clarified to the meeting that in section 136 of the Public Companies Act B.E.2535 provides that the Company may increase the amount of its registered capital after all the shares have been completely sold and paid-up in full, or, if the shares have not been completely sold, the remaining shares shall be the shares issued for the exercise of right under convertible debentures or share warrant.

Now, the warrants was due and expired, so the meeting should consider to approve the reduction of the Company's registered capital in the amount of 325,141,030 shares, with the par value of Baht 1.- per share, form the existing registered capital of Baht 916,563,647 to Baht 591,422,617 by canceling the ordinary shares reserved for the exercise of warrants which expired and canceling the Company's authorized but unissued shares, in order to follow the Public Companies Act.

The Board of director meeting No.9/2011 which was held on 19 July 2011 resolved to grant approval for proposing this matter to the Extraordinary General Meeting of Shareholders No.1/2011 to approve the reduction of registered capital of the Company by canceling the Company's authorized but unissued shares and the ordinary shares reserved for the exercise of warrants.

The Chairman asked the meeting for consideration and resolve.

Resolution: After consideration, the meeting had the major vote resolved to approve the reduction of registered capital of the Company by canceling the Company's authorized but unissued shares and the ordinary shares reserved for the exercise of warrants. Approved totaling 239,035,082 votes, and disapprove totaling 225,000 votes or an approval rate 99.91% of the whole attendant shareholders entitled to vote.

Agenda 3 To approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

The Chairman assigned Chief executive officer to present detail to the meeting as follow:

The Chief executive officer make clear to the meeting that since the meeting was approve the reduction of registered capital of the Company by canceling the Company's authorized but unissued shares and the ordinary shares reserved for the exercise of warrants in agenda 2.

The meeting should consider approving the amendment to Clause 4 of the Memorandum of Association to be in line with the reduction of the Company's registered capital form the existing registered capital of Baht 916,563,647 to Baht 591,422,617 as follows:

Clause 4. The registered capital Baht 591,422,617 (Baht five hundred ninety one million four hundred twenty two thousand six hundred and seventeen)

Divided into	591,422,617 shares	(Five hundred ninety one million four hundred twenty two thousand six hundred and seventeen shares)
At the par value of	Baht 1	(Baht one) each
Categorized into		
Ordinary shares	591,422,597 shares	(Five hundred ninety one million four hundred twenty two thousand five hundred and ninety seven shares)
Preferred shares	20 shares	(Twenty shares)

The Board of director meeting No.9/2011 which was held on 19 July 2011 resolved to grant approval for proposing this matter to the Extraordinary General Meeting of Shareholders No.1/2011 to approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital.

With no more question, the Chairman asked the meeting for consideration and resolve.

Resolution: After consideration, the meeting had the major vote resolved to approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the reduction of the Company's registered capital. Approved totaling 239,035,082 votes, and disapprove totaling 225,000 votes or an approval rate 99.91% of the whole attendant shareholders entitled to vote.

Agenda 4 To consider and approve the increase of registered capital of the Company Baht 1,182,845,234.

The Chairman assigned Managing Director to present detail to the meeting as follow:

The Managing Director clarified to the meeting that as the auditor review financial statement ended 30 June 2011, the Company has total asset Baht 134.59 million, equity Baht (6.72) million, and has net loss Baht 12.33 million. Total income for 2 quarters is Baht 28.20 million, interest expenses Baht 8.99 million and administration expenses Baht 15.27 million.

In July 2011, the Company had short-term loans from shareholder amount Baht 59.2 million to settle a debt restructuring agreements with 2 banks. These restructuring agreements will result gain Baht 42.17 million from debt restructuring and assets transferred (These was recorded in June Baht 17.41 million, and in July Baht 24.76 million) representing total gain Baht 0.07 per share.

The purpose of this capital increase is to repayment for the restructure Loan and used for working capital of the Company and/or expand its future business. The reason for raise capital due to the negotiation with new investors is failed. In addition, the financial institutions have continued to ask for loan payment, this affect company liquidity as well as performance. Therefore, the capital increase for repayment loans and expands business is essential.

Shareholders will receive benefit from this capital increase when the Company utilizes this capital increase to repayment, and uses remaining for expand its future business. Find more new financial institution loans to expand business so the Company will have more income to get the consistently profitable. After that, the Company will be able to list on SET and shareholders will enable to have benefit from the Company future value. After the Company has completed clearing the deficit, shareholders will be entitled to receive dividend as the Company policy.

The meeting should consider to approve the increase of registered capital of the Company Baht 1,182,845,234 by issuing 1,182,845,234 newly issued ordinary shares with the par value of Baht 1 per share. The total registered capital will be Baht 1,774,267,851. The Board of director meeting No.9/2011 which was held on 19 July 2011 resolved to grant approval for proposing this matter to the Extraordinary General Meeting of Shareholders No.1/2011 to approve the increase of registered capital of the Company Baht 1,182,845,234.

- ❖ Mr. Thong-in, a shareholder asked for the amount that Company will be used to repayment for debt, remaining amount to expand credit and benefits to shareholders.

The Managing Director clarified to the Meeting that the Company will utilize this capital increase to repayment for short-term loans Baht 59.2 million which borrow from its shareholder to pay for debt restructuring with 2 banks on time, get benefit Baht 42.17 million. The remaining cash 59.0 million when combined with present normal credit approximately Baht 40 million, the Company will have credit for finance Baht 100 million.

In addition, when we add the new increasing capital Baht 118 million with equity Baht 19 million totaling Baht 137 million, the Company will be able to borrow from financial institutions with the D/E ratio 2 times, amounting to Baht 250 million. The Company will have credit line Baht 350 million in total which enough to make profit and have the consistently profitable to ask for stock trading in SET. The Company expect to process about 18 months. Although the offering price Baht 0.10 per share, a little higher than the gain from debt restructuring which is Baht 0.07 per share, but the increase shares offer to existing shareholders only, so all benefit are subject to existing shareholders.

- ❖ Mr. Weerayut, proxies from Thai Investors Association, agreed to increase capital and asked the Board of directors about the expectation to receive money from increase capital as required, and how to manage if it's not enough, and asked about outstanding debt and debt management after capital increase.

The Managing Director clarified to the Meeting that the Board of directors was considered that the offering price is not too high, so we believed that its have been achieved. After the Company utilize the capital increase to repayment for loans, outstanding debt will remain Baht 23 million, one of them was listed company loan Baht 9.45 million which the Company has offered to repayment by transfer the right of land and under consideration by that company.

- ❖ Mr. Tara, a shareholder asked about the performance from loan amounting to Baht 150 million, rate 15% per annum which was borrowed from related company last year.

The Managing Director clarified to the Meeting that such loan was short-term assistance which the company was withdrawn only Baht 12 million, after that, lender had requested for repayment. So the Company had only a little income from this loan.

- ❖ Mr. Tara, a shareholder had opinioned agree with the Company to increase capital but disagree with method and price. He had commented that the Company had many retained losses, and also had discount on ordinary share which no distribution of dividends can be made in the short term. Why the Company did not reduced its registered capital by reducing par value to clear deficit first, and increase capital to existing shareholder at new par to avoid discount on ordinary share which shareholders are likely to receive dividends in the future. The Capital increase and loans from financial institute process can be done by simplifying. Furthermore, the decrease capital before increase capital will cause the Company can offer at Baht 0.20 which get more money than present method, and the Company will have more remaining fund for operation.

The Managing Director was being acknowledged and clarified to the Meeting that the Company has already discussed with financial advisor which has opinion to increase capital before decrease capital because the decrease capital process must waiting for consent from all creditors in 2-3 months. Both methods have the same result.

Mr.Thitisak, director additional clarified to the Meeting that even if the Company would like to offer new shares in high price but it requires book value for consideration to find suitable price which shareholders be worth to invest and can expect a return in the future. The Board of directors has determined that the increase capital to existing shareholders with Baht 0.10 is reasonable, so all benefits are subject to existing shareholders.

- ❖ Ms. Kannaporn, a shareholder recommended that the shareholder who loan to the Company should convert debt to equity in the total amount of outstanding.

Mr.Thitisak, director clarified to the Meeting that the right to subscribe for new share is the right of individual shareholder, the Company can recommend but can't force to do.

- ❖ Mr. Thong-in, a shareholder asked about remaining debt Baht 23 million which have interest expense, and suggested the Board to reduce unnecessary expense and emphasize to purchase government debt and increase collateral from client to prevent risk.

The Managing Director clarified to the Meeting that the Company was tried to reduce expense. Even if the Company will have interest expense in remaining debt, but the Company can provide it for credit to increase income. Our business plan for new credit is to emphasize in government debt and increase collateral as shareholder propose.

The Chairman of the Board addition clarified to the Meeting that the Company was internal adjusted in 4 parts as follow:

1. Bank restructuring
2. Debt collection
3. The new credit policy, focus on fast service and minimize risk.
4. To reduce costs by not increasing staff and reduce unnecessary costs.

- ❖ One shareholder asked for the type of reduction capital which may occur in the future after the increase capital finished, and when the Company can pay dividends.

Mr.Thitisak and Managing Director clarified to the Meeting that when the Company increase capital and can operate profitability, the Company will decrease capital by reducing the par value, use the difference for clearing the deficit and the Company can pay dividend in the future.

When there were no questions, the Chairman asked the meeting for consideration and resolve.

Resolution: After consideration, the meeting had the major vote resolved to approve the increase of registered capital of the Company Baht 1,182,845,234. Approved totaling 239,985,082 votes, and disapprove totaling 275,000 votes or an approval rate 99.89% of the whole attendant shareholders entitled to vote.

Agenda 5 To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.

The Chairman assigned Managing Director to present detail to the meeting as follow:

The Managing Director clarified to the meeting that since the meeting was approved the increase of registered capital of the Company Baht 1,182,845,234 in agenda 4.

The meeting should consider to approve the amendment to Clause 4 of the Memorandum of Association to be in line with the increase of the Company's registered capital form the existing registered capital of Baht 591,422,617 to Baht 1,774,267,851, as follows:

Clause 4.	The registered capital	Baht 1,774,267,851	(Baht one thousand seven hundred seventy four million two hundred sixty seven thousand eight hundred and fifty one)
	Divided into	1,774,267,851 shares	(One thousand seven hundred seventy four million two hundred sixty seven thousand eight hundred and fifty one shares)
	At the par value of	Baht 1	(Baht one) each
	Categorized into		
	Ordinary shares	1,774,267,831 shares	(One thousand seven hundred seventy

four million two hundred sixty seven thousand eight hundred and thirty one shares)

Preferred shares

20 shares (Twenty shares)

The Board of director meeting No.9/2011 which was held on 19 July 2011 resolved to grant approval for proposing this matter to the Extraordinary General Meeting of Shareholders No.1/2011 to approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital.

When no more question, the Chairman asked the meeting for individual consideration and resolve.

Resolution: After consideration, the meeting had resolved to approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital. Approved totaling 238,985,082 votes, abstained totaling 225,000 votes, and disapprove totaling 50,000 votes or an approval rate 99.89% of the whole attendant shareholders entitled to vote

Agenda 6 To consider and approve the allocation of 1,182,845,234 newly issued ordinary shares.

The Chairman assigned Managing Director to present detail to the meeting as follow:

The Managing Director clarified to the meeting that since the meeting was approved the increase of registered capital of the Company Baht 1,182,845,234 in agenda 4. The meeting should consider and approve the allocation of 1,182,845,234 new issued ordinary shares of par value Baht 1 per share to existing shareholders at the ratio of 1 existing share to 2 new shares at the price of Baht 0.10 per share.

For this right issue, the ordinary shares left over from the right subscription are to be allocated, under the power of the Board of Directors, to any shareholders who tender the excess subscription rights at the same price. In case where the number of the unsubscribed shares is less than the demand from the shareholders who oversubscribe new shares, the new shares shall be allocated in proportionate to the ownership level of such shareholders. Such allocation shall be made till no more new shares available under the discretion of the Board of Directors and/or authorized person.

Furthermore, propose the EGM to consider and authorize to the Board of Directors and/or the designated person to have power to amend any terms and condition relevant to the offer the right issue including the signatory authority for any relevant documents and to do any acts and things necessary and in connection with the offering of the said shares including to provide documents to the Ministry of Commerce or any other relevant authorities as well as to list the new ordinary shares on the SET.

The Board of director was fixed the subscription and payment period during 5 – 9 September 2011 between 9.00 a.m. to 3.00 p.m. at the head office of the Company, 408/68 Phaholyothin Place 16<sup>th</sup> Floors, Phaholyothin Rd., Samsen-nai, Phyathai, Bangkok 10400. The subscription forms and documents will be sent to shareholder by Thailand Security Depository Co.,Ltd today.

The Board of director meeting No.9/2011 which was held on 19 July 2011 resolved to grant approval for proposing this matter to the Extraordinary General Meeting of Shareholders No.1/2011 to approve the allocation of 1,182,845,234 newly issued ordinary shares.

- ❖ One shareholder asked the Board that after this increase capital, how long that we will not increase capital again.

The Managing Director clarified to the Meeting that the remaining funds from this capital increase, when combined with current credit, the Company will have total funds for credit about Baht 100 million. After the increase capital Baht 118 million, the Company will have equity Baht 137 million which the Company will enable to ask for loans from banks to expand credit. If the Company does not have a large number of loss, it would unnecessary to increase capital except for expand business in the future.

- ❖ Mr.Tara, a shareholder, commented that as the Company book value, the increase capital with Baht 0.10 per share was too low, the Company will not have enough capital to operate

smoothly. He concerned about the performance of the Company because the less capital increase will make management difficult to manage, and bank may not allow loan to the Company since it will wait for the Company performance. In this amount of increase capital, if the Company had suffered from only 1 non-performing debt, it will affect the operation immediately.

When no more question, the Chairman asked the meeting for consideration and resolve.

Resolution: After consideration, the meeting had major vote resolved to approve the allocation of 1,182,845,234 newly issued ordinary shares. Approved totaling 239,985,082 votes, and disapprove totaling 275,000 votes or an approval rate 99.89% of the whole attendant shareholders entitled to vote

Agenda 7 To consider other issues (if any)

- ❖ Mr. Weerayut, proxies from Thai Investors Association, asked about recent non-performing debt and collection from it's in this year.

The Managing Director explained to the meeting that the recent factoring non-performing debts were Baht 563.68 million which have been set in the past. The Company has litigation and debt collection average Baht 8.0 million per year. The debt that cans not follow and collection, the Company will write off it to use for tax benefit.

- ❖ Mr. Thong-in, a shareholder, asked about the Company's vision, plan to make the profitability and back to trading on SET, provide suggestions to the Company to buy government debt which more secure than private debt.

The Managing Director was being acknowledged and clarified to the meeting that the Company's vision is to become the leading provider of working capital, both in volume, variety and quality. In the first year, the Company has targets in 3 agenda, as follow:

1. Expand factoring in government debt and large private which have low risk of bad debts to increase income as well as profit.
2. To find additional credit facilities from financial institutions to increase credit line at least Baht 200 million within 6 months.
3. Requesting the SET to approve the Company's shares to trade within 18 months.

Key success factors are follows:

1. The Company has teams which understand in factoring services for target debts, government and large private.
2. The Company has develop risk control by analyzed the previous non performing loan and set rule for new credit conditions to avoid the same bad debt as previous.
3. The Company should find additional credit facilities, include guarantee by factoring receivables.
4. The Company should comply with the rules of SET that the Company must have net profit from core business with the same management teams for 1 year, have net profit in the requested quarter and have retained earnings in one year period (four quarters) before request SET to approve the Company's shares to trade again.

There have no shareholders to propose other issues. The Chairman thank you for shareholders participation and the meeting was adjourned at 12.25 a.m.

(Mr. Wisait Panutat)  
Chairman of the meeting

(Ms.Apinya Borivachanon)  
Company Secretary