



# Interhides Public Company Limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website [http:// www.interhides.com](http://www.interhides.com)



## Minutes of the 2024 Annual General Meeting of Shareholders of Interhides Public Company Limited

(Enclosure No.1)

### Time and Venue of the Meeting

On Monday April 22, 2024 at 14:00 P.M. at Room MR21, Bangkok International Trade & Exhibition Centre 88 Debaratna road(km.1), Bangna Tai, Bangna, Bangkok 10260

### Start meeting at 14:00

Mr. Bandit Prathumta later to be call as the moderator was assigned to conduct the meeting and welcome all shareholders and introduced Board of Directors, Management and Company Auditors participating at the Meeting as follows:

### Directors who attend the meeting:

1. Dr. Somchai	Harnhiran	Chairman of the Board
2. Mr. Ongart	Thumrongskaunvong	Vice Chairman and Managing Director
3. Mr. Somchart	Limpanuphap	Chairman of the Audit Committee/ Nomination, Remuneration Committee and Independent Director
4. Mr. Chor Nun	Peppaisit	Chairman of Remuneration Committee/ Audit Committee, Independent Director
5. Mr. Suparat	Sirisuwanangkura	Audit Committee, Independent Director
6. Ms. Kunvarin	Veeraphuttivate	Director / Deputy Managing Director
7. Dr. Niti	Nerngchamngong	Independent Director
8. Mr. Wasin	Thumrongsakunvong	Director
9. Mr. Thaksa	Busayapoka	Director

### Representative from Company's Auditor

1. Miss Kessirin	Pinpuvadol	EY Office Limited
2. Mr. Phasadon	Butrnjar	EY Office Limited

### Management Present

1. Ms. Malintip	Lavichant	Financial Advisor
2. Ms. Nirinya	Veeraphuttivate	Company Secretary

**The Moderator** explained in detail about the company's regulations for the shareholders' meeting regarding quorum and meeting regulations, voting criteria for the meeting to acknowledge, with the following important points:

1. The voting was counted one share one vote. Therefore, each shareholder shall have the number of votes according to the number of shares being held or has been granted by proxy, and shall be able to vote for approval, objection or abstention on each agenda item.
2. The Chairman will inquire in every agenda whether there are any shareholders or proxies who disagree or abstain from voting. If there are no shareholders or proxies who disagree or abstain from voting, the company will assume that all shareholders have unanimously approved the proposal.
3. If any shareholder or proxy agrees with any agenda, no vote is required on that agenda. However, if any shareholder or proxy wishes to vote against or abstain from voting, that shareholder or proxy may vote. Raise hand and vote, and sign the ballot that you received at registration and deliver them to the company's officials



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- for further vote counting. This is to comply with the principles of good governance of the Stock Exchange of Thailand in the 5th agenda, regarding the consideration of the election of directors to replace those who have left their positions by rotation, the chairman will ask shareholders and proxies to vote for the election of directors individually and all shareholders and proxies are requested to vote, whether they vote approval, objection or abstention and sign the ballot and submit to the company's staff for further vote counting.
4. For the proxy holder who has already specified the vote as approval, objection or abstention in the proxy form for any agenda. The company will count the votes from the proxy form for everyone's convenience. However, for the proxy form where the proxy does not specify the vote, the proxy holder shall cast votes on each agenda item in the same manner as the shareholders attending the meeting.
  5. For the votes of approval, it will be counted from the total number of votes of shareholders who attended the meeting and had the right to vote, minus the number of votes against, abstentions and spoiled ballots.
  6. In the case where a ballot is considered spoiled, that is, in the case where there is more than one vote in the ballot box, or in the case of not voting on the ballot papers delivered to the company, or in the case where the ballot is crossed out without signing the crossed-out area, or in cases where there is a separation of votes (except in the case of custodians)
  7. The chairman of the meeting will inform the vote counting results in the next agenda or at the latest, the vote counting results will be announced for all agenda items before closing the meeting, for the convenience and to save shareholders' time. In each agenda, the latest number of shares of the meeting participants in that agenda will be used
  8. The resolution of this shareholders' meeting consists of the following votes:  
Agenda items 1, 3, 4, 5 and 7 must be approved by a majority vote of the total number of votes of shareholders attending the meeting and having the right to vote.  
Agenda items 2 and 8 are for information and therefore do not require voting.  
Agenda Item 6 must receive no less than two-thirds of the total number of votes of shareholders attending the meeting.

Because of the principles of good corporate governance of listed companies. The company provides an opportunity for shareholders to propose additional agenda items for consideration at the shareholders' meeting and nominate persons for consideration to serve as directors of the company at the 2024 annual general meeting of shareholders on the company's website from December 1, 2023 to January 31, 2024. Past the period, no shareholders proposed additional agenda items and nominated qualified persons to be appointed as directors in advance

For the agenda of the 2024 Annual General Meeting of Shareholders, there are 8 agendas as stated in the meeting invitation letter, which has been delivered to all shareholders. If shareholders or proxies wish to ask additional questions on each agenda, please raise hands to ask, and inform your name and surname, along with the name of the shareholder who is attending in person or by proxy, so that the company can use this information to record the meeting. For questions not related to the matters to be considered in that agenda, please bring them to the agenda related to that matter or at the end of the meeting. To ensure that the meeting can proceed according to the agenda as specified and does not waste the time of other shareholders. According to the company's regulations, Section 35, in a shareholders' meeting, there must be at least twenty-five (25) shareholders and their proxies (if any) attending the meeting, or not less than half of the total number of shareholders and there must be a combined total of no less than one-third (1/3) of the total number of shares sold in order to constitute a quorum.

**The moderator** informed the meeting that there were 31 shareholders attending the meeting in person and by proxy, representing a total of 432,496,979 shares, or 72.9576 percent of the total number of shares sold, 592,805,637 shares, which from the aforementioned number was considered a quorum in accordance with the company's regulations.

**Dr. Somchai Harnhiran**, Chairman of the Board, opening speech and assigned to Mr. Bandit Pratumta to be moderator of this shareholders' meeting according to the various agendas.

**The moderator** made announcements to ensure the meeting proceeded smoothly and clarify the meeting regulations, voting criteria, and details of each agenda item were explained to the meeting. The main points are as follows



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1. For voting on each agenda, everyone can vote according to the number of shares being held or has been granted by proxy, whereby one share one vote. However, shareholders cannot split the number of shares by granting proxies to multiple proxies to split the votes. And shareholders must grant proxies equal to the number of shares they hold, and cannot grant proxies less than the number of held. Except for the Custodian who is a foreign investor and appointed by the shareholder to be the depository and keeper of the shares according to the proxy form C.
2. For those who have received a proxy form B, in which the proxy has already specified the vote. The proxy must vote as specified by the grantor. The voting system has already recorded the scores. The following voting options can be selected: approval, objection or abstention.
3. For counting votes, the company will use a barcode voting system for the convenience of all shareholders.
4. The registration officer will print the ballot for the following cases:
  - 4.1 Shareholders attending in person.
  - 4.2 The proxy has been granted a proxy form B and C in the event that the proxy grants the proxy the right to vote on his behalf in the specified agenda and
  - 4.3 The registration officer will not print the score card in the event that the proxy has already specified the votes for each agenda item and has assigned the proxy to attend the meeting on shareholder's behalf. and vote according to the wishes of the proxy, which the officer will vote according to the wishes of the proxy into the system. In this regard, the counting of votes will only count the votes of shareholders who voted "objection" or "abstention" in each agenda. The votes of "objection" and "abstention" will be deducted from the total number of votes in the meeting. The remaining votes are considered votes of "approval" as proposed in that agenda. Therefore, shareholders who wish to vote objection or abstention from voting, please raise hand up so that the company's officers on left- and right-hand side can collect ballots to summarize the voting results to propose to the chairman to announce in the meeting for acknowledgement. The company will not collect any ballots that have been voted "approval", except for the agenda for the election of directors. The company will collect voting ballots from all shareholders attending the meeting to summarize the voting results, must mark a cross (X) in the box indicating whether "approval", "objection" or "abstention" only one of them and must sign the name in ink on the ballot paper every time.
5. If any shareholder or proxy wishes to leave the meeting before the meeting is closed, and wish to vote on the remaining agenda items. Please submit ballots with signature to the officer before leaving the meeting room. The company will record your vote.
6. The results of the vote counting for each agenda will be announced immediately after the vote counting for each agenda is completed.
7. In case of a tie vote, the chairman will cast one additional vote to make the decision.

**The moderator:** to demonstrate transparency and good governance, would like to invite **Mr. Wattana Deerattanapoka**, a shareholder, to join as a witness to the vote counting. Next, would like to proceed to the agenda of the 2024 Annual General Meeting of Shareholders as follows:

## **Agenda 1 To consider and certify the minutes of the 2023 Annual General Meeting of Shareholders (No.18) held on April 24, 2023.**

**The Moderator** proposed the Meeting to consider and adopt the minutes of the 2023 Annual General Meeting of Shareholders (No.18) held on April 24, 2023, was submitted to the Stock Exchange of Thailand and Ministry of Commerce within 14 days after the meeting date specified by the relevant laws. In addition, the Company has posted the minute of meeting on Company's website ([www.interhides.com](http://www.interhides.com)) on May 8, 2023 for shareholders to review. The copy of the minutes was circulated to the Shareholders together with the meeting notice.

**The Moderator** informed the meeting that the resolution on this agenda item shall be approved by a majority vote of shareholders and proxy holders attending the meeting and casting their votes. The Moderator invited the meeting to raise additional questions concerning this agenda; there was no shareholder asking question or making any opinions, the Moderator, proposed the meeting to consider and approve the minutes of the 2022 Annual Meeting of



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Shareholders (No.17) held on April 21,2022. The voting results of the total number of votes of the Shareholders who attend the meeting and vote as follows:

**Resolution:** The Meeting, by the majority of votes of the Shareholders and proxy who attend the meeting; vote approved the minutes of the 2022 Annual Meeting of Shareholders (No.17) held on April 21,2022 as proposed.

Approved	432,528,889 votes	equivalent to 100.0000%
Disapproved	0 votes	equivalent to 0.0000%
Abstained	0 votes	equivalent to 0.0000%
Voided Ballet	0 votes	equivalent to 0.0000%

*Note: There was additional of 1 shareholder holding 37,910 voting right in this agenda*

## Agenda 2 Acknowledged the performance report and annual report for 2023

The moderator: invited Mr. Wasin Thumrongsakunvong, Director, to present the company's annual report and operating results for 2023.

**Mr. Wasin Thumrongsakunvong**, Director, have been reported the performance results for 2023 in three important areas as follows:

1. The company acquired the leather division from Wolverine World Wide in late December 2023 and established a company in China called Zhuhai Interhides Leather Company Limited.
2. The company participated in the APLF Bangkok Leather Show at the Queen Sirikit National Convention Center.
3. The company has set up a new production line for protein products, which is expected to further enhance production and delivery in the future.

The proportion of each product group in 2023 as follows

1. Car Seat Leather group 65% from Japanese car manufacturers such as Toyota, Honda and Nissan and still the main proportion of the company's income.
2. Tanning Service group 15% by 3 main customer groups: KT Trading, Sadesa and Wolverine World Wide, which are the world's leading shoe leather manufacturers.
3. Shoe Leather Group 11%, The company has developed products to meet the standards of each customer and maintains a good level of partners. Therefore, it has been trusted by shoe brands such as KEEN, FitFlop and Helly Hansen and has expanded its customer base, such as the shoe brand VIVO BAREFOOT, etc.
4. Dog snack product group 4% which is sold as raw materials and finished products of the company under the brand name MOMO & FRIENDS, organic dental snacks, no chemicals, environmentally friendly. Focusing on sales in both online and offline markets, the company's products are currently available at Tops Market, Pet Shop, Pet & Me, Pet Please, Sky Pet Shop, Pet Ploy, Sumo Pet Shop, and Animal Lovers Gang. It also has booths at pet trade shows such as PET Expo and PET Variety 2023.
5. Furniture Leather Group 3% and Finished Leather Group 1% and Others 1%.

The company also expanded its leather business into accessories, such as pink lipstick cases by Givenchy and watch box by Audemars Piguet

Last year, the company expanded its protein powder production plant to accommodate future orders, with a production capacity of 300 tons per month, and production will begin this year.

The Company has invested in the acquisition of assets from Wolverine World Wide's Leather unit in December 2023 for more than 8 million US Dollar, consisting of:

1. Raw materials: Raw Hides, Tanned Leather and Finished Leather ready to be sent to customers.
2. Staff: Sales in United State, Technical and Customer Service in Vietnam and China.
3. Customers: Transfer all customers to the company.
4. Subcontractors: Change the employer contract for factories in Vietnam and China.

This includes negotiations to purchase raw materials and exclusive purchasing rights. The nature of the operation starts with the company importing raw materials to enter the laundering process and sending the products to



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subcontractors to continue production before delivering to customers in each country. Wolverine has been working on this approach of outsourcing to each country for over 20 years to stay close to customers and reduce delivery times. The company's current major customers are Addidas, Nike, Saucony, Van, New Balance, Merrell, which is the brand of Wolverine, and others, totaling 25 shoe brands that are gaining attention from buyers all over the world. This action is to increase business potential and strength, and to elevate the business network, both in terms of production and distribution of leather for shoes, with all transactions completed and the company receiving purchase orders from customers from January 1, 2024 onwards.

**The moderator:** Invite shareholders to ask questions or express their opinions.

**Mr. Wuttichai Phiraphatthanaphum:** A shareholder came to inquire in person. How the acquisition of Wolverine World Wide's assets occurred? Why did Wolverine World Wide sell this asset? How much is the bidding proposal? What is future direction?

**Mr. Wasin Thumrongsakunvong,** Director, explained that Wolverine World Wide has changed its business policy to focus only on its own shoe brands such as Merrell, Saucony, etc. However, the transaction between the company and Wolverine still exists because the companies have entered into a contract between each other to supply raw materials as before. During the asset acquisition bidding period, several companies submitted bids because the company has been working with Wolverine for over 10 years and has been able to maintain standards and continuously develop new systems and innovations. This is the main reason why Wolverine is confident that if the company takes over, the business will continue without any disruption and will not cause any negative impact to customers. For the proportion of income in the past 2-3 years of Wolverine, sales volume has been no less than 1,000 million baht and the profit margin of the business is 8-10%. The company expects to be able to operate the business according to the target and more than expected. In the past, Wolverine only sold pig skin, while the company also produces cowhide. In the future, when the team becomes stronger and understands the products better, the company will push for cowhide as well.

**Mr. Wuttichai Phiraphatthanaphum:** A shareholder came to inquire in person. Collagen production work that produces 300 tons per month. What is the use of all the products? Can all be sold? How much income is generated per year for this work?

**Mr. Wasin Thumrongsakunvong,** Director, explained that the product is called protein powder, which is an ingredient in the production of animal feed, animal supplements, or industrial coatings. Sales volume cannot be reported yet. The company expects to be able to sell all of them because it received purchase orders from customers before expanding production capacity.

**The moderator:** Since no shareholders had any further questions or comments, it was announced that this agenda item was for information only and no voting was required. It was proposed that shareholders acknowledge the operating results and the annual report for 2023.

**Resolution:** The Meeting acknowledgement of the company performance for the year 2023 as proposed.

### **Agenda 3 To approve the Statements of financial position and Statements of comprehensive income for the year-ended 31st December 2023.**

**The Moderator** informed the Meeting that according to Section 112 of the Public Company Limited Act, the Board of Directors shall prepare the Balance Sheet and Profit and Loss Accounts as of the end of accounting period of the Company, and shall submit the same to the Annual General Meeting of Shareholders for approval. The financial statements of the Company and Consolidated for the year ended 31st December 2023 as shown in the 2023 Annual Report has been audited by the Certified Public Accountant and reviewed by the Audit Committee and approved by the Board of Directors.

In this regard, such Statements of Financial Position and the Comprehensive Income Statements have been audited by the licensed auditors from EY Company Limited (EY), considered by the Audit Committee, and approved by the



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Board of Directors. Miss Malintip Lavichant will report the statement of financial position and statements of comprehensive income for the year-end 31<sup>st</sup> December 2023.

The statements of financial position and statements of comprehensive income were reviewed and endorsed by the Company's Audit Committee and also certified by the Independent auditor, EY Office Limited, as being correct in accordance with the generally accepted accounting principles. Financial highlights of the consolidated balance sheet and statement of income are as following:

## **Profit and Loss (Unit: Million THB)**

<b>Consolidated Financial Statements (Million THB)</b>	<b>2023</b>	<b>2022</b>	<b>YOY</b>
The Revenue	1,832.48	2,051.27	(10.67%)
Other Income	13.14	19.69	(33.27%)
Total Revenue	1,845.62	2,070.96	(10.88%)
Cost of Sales and Services	(1,617.96)	(1,733.37)	(6.66%)
Gross Profit	214.52	317.90	(32.52%)
Selling and Administrative Expenses	(148.39)	(157.26)	5.64%
EBITDA	300.05	417.43	(28.12%)
Finance Costs	(59.70)	(52.36)	(14.01%)
Income Tax	(2.77)	(28.04)	90.14%
Profit (Loss) for the Period	16.81	99.93	(83.18%)

The Company and its subsidiaries generated Revenues from Sales and Services of 1,832.48 Million Baht, decreased from 2,051.27 Million Baht or 10.67% y-o-y. The main factor was in revenue from Cut Part and Services, It was a result of the contraction of the automotive industry and the slowdown of the Thai economy.

The other income was 13.14 Million Baht, consisting of gain on exchange rates and Unrealized gain on Fair Value of forward contract. The Company imported raw material from aboard and exported leather by using the US dollar as main currency. The Company recognized the risk of exchange rates and entered into foreign exchange contracts with financial institutions, resulting in total income of 1,845.62 Million Baht, a decrease of 10.88% from the previous year.

Cost of Sales and Services was recorded at 1,617.96 Million Baht. Gross Profit was 214.52 Million Baht, a decrease of 32.52% compared to the previous year. Gross Profit Margin was 11.71% of Revenue from Sales and Services in 2023 comparing to 15.50% from the previous year. The Gross Profit Margin was decreased mainly due to the factory not producing at full capacity. The cost of raw material and manufacturing expense had increased. Also the Company was affected by the increasing of electricity charge and the minimum wages at the end of year 2022. The Company was unable to pass on the burden of higher costs to customers.

In 2023, the Company had selling and administrative expenses of 148.39 Million Baht, decrease of 5.64% compared to the previous year, as the company controlled selling and administrative expenses very well.

Earnings before interest, income tax, depreciation and amortization (EBITDA) was 300.05 Million Baht in 2023, decrease of 28.12% y-o-y.

Financial cost was 59.70 Million Baht, an increase of 7.34 Million Baht compared to the previous year mainly due to an increase in interest rates on loans from financial institutions.



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Net profit was registered at 16.81 Million Baht an decrease of 83.18% compared to the previous year. Net profit was 0.92% of Revenue from Sales and Services.

## Financial Position

	Dec 2023 MB.	Dec. 2022 MB.
<b>Total Asset</b>	<b>3,471.30</b>	<b>3,694.42</b>
Current Asset		
Cash and Cash Equivalents	13.13	4.84
Trade and Other Receivables	119.63	233.69
Inventories	1,146.35	1,204.42
Property, Plant and Equipment - Net	2,117.75	2,163.07
<b>Total Liabilities</b>	<b>1,854.81</b>	<b>2,035.46</b>
Short-term Loans from Financial Institutions	1,284.18	1,074.29
Trade and Other Payables	136.04	264.43
Long-term Loans	344.91	639.76
<b>Total Shareholders' Equity</b>	<b>1,616.49</b>	<b>1,658.96</b>

As of December 31, 2023, Total Asset was recorded at 3,471.30 Million Baht, with an decrease of 223.12 Million Baht from year 2022, The main reason was decreasing of Trade and Account Receivables and Inventories.

Total Liabilities was 1,854.81 Million Baht, a decrease of 180.65 Million Baht from the previous year due to a decrease in Trade Payables and Loans from financial institutions decreased 85 Million Baht.

At the end of 2023, the Shareholders' equity was 1,616.49 Million Baht, a decrease of 42.44 Million Baht from the previous year. The Operating profit was 16.81 Million Baht and the Company paid dividends of 59.28 Million Baht.

## Cash Flow

In 2023 the Company has cash and cash equivalent at 13.12 Million Baht. Net payment in cash and cash equivalents in period was 8.28 Million Baht. Cash flows provided by operating activities – net was 267.85 Million Baht, Cash flows used in investing activities was 155.31 Million Baht from construction in process and machinery and equipment. Cash flows used by financing activities was 104.26 Million Baht.

Ms. Malintip also reported about the Company's policy and activities to support an anti-corruption policy in the past year as following.

1. The company aims to conduct business with good corporate governance in transparent manner and follow the business ethics to assure all stakeholders.
2. The company has set anti-corruption policy and other related policies as well as guidelines to be consistent with this policy and supporting against corruption.
3. The company is committed to conducting business with honesty, transparency and against all forms of corruption by directors, executives, employees as well as people involved in work.
4. The company's Value focuses on good corporate governance and strict compliance with the law.

In this year 2023, Interhides Public Company Limited joins the Thai Private Sector Collective Action Against Corruption (CAC).

**The Moderator** invited the meeting to raise additional questions concerning this agenda.



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**Mr. Pramote Libratanasakul**, a shareholder, asked about the impact of the acquisition of Wolverine's assets on the financial statements for 2023. Where did the money come from?

**Miss Malintip Lavichant**, Assistant General Manager of Finance, explained that the company had acquired assets at the end of last year worth approximately 85 Million Baht using a short-term loan from a financial institution.

**The Moderator** as is there any other question; there was no shareholder asking question or making any opinions, the Moderator, proposed the meeting to consider and approve the Statements of financial position and Statements of comprehensive income for the year-ended 31 December 2023 and the voting results of the total number of votes of the Shareholders who attend the meeting and vote as follows:

Approved	433,884,915 votes	equivalent to 100.0000%
Disapproved	0 votes	equivalent to 0.0000%
Abstained	0 votes	equivalent to 0.0000%
Voided Ballet	0 votes	equivalent to 0.0000%

*Note: There was additional of 2 shareholder holding 1,356,026 voting right in this agenda*

**Resolution:** The Meeting, by the majority of votes of the Shareholders and proxy holders who attend the meeting; vote approved the Statements of financial position and Statements of comprehensive income for the year-ended 31 December 2023 as proposed.

#### **Agenda 4 To approve the dividend payment for the 2023 performance and legal reserve allocation.**

**The Moderator** informed the Meeting that according to the Company Articles of Association clause 43 and section 116 of The Limited Public Companies Act B.E. 2535(1992) the company shall allocate not less than 5% of the annual net profit to the statutory reserve until this reserve reaches 10% of the registered capital. The Company's had legal Statutory Reserve of 69,000,000 baht which is 11.60% of the registered capital of the Company. With this relevant to laws and regulations of the company's; therefore, no need to allocate additional statutory reserve.

The company has the policy to pay dividends to shareholders at a rate of not less than 40% of the net profit according to consolidated financial statement. The company will consider the dividend payment by taking into account various factors to create the most benefit to the shareholders as the priority. Additionally, the dividend payment shall not affect the general operations of the company. However, the dividend payment is subject to change, depending on the company's performance, financial status, financial liquidity, investment plan, cash flow, the need for working capital for business management, business expansion, economic conditions, and other factors in which the board of directors deems appropriate. Besides the aforementioned, the annual dividend payment must be approved by the shareholders' meeting, except in the case of interim dividend payment. The board of directors has the authority to approve the operation when the company has reasonable profits enough to pay dividends without affecting the operations of the company and report to the shareholders for their acknowledgment in the next meeting.

From the Company's operating results for the Year Ended 31 December 2023, the Company earned a net profit according to the financial statements of THB 34,314,810. The Board deems it appropriate to propose the Meeting to consider and approve the suspension of dividend payment for the 2023 performance and legal reserve allocation as following:

1. Suspend dividend payment for the 2023, the Company and its subsidiaries need to reserve cash as working capital for business operations and business expansion.
2. As of December 31, 2023, the company has allocated net profit to the statutory reserve in the amount of THB 69,000,000 or equivalent to 11.60 percent of the registered capital. Therefore, these is no need to allocate profit as additional statutory reserve.

**The Moderator** informed the meeting that the resolution on this agenda item shall be approved by a majority vote of shareholders and proxy holders attending the meeting and casting their votes. Therefore, the Moderator invited the meeting to raise additional questions concerning the dividend payment for the 2023 performance and legal reserve allocation. Consequently, there was no shareholder asking questions or making any opinion. The Moderator proposed the meeting consider and approve the suspension of dividend payment for the 2023 performance and legal reserve





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allocation. The voting results of the total number of votes of the Shareholders who attend the meeting and vote as follows:

Approved	433,884,916 votes	equivalent to 100.0000%
Disapproved	0 votes	equivalent to 0.0000%
Abstained	0 votes	equivalent to 0.0000%
Voided Ballet	0 votes	equivalent to 0.0000%

**Resolution:** The Meeting, by the majority of votes of the Shareholders and proxy holders who attend the meeting; vote approved the suspension of dividend payment for the 2023 performance and legal reserve allocation as proposed.

## Agenda 5 To consider and approve the election of directors to substitute the directors who retired by rotation.

**The Moderator** informed the meeting that Section 71 of the Public Limited Companies Act and Article 17 and 18 of the Company's Articles of Association provide that, at every annual general meeting, one-third of the directors shall vacate in proportion, if the number of directors is not a multiple of three, the number of directors closest to one-third shall vacate, provided however that, the director who vacates office under this section may be reelected

In the 2023 Annual General Meeting of Shareholders, the Directors who will retire by rotation are

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| 1. Mr. Chor Nun Peppaisit       | Audit Committee, Independent Director |
| 2. Mr. Suparat Sirisuwanangkura | Director                              |
| 3. Mr. Thaksa Busayapoka        | Director                              |

The Company had provided an opportunity to minor shareholders to nominate a person for consideration and appointment as the Company's directors in the Annual General Meeting of Shareholders. The criteria for the nomination of a person had been disclosed on the Company's website and the period for nomination started from December 1, 2022 to January 31, 2023. However, it had turned out that minor shareholders proposed no one to be nominated as the directors.

The Nomination and Compensation Committee, not including the directors with conflict of interest, has considered the nomination and selection of suitable persons to be appointed as the Company's directors to replace those retiring by rotation. The selection process was carefully considered and screened for suitability in accordance with the criteria for nominating and appointing the Company's directors which consists of having full qualifications and not being prohibited by related laws, regulations, Articles of Association, principles of good corporate governance, the composition of the Board of Directors as well as being a qualified person with knowledge, abilities, and experiences that are beneficial to the business operations according to the Board Skills Matrix. The committee, therefore, deemed it appropriate to propose those who have been reviewed to the Board of Directors and Shareholders' meeting respectively for consideration and appointment to be the Company's in replacement of directors who will retire by rotation as namely:

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| 1. Mr. Chor Nun Peppaisit       | Audit Committee, Independent Director |
| 2. Mr. Suparat Sirisuwanangkura | Director                              |
| 3. Mr. Thaksa Busayapoka        | Director                              |

The Nominated Person has been reviewed according to the Company in the process. and has qualifications according to the relevant regulations and is suitable for the business operation of the Company. The Information of these four (4) directors appears in an Enclosure 3. In this regard, the nominated persons number 2 have completely qualified the definition of Independent director of the Company in accordance with Enclosure 6.



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**The Board of Directors**, excluding the Director considered having conflict of interest in this matter, had carefully and thoroughly considered and deemed it appropriate to propose the Shareholders' Meeting to consider and approve the appointment of directors to replace those who retire by rotation, namely (1) Miss Kunvarin Veeraphuttivate, (2) Dr. Niti Nerngchamnong (3) Mr. Wasin Thumrongsakunvong and (4) Dr. Somchart Harnhirun to replace the vacant director position. Candidate number 2 is independent directors who are qualified to the definition of the Company's independent director. The Board has considered that they are the candidates nominated as independent director has qualifications in accordance with the law's relevant rules, and regulations for independent directors and are able to provide opinions on an independent basis in accordance with the principles of good corporate governance and relevant rules and regulations.

**The Moderator** informed the meeting that the resolution on this agenda item shall be approved by a majority vote of shareholders and proxy holders attending the meeting and casting their votes. Therefore, the Moderator invited the meeting to raise additional questions concerning the election of directors to substitute the directors who retired by rotation. Consequently, there was no shareholder asking questions or making any opinion. The Moderator proposed the meeting consider and approve the election of directors to substitute the directors who retired by rotation.

In order to comply with the good corporate governance principles,

The Company had prepared four-separate ballots for Shareholders to elect Directors individually. The election results would be released for each nominee. The Company's staff would collect ballots for all four nominees at once which would collect ballots for "disapprove" and "abstention" first, then followed by all ballots for "approval".

**The Moderator** report the voting results of the total number of votes of the Shareholders who attend the meeting and vote as follows:

1) Mr. Chor Nun Peppaisit to be re-appointment for another term as Independent Director

Approved	433,884,100 votes	equivalent to	99.9998%
Disapproved	815 votes	equivalent to	0.0002%
Abstained	0 votes	equivalent to	0.0000%
Voided Ballet	0 votes	equivalent to	0.0000%

2) Mr. Suparat Sirisuwanangkura to be re-appointment for another term as Independent Director

Approved	433,884,915 votes	equivalent to	100.0000%
Disapproved	0 votes	equivalent to	0.0000%
Abstained	0 votes	equivalent to	0.0000%
Voided Ballet	0 votes	equivalent to	0.0000%

3) Mr. Thaksa Busayapoka to be re-appointment for another term as Director

Approved	433,884,915 votes	equivalent to	100.0000%
Disapproved	0 votes	equivalent to	0.0000%
Abstained	0 votes	equivalent to	0.0000%
Voided Ballet	0 votes	equivalent to	0.0000%

**Resolution:** The Meeting, by the majority of votes of the Shareholders and proxy who attend the meeting; vote approved the appointment of directors to replace those who retire by rotation namely (1) Chor Nun Peppaisit (2) Mr. Suparat Sirisuwanangkura and (3) Mr. Thaksa Busayapoka as proposed.

## Agenda 6 To consider and approve the director's remuneration for the year 2024.

**The Moderator** informed the meeting that the Nomination and Compensation Committee has considered and determined the remuneration of directors and all sub-committees for the year 2024 by reviewing with regard to suitable factors and taking into account the appropriateness in accordance with the principles of good corporate



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governance, such as principles and policies approved by the shareholders, obligations, and responsibilities of the Board of Directors, result of the annual performance assessment, operating results for the year 2024 and also comparing the remuneration with other companies which are listed on the Stock Exchange of Thailand. The Committee, therefore, deemed it appropriate to respectively propose to the Board of Directors and the Shareholders' meeting for consideration and approval of the directors and all sub- committees' remuneration for the year 2024.

1) Monetary remuneration: (THB/person/month)

Position	2024	2023	Increase/ Decrease
- The Chairman of the Board	40,000	40,000	-
- Directors / Independent Directors	25,000	25,000	-
- The chairman of the Audit Committee	20,000	20,000	-
- Audit Committees	15,000	15,000	-
- The Chairman of Nomination and Compensation	-	-	-
- Nomination and Compensation Committee	-	-	-

2) Non-Monetary Remuneration and other Benefit: no other benefit

2567 (Baht / Month)	2566 (Baht / Month)
- None -	- None -

The Board deemed it appropriate to propose to the Shareholders' meeting to consider and approve the determination of directors' and all sub-committees' remuneration for the year 2043 as the proposal of the Nomination and Compensation Committee.

**The Moderator** informed the meeting that the resolution on this agenda item shall be approved by votes of not less than two-thirds (2/3) of the total votes casted by shareholders and proxy holders attending the meeting. Therefore, the Moderator invited the meeting to raise additional questions concerning the director's remuneration for the year 2024. Consequently, there was no shareholder asking questions or making any opinions, the Moderator, proposed the meeting consider and approve the director's remuneration for the year 2024. The Voting results of the total number of votes of the Shareholders who attend the Meeting and vote as follows:

Approved	433,887,001 votes	equivalent to 100.0000%
Disapproved	0 votes	equivalent to 0.0000%
Abstained	0 votes	equivalent to 0.0000%
Voided Ballet	0 votes	equivalent to 0.0000%

**Resolution:** The Meeting, by votes of not less than two-thirds (2/3) of the total votes casted by shareholders attending the meeting; approved the director's remuneration for the year 2024 as proposed.



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## Agenda 7 To consider the appointment for the auditor of the Company and subsidiary including auditor’s remuneration for the year 2024.

The Moderator informed the meeting to comply with the Public Limited Companies Act. B. E. 2535 which stipulates that the Annual General Meeting of Shareholders shall appoint the auditor and determine an audit fee of the Company and subsidiary each year. In appointing the auditor, the former auditor may be re-appointed.

According to the Notification of the Capital Market Supervisory Board No. Tor Chor.75/2561 regarding rules, conditions and procedures for disclosure of information about the financial position and results of operations of the issuing Company (Issue Code) shall come into force from January 1, 2019 onwards, requiring the issuing company whose shares are listed on the Stock Exchange of Thailand to arrange for rotation of the auditor. In the event of any act and auditors express an opinion on the financial statements of the Company for the past seven fiscal years, whether consecutive or not. The Company will appoint such auditor as the Company's auditor after the period at least five consecutive fiscal years.

The Audit Committee has respectively considered the performances, qualifications, and work experiences of the auditor and viewed that EY Office Limited (“EY”) is an audit firm with independence, high expertise in auditing, and has a good understanding in the Company’s business to ensure that the Company’s audit will be proceeded in a timely, agile, and efficiency. With the qualification of work Subsidiary Company shall also use the same auditor. The Audit Committee, therefore, deemed it appropriate to respectively propose to the Board of Directors and Shareholders’ meeting to consider and approve the appointment of the Company’s auditor and the determination of the audit fee for the year 2024. The details are as follows:

1. Name of Auditors and the Company: It is deemed appropriate to appoint one of the following auditors from EY Office Limited (“EY”) to be the Company’s auditor for the year 2023

- |  |                           |
|--|---------------------------|
| 1. Miss Kessirin Pinpuvadol                    | Licensed Auditor No. 7325 |
| Years of Audit Service for the Company: 1 year |                           |
| 2. Miss Chonlaros Suntiasvaraporn              | Licensed Auditor No. 4523 |
| Years of Audit Service for the Company: None   |                           |
| 3. Miss Krongkaew Limpittikul                  | Licensed Auditor No. 5874 |
| Years of Audit Service for the Company: None   |                           |

2. Audit Fee: the annual remuneration is in the amount of THB 2,225,000. The auditor remuneration is exclusive of other fees (non-audit fee) which will be billed per actual.

Comparative information on the payment of Auditor’s remuneration in the previous year can be shown in the following table.

Auditor remuneration	Y2024 (Proposed)	Y2023
<b>Audit Fee (Baht)</b>		
The company – Interhides Public Co.,Ltd	1,810,000	1,690,000
Subsidiary Company – Intergreen Co.,Ltd	325,000	308,000
BOI *	90,000	-



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<b>Total</b>	<b>2,225,000</b>	<b>1,998,000</b>
Non-Audit Fee	-	95,400.50

Remark (\*): If there is no BOI audit the audit fee will remain unchanged.

## Relationship between Company and Proposed Auditor

There is no other business relationship among auditors from EY Office Limited, company, executive, major shareholders, or any related persons, therefore, the Auditors are independent in auditing and providing opinions on the Company's financial statements.

**The Moderator** informed the meeting that The Board deemed it appropriate to propose to the Shareholders' meeting to consider and approve the appointment of the Company's auditor and the determination of the audit fee for the year 2024 as the proposition of the Audit Committee.

**The Moderator** informed the meeting that the resolution on this agenda item shall be approved by a majority vote of shareholders and proxy holders attending the meeting and casting their votes. Therefore, the Moderator invited the meeting to raise additional questions concerning the appointment for the auditor of the Company and subsidiary including auditor's remuneration for the year 2024. Consequently, there was no shareholder asking questions or making any opinion. The Moderator proposed the meeting consider and approve the appointment for the auditor of the Company and subsidiary including auditor's remuneration for the year 2024. The Voting results of the total number of votes of the Shareholders who attend the Meeting and vote as follows:

Approved	433,887,001 votes	equivalent to 100.0000%
Disapproved	0 votes	equivalent to 0.0000%
Abstained	0 votes	equivalent to 0.0000%
Voided Ballet	0 votes	equivalent to 0.0000%

**Resolution:** The Meeting, by the majority of votes of the Shareholders and proxy holders who attend the meeting; vote approved the appointment for the auditor of the Company and subsidiary including auditor's remuneration for the year 2024 as proposed.

## **Agenda 8 Consider other matters (if any)**

**The Chairman of the Board informed that this agenda provides an opportunity for the meeting to propose matters for consideration or questioning of doubts.**

Once the meeting had considered all the agendas and there were no shareholders proposing any other matters to additionally consider or ask question and making any option. The Chairman thanked all shareholders for attending the meeting and closed the meeting at 15:30 PM

**Mr. Wutthichai Peeraphattanapoom:** A shareholder came to inquire in person, has inquiry as follow:

1. Sales trends for 2024, how the company set up when compare with the last year? Does company have target growth and come from which product?
2. Main cost in the last year, such as energy section, leather, interest rate or labor cost. The main cost in the 4 items mentioned. How is for 2024? Are them effect to the company's profit?
3. For top management, please explain more in detail for collagen group, in term of portion income and future target.



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4. Inquire about the company's financial statements over the past period due to various factors that resulted in a decrease in net profit. How much net profit do the Top Management prediction for 2024?
5. Refer to trend of demand of Electric Vehicle, Thai consumers have good respond. Do have any effect to the automotive market from Japan which the main company customer? Also, the manufacturing for Electric Vehicle from China that set up base factory in Thailand. Are there the opportunity those factory will be our customer? Are there any effect to the company?
6. Within the next 1-2 years, does the company have any opportunities to invest or any projects within the investment budget above 50 million baht or 100 million baht?
7. Tanning factory, dyeing factory and spraying factory where the company has expanded. How much is the expected capacity utilization rate in 2024?
8. How much did Wolverine acquire? Where does the investment in this segment come from? In order to recover the bank loan. Has the loan in that part been recorded in the account in 2023 or 2024?

**Dr. Somchai Harnhiran**, Chairman of the Board, the inquiries from shareholder, Mr. Wasin Thumrongsakunvong is a person who explain in the overall. However, some details are still being processed and cannot be provided. The company would like to assure all shareholders that all processes have been considered by the Company's Board of Directors. Whether it's about operational goals, revenue, or new business operations. In the part of electric vehicles from the executive's perspective, the company's business is not related to engines. The company is an indirect manufacturer of leather seats and leather parts for automotives, which expected that in the future there will be an opportunity to gain more customers from moving to set up a production base in Thailand. The company is confident that it is ready to develop in a steadily step-by-step manner.

**Mr. Wasin Thumrongsakunvong**, Director, explain in general as follow:

- **In 2024, due to the acquisition of Wolverine's assets, it is a succession of units and transfer to the company, with an expected increase in revenue share of 40-45%. Accounting data reflects the acquisition of assets in December 2023 with United State, while the purchase of leather raw materials in China and Vietnam was made in January 2024, which will be reflected in the financial statements for the first quarter.**
- **Due to the situation of increasing of labor cost, electricity and fluctuating foreign exchange rates, it has affected the business cost, which has caused the company's net profit to decrease. However, the company has controlled production costs, such as by experimenting with new technologies to reduce the manpower.** Some processes cannot be replaced by 100% machines, the company will try to adjust the plan to use manpower efficiently. Beside this, in this year the company has invested in a Solar Rooftop power generation system project at Factory 7, which will be completed in the third quarter. For the production capacity of leather for car seats, there is still sufficient capacity. In case of any changes, the company can utilize this production capacity for other departments.

**Mr. Ongart Thumrongskaunvong**, Vice Chairman and Managing Director. Regarding collagen, samples have been sent to customers in China. The approach has been adjusted according to market demand by developing protein powder production and building a factory with a production capacity of 10 tons/day. This business requires a large number of orders, if the factory does not have sufficient production capacity, it will not be able to sell. The factory has been completed and now entering the testing the machine stage. The company has already negotiated with customers and received purchase orders, expected that there will be a response in the third quarter.

**Dr. Somchai Harnhiran**, Chairman of the Board, the inquiries from shareholder, asked shareholders if anyone had any further questions or comments. When no one wished to ask questions or express opinions to the meeting.



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Therefore, was informed that the meeting had proceeded with all agenda items specified in the meeting invitation letter. I would like to thank the shareholders who took the time to attend the Company's 2023 Annual General Meeting and would like to close the meeting

Close meeting at 15.30

**Dr. Somchai Harnhiran**

(Chairman)