

**Invitation to  
2010 Annual General Meeting of Shareholders.**



**Stars Microelectronics (Thailand) Public Company Limited**

**SMT**

**Thursday, 29 April 2010 at 14.30 hours**

**at Jupiter Room, 3<sup>rd</sup> Floor, Miracle Grand Convention  
Hotel, Viphavadi-Rangsit Road, Bangkok Metropolis**



## Invitation to 2010 Annual General Meeting of Shareholders

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**Note** For any queries, please forward your questions through the e-mail address: [ir@starsmicroelectronics.com](mailto:ir@starsmicroelectronics.com) or facsimile 035-221 778

**For more Information:** Compliance & Legal Department

Stars Microelectronics (Thailand) Public Company Limited.

Tel: 035-221 777 ext. 309



7 April 2010

Subject : Invitation to 2010 Annual General Meeting of Shareholders.  
To : Shareholders  
Attachments : 1. Copy of Minutes of 2009 Annual General Meeting of Shareholders dated 18 March 2009  
2. Annual Report for the Year 2009 (CD-Rom)  
3. Curricula Vitae of the Nominated Persons to be Directors in Replacement of Those Who Will Retire by Rotation  
4. Details of the Employee Stock Option Plan for Directors and/or Employees of the Company  
5. Company's Articles of Association Relating to the General Meeting of Shareholders  
6. Documents Required Prior to Attending the Meeting, Proxy, Registration and Voting  
7. Profile of Independent Director Proposed by the Company to Represent Shareholders  
8. Proxy Form A, Form B and Form C  
9. Map to Miracle Grand Convention Hotel

The Board of Directors of Stars Microelectronics (Thailand) Public Company Limited has passed a resolution to convene the 2010 Annual General Meeting of Shareholders on **Thursday, 29 April 2010 at 14.30 hours at Jupiter Room, 3<sup>rd</sup> Floor, Miracle Grand Convention Hotel, Viphavadi-Rangsit Road, Bangkok Metropolis** to consider the following agendas:

**Agenda 1 Adoption of Minutes of 2009 Annual General Meeting of Shareholders**

**Preamble:** The Minutes of 2009 Annual General Meeting of Shareholders held on 18 March 2009 were submitted to the Ministry of Commerce within the time period required by law.

**Board of Directors' Opinion:** The Board of Directors informs the Meeting that the Minutes of 2009 Annual General Meeting of Shareholders held on 18 March 2009 has correctly been stated and recommends the Meeting to approve the said Minutes. A copy of Minutes of 2009 Annual General Meeting of Shareholders dated 18 March 2009 is attached in Attachment 1.

**Agenda 2**     **Be informed of the BD's report on the Company's performance in fiscal year 2009.**

**Preamble:** The Company has summarized its operating results for the year ended on 31 December 2009 and major developments happening during the past year. To comply with the Public Limited Companies Act B.E. 2535 (Amended B.E. 2551) and Article 29 of the Articles of Association of the Company, the Board of Directors is required to report the Company's performance in the past year to the Meeting as per the Annual Report for the year 2009 (CD-Rom) in Attachment 2.

**Board of Directors' Opinion:** The Board of Directors informs the Meeting about the Company's operating results for the year 2009 for the Meeting to acknowledge.

**Agenda 3**     **Consider and approve the balance sheet and income statement for the year ended on 31 December 2009 and the report of the external auditor.**

**Preamble:** The Company prepared the balance sheet and the income statement for the accounting period ended on 31 December 2009, which were audited by the external auditor and endorsed by the Audit Committee. To comply with the Public Limited Companies Act B.E. 2535 (Amended B.E. 2551) and Article 29 of the Articles of Association of the Company, the Annual General Meeting of Shareholders is required to consider and approve the balance sheet and income statement.

**Board of Directors' Opinion:** The Board of Directors requests the Meeting to consider and approve the balance sheet and income statement of the year ended on December 31, 2009 and the report of the external auditor, as reviewed by the Audit Committee. The summary of the Company's financial status and performance during the year 2009 is as follows:

Total Assets	4,378	Million Baht
Total Liabilities	2,679	Million Baht
Net Sales	11,051	Million Baht
Net Profit	267	Million Baht
Net Profit per Share	0.89	Baht/Share

Details of the above are shown in the Company's Annual Report for the year 2009 in Attachment 2.

**Agenda 4** Consider and approve setting aside the profit as legal reserves and dividend payments for fiscal year 2009.

**Preamble:** Article 37 of the Articles of the Association of the Company obliges the Company to set aside 5% of the annual net profit as the reserves until the reserves reach 10% of the Company's registered capital. Besides, the Board of Directors' Meeting No. 1/2008, under Agenda 7, resolved that the Company can pay approximately 40% of its net profit as dividends (with conditions) after the deduction of the legal reserves. The Company's income statement for the accounting period ended on 31 December 2009 shows a net profit of 267.19 million Baht. The Board of Directors after consideration unanimously resolved to approve dividend payments of 0.29 baht per share for fiscal year 2009, worth a total of 106.72 million baht, to be made from the Company's net profit with a corporate income tax exemption granted by BOI. Because the Company paid the interim dividend of 0.14 baht per share on 4 December 2009, the balance of the dividend to be paid is at the rate of 0.15 baht per share, worth a total of 55.20 million Baht.

**Board of Directors' Opinion:** The Board of Directors requests the Meeting to consider and approve setting aside the profit as legal reserves and dividend payments for fiscal year 2009 of 0.29 baht per share, worth a total of 106.72 million baht, the Company paid the interim dividend of 0.14 baht per share on 4 December 2009, the balance of the dividend to be paid is at the rate of 0.15 baht per share, worth a total of 55.20 million baht. The Company will pay dividends from the Company's net profits with a corporate income tax exemption granted by BOI.

The Board of Directors has fixed 12<sup>th</sup> May 2010 as the record date to gather the name list of the shareholders entitled to receive the dividend per Section 225 of the Securities and Stock Exchange Act BE 2535 (amended in B.E. 2551), 13<sup>th</sup> May 2010 as the closing date, and 25<sup>th</sup> May 2010 as the date to pay the dividends. This matter shall be presented at the Annual General Meeting of Shareholders for fiscal year 2010.

**Agenda 5** Consider appointing the directors to replace the ones who will complete their terms of office.

**Preamble:** The Public Limited Companies Act B.E. 2535 (Amended B.E. 2551) and Article 13 of the Articles of Association of the Company require the General Meeting of Shareholders to consider and approve the appointment of new directors to replace the ones who will vacate after completing their terms. Each year, one-third of the total number of the directors will vacate the office. The Company's Articles of Association requires that the director who has held office the longest should retire. This year, 3 directors will vacate after completing their terms, comprising the following persons.

1. Associate Professor Dr. Preecha Jarungidanan (Independent Director and Audit Committee Member)
2. Mr. Pitak Sirivanasandha (Director)
3. Ms. Suthiluk Chaikul (Director)

**Board of Directors' Opinion:** The Board of Directors states that the retiring directors, Associate Professor Dr. Preecha Jarungidanan and Mr. Pitak Sirivanasandha, are qualified, knowledgeable, capable, experienced in management and have a clean working record. The Company would like to propose to the Meeting that the two should be reappointed to these same positions for another term and that the BD should appoint Ms. Poonpun Chaikul who is knowledgeable, capable and experienced in management as another director. The Company would like to ask the Meeting to consider appointing the 3 persons as the directors to replace the ones who will vacate after completing their terms, namely:

1. Associate Professor Dr. Preecha Jarungidanan (reappointed to be Independent Director and Audit Committee Member)
2. Mr. Pitak Sirivanasandha (reappointed to be Director)
3. Ms. Poonpun Chaikul (appointed to be Director)

The curricula vitae of the nominated persons, their positions at managerial levels in the listed company and other businesses including the relationship of the nominated persons are attached as Attachment 3.

#### **Agenda 6** Consider and approve the remuneration for the directors.

**Preamble:** In 2009 the Company paid a salary to each director and Audit Committee member of 12,000 baht/month, directors' meeting allowance of 4,000 baht per session and Audit Committee members' meeting allowance of 4,000 baht per session.

**Board of Directors' Opinion:** The Board of Directors considers the suggestions from the Remuneration Committee and the comparison of the remuneration among the listed companies in the same industry, the business expansion and the growth of the net profit of the Company. The Board of Directors would like to propose the following increase in the remuneration of the directors:

1. Chairman 36,000 baht per month
2. Board Director 24,000 baht per month
3. Chairman of Audit Committee 36,000 baht per month
4. Audit Committee Member 30,000 baht per month
5. Attendance Fee for Board of Directors' members and all Sub-Committee members 5,000 baht per session

**Agenda 7**     **Consider and approve appointing and determine the remuneration for the external auditor.**

**Preamble:** The Audit Committee considered and proposed that the Board of Directors approve and forward the Auditor from Ernst & Young Office Limited (“**Ernst & Young**”) to the 2010 Annual General Meeting of Shareholders for considering and appointing the Auditor of Ernst & Young to be the external auditor of the Company for the year 2010. Ernst & Young has experience and a worldwide network and is recognized in many countries. Consequently, the auditing standard of the Company should be raised to the international level. Ernst & Young has a high professional standard with expertise in auditing, good performance as well as no relationship or conflict of interest with the Company, the management of the Company, major shareholders or persons related to the said persons. In 2009, the auditor fee totaled 1,370,000 baht.

**Board of Directors’ Opinion:** The Board of Directors agrees with the Audit Committee to select Ernst & Young Office Limited to be the auditing firm and recommends the 2010 Annual General Meeting of Shareholders to consider and approve the appointment of the auditors from Ernst & Young Office Limited as the Company’s external auditor with the auditor fee of 1,475,000 baht, consisting of the following Certified Public Accountants:

- 1 Mr. Supachai Phanyawattano (Certified Public Accountant License No. 3930);
- 2 Ms. Siraporn Ouaanukul (Certified Public Accountant License No. 3844);
- 3 Ms. Thippawan Nananuwat (Certified Public Accountant License No. 3459).

**Agenda 8**     **Consider and approve further amendments to Article 9 of the Articles of Association.**

**Preamble:** The treasury stock is a tool a company can employ to reflect the appropriate value of the stock, to restructure a company’s financial structure and to solve conflict among shareholders by buying back stocks from shareholders who disagree with the company’s policy. The Stock Exchange of Thailand’s Notice on Information Disclosure and Procedure for Listed Companies to Buy Back its Treasury Stocks and Sell the Purchased Stocks (edition 2) B.E. 2545 dated 22 March 2002 stipulates this procedure for buying back the treasury stocks worth not over 10 percent of the paid-up capital. The company may incorporate this procedure in its Articles of Association entitling the Board of Directors to approve such purchase. This will enable the BD to make a prompt decision to buy back the stocks when the situation is favorable, saving the time and expenses of calling a shareholder meeting. If the company wishes to buy back stocks worth more than 10 percent of the paid-up capital, it should seek an approval from the general shareholder meeting first before proceeding.

**Board of Directors’ Opinion:** The Board of Directors is of the opinion that the 2010 Annual General Meeting of Shareholders should approve the additional amendments to Article 9 by deleting the following original wording of Article 9 concerning buying back stocks:

*“Article 9: The company is prohibited from possessing or pawning its own stocks except the case in which stocks are bought back in accordance with Public Limited Companies Act (edition 2) B.E. 2544.*

*The buying back of shares, sale of shares and elimination of registered shares which have not been sold, shall be in keeping with the relevant ministerial regulations.”*

The following wording should substitute

*“Article 9: The company shall not own its shares or take them in pledge except the following cases:*

*(1) The company may buy shares back from the shareholders who vote against the resolution of the shareholder meeting to amend the articles of association of the company concerning the right to vote and the right to receive dividends whereby the shareholders consider it to be unfair to them.*

*(2) The company may buy shares back for financial management purposes after the company has retained earnings and surplus liquidity, and the buying back does not cause financial difficulties to the company.*

*The shares held by the company shall not be counted as part of a quorum of the shareholder meeting, and shall not give the right to vote and receive dividends.*

*The shares bought back under the first paragraph, shall be sold by the company within the period specified in the ministerial regulations. If such shares have not been sold in their entirety within the period specified, the company shall reduce its paid-up capital by eliminating the registered shares which have not been sold.*

*The buying back of shares, sale of shares and elimination of registered shares which have not been sold, shall be in accordance with the rules and procedure prescribed in SET’s requirements, notification, order, or regulations.*

*Buying back shares worth less than 10 percent of the paid-up capital shall be considered and approved by the Board of Directors. If the number of the shares bought back exceeds 10 percent of the paid-up capital, the company requires the approval from the shareholder meeting with the majority of the votes of the shareholders who attend the meeting and have the right to vote. The company shall buy back shares within 1 year starting from the day the resolution was adopted by the shareholder meeting or the Board of Directors, depending on the case.”*

**Agenda 9 Consider and approve the issuance of warrants per the Employee Stock Option Plan which will be allocated to directors and employees of the Company.**

**Preamble:** The Company will offer warrants to buy its common shares to its directors and employees to reward and motivate its directors and employees to devote themselves to the Company. Generally, this will bring maximum benefit to the Company and its shareholders and encourage its directors and employees to continue to work for the Company for a long time, leading to a good impact on the Company’s operation and business in the future.



**Board of Directors' Opinion:** The Board of Directors considered and recommended that the shareholders should approve the issuance of the warrants, 7,500,000 in number, under the ESOP program, which will be allocated to directors and employees of the Company.

The Company's objectives in issuing warrants to directors and employees of the Company under the ESOP program are to motivate and to retain knowledgeable and capable directors and employees of the Company, which will benefit the Company in the long run, resulting in an increase in the share value to shareholders.

The Board of Directors and/or the Chairman of the Board will determine the allotment as deemed appropriate and directly allot to the employees of the Company, and not offering through an intermediary, taking into account the position of employees including job description, responsibility to the Company, term of work, experience and contributions toward the Company. The Board of Directors and/or the Chairman of the Board, or the person authorized by the Board, are empowered to consider and determine any other details regarding the issuance of the warrants, including the process to obtain the approval from any authority, to undertake any necessary action in relation to such issuance of the warrants (there are no employees who received the allotment of more than 5.00% of the total warrants of the Company.) (Details of the ESOP program in Attachment 4)

**Additional Information:** This agenda requires an approval vote from the shareholder meeting with consent of at least three-fourths of the eligible shareholders who are present at the meeting and have the rights to vote and the maximum objection vote in the matter shall not exceed 10 percent of all votes of the eligible shareholders present in the meeting.

Besides, Mr. Prasart Yunibhand, Independent Director, the Company proposed to represent shareholders, may obtain the allocation of the warrants, totaling 200,000 units or 2.67 percent of the issued warrants.

**Agenda 10** **Consider and approve the increase of the registered capital of the Company from the existing registered capital of Baht 736,000,000 (seven hundred thirty six million Baht) to Baht 751,000,000 (seven hundred fifty one million Baht).**

**Preamble:** The Board of Directors considered and approved offering the warrants, totaling 7,500,000 units, to buy the Company's common shares, to its directors and employees under the ESOP scheme (one warrant equal to one common share). As a result, the Company has to issue new common shares, 7,500,000 in number, to support such exercise of rights (the par value is 2.00 baht per share).

**Board of Directors' Opinion:** The Board of Directors considers and recommends that the shareholders should approve the increase in the registered capital of the Company from the existing registered capital of Baht 736,000,000 (seven hundred thirty six million Baht) to Baht 751,000,000 (seven hundred fifty one million Baht).

The increase in the Company’s registered capital from the Company’s prior registered capital of Baht 736,000,000 (seven hundred thirty six million Baht) to Baht 751,000,000 (seven hundred fifty one million Baht) comprises 375,500,000 ordinary shares at a par value of Baht 2.00 each (two Baht), equivalent to the total registered capital of Baht 751,000,000 (seven hundred fifty one million Baht). The issuance of 7,500,000 new ordinary shares is for the conversion rights of warrants to be offered to directors and employees of the Company.

This agenda requires an approval vote from the shareholder meeting with consent of at least three-fourths of the eligible shareholders who are present at the meeting and have the rights to vote according to Article 28 of the Articles of Association.

**Agenda 11** **Consider and approve the amendment to item 4 of the Memorandum of Association of the Company in order to comply with the increase in the Company’s registered capital.**

**Preamble:** The Board of Directors considered and approved offering the warrants to buy the Company’s common shares, to its directors and employees under the ESOP scheme. This requires an increase in the registered capital and an amendment to item 4 of the Memorandum of Association as follows:

*From the following original wording:*

Item 4	The Registered Capital	736,000,000	Baht	(seven hundred thirty six million Baht)
	Divided into	368,000,000	Shares	(three hundred sixty eight million Shares)
	at the par value of	2.00	Baht	(two Baht)
	Categorized into Ordinary Shares	368,000,000	Shares	(three hundred sixty eight million Shares)
	Preferred Shares	-	Shares	(-)

*To the following amended wording:*

Item 4	The Registered Capital	751,000,000	Baht	(seven hundred fifty one million Baht)
	Divided into	375,500,000	Shares	(three hundred seventy five million and five hundred thousand Shares)
	at the par value of	2.00	Baht	(two Baht)
	Categorized into Ordinary Shares	375,500,000	Shares	(three hundred seventy five million and five hundred thousand Shares)
	Preferred Shares	-	Shares	(-)

**Board of Directors' Opinion:** The Board of Directors considered the details of this agenda and suggested that the shareholders should approve the amendment to item 4 of the Memorandum of Association of the Company in order to be consistent with the increase in the Company's registered capital.

This agenda requires an approval vote from the shareholder meeting with consent of at least three-fourths of the eligible shareholders who are present at the meeting and have the rights to vote according to Article 28 of the Articles of Association of the Company.

**Agenda 12**     **Consider and approve the allotment of 7,500,000 new ordinary shares at the par value of Baht 2.00 each for the conversion rights of the warrants to be allocated to directors and employees of the Company (ESOP).**

**Preamble:** New common shares to raise the registered capital are to support the exercise of the warrants to buy the Company's common shares. The warrants are allocated to the Company's directors and employees free of charge under the ESOP scheme. The number of the warrants is 7,500,000 units at the par value of Baht 2.00 each. The exercise price is 4.50 baht per share. The exercise ratio is one warrant equal to one common share. The exercise period is 4 years starting from the date of the issuance of the warrants. (Details of the ESOP scheme are per Attachment 4.)

**Board of Directors' Opinion:** The Board of Directors considered details of this agenda and suggested that the shareholders should approve the allotment of the above-mentioned new ordinary shares.

This agenda requires an approval vote from the shareholder meeting with majority consent of the eligible shareholders who are present at the meeting and have the rights to vote according to Article 28 of the Articles of Association of the Company.

**Agenda 13**     **Consider any other businesses (if any).**

All shareholders are hereby invited to participate in the 2010 Annual General Meeting of Shareholders at the date, time and place mentioned above. The commencement for registration to attend the Meeting will be from 13.00 hours. The shareholders who wish to appoint a person to attend and vote at the Meeting on your behalf, please complete and duly execute only one of the two Proxy Forms (Form A, Form B or form C) attached in Attachment 8.

To facilitate the registration process for taking part in the general meeting of shareholders, the shareholders and proxies shall bring and show official documents and proxy forms proving your rights to attend the meeting on the aforementioned meeting day.

You may appoint Mr. Prasart Yunibhand, an Independent Director, who has no conflict of interest in the Election of Directors agenda, as your proxy.



Please kindly submit the completed Proxy Form to the Company by Tuesday, April 27, 2010.

For your convenience, the Company will prepare stamps for affixing to the proxy forms during the registration to attend the Meeting.

Yours faithfully,

*-Signature-*

Mr. Yunyong Sawasdi  
Company's Secretary  
By Order of the Board of Directors

**MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR 2009**  
**OF**  
**STARS MICROELECTRONICS (THAILAND)**  
**PUBLIC COMPANY LIMITED**

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**Time and Place**

Held on 18 March 2009 at 14.00 p.m. at Stars Microelectronics, No. 605-606, Moo 2, Tambol Klongjig, Amphur Bang Pa-In, Ayutthaya Province.

**Preliminary Proceeding**

Mr. Yunyong Sawasdi, the Board of Directors Secretary, stated that Mr. Somnuk Chaikul, Chairman of the Board of Directors, and Mr. Pitak Sirivanasandha, Vice Chairman, had important engagements and could not attend the meeting. Article 27 of the Articles of Association requires a shareholder to select another shareholder to serve as the chairman of the meeting. Mr. Yunyong Sawasdi, as a shareholder, proposed that the Annual General Meeting of Shareholders should select Mr. Polsak Lertputipinyo as Chairman because he currently assumes the position of Chief Executive Officer and is a shareholder. The Annual General Meeting of Shareholders consequently chose Mr. Polsak Lertputipinyo as the chairman of the meeting.

Mr. Yunyong Sawasdi, BD Secretary, invited Mr. Polsak Lertputipinyo, the chairman of the meeting, to declare the meeting open. He welcomed shareholders to the Annual General Meeting of Shareholders for 2009, delivered an opening speech and assigned Mr. Yunyong Sawasdi, the BD Secretary, to conduct the meeting. The Secretary announced that 29 shareholders and proxies possessing a total of 186,084,783 shares or representing 67.42 per cent (the total shareholders of the Company are 286 persons and the total shares of the Company are 276,000,000 shares) participated in the meeting and that a forum was formed. The Secretary then started and conducted the meeting as follows:

**Agenda 1**      **Information from Chairman**

The chairman of the meeting informed the Annual General Meeting of Shareholders that the Company had received a telephone message from TISCO

Securities Company Limited, the Company's financial advisor, that the Office of the Securities and Exchange Commission (SEC) had started to count day 1 in considering and approving the Company's Initial Public Offering (IPO) and would notify the Company of its decision within 45 days starting from that day. SEC would send its confirmation letter in writing to the Company again. The Company could mull over and choose the date for its IPO within 6 months starting from the date the Company had received the approval from SEC. If the Company was not ready or the market condition was not favorable, the Company could file for an extension of no more than 6 months. Should this deadline pass, the Company would be obliged to submit a new filing.

**Agenda 2**      **Adoption of Minutes of Extraordinary Meeting of Shareholders No. 1/2009**

Stars Microelectronics (Thailand) Public Company Limited organized its Extraordinary Meeting of Shareholders No. 1/2009 on 16 January 2009 to discuss 6 agendas.

The Board of Directors was of the opinion that the minutes of the Extraordinary Meeting of Shareholders No. 1/2009 should be forwarded for the Annual General Meeting of Shareholders for 2009 to consider and approve. The BD had considered the said minutes and found the minutes were correctly recorded and true to the fact.

**Resolved:**      The Shareholder Meeting after consideration unanimously resolved to approve the minutes of the Extraordinary Meeting of Shareholders No. 1/2009.

**Agenda 3**      **Consider and be informed about the Company's operating results of year 2008.**

The BD Secretary stated that the Company had summarized its operating results and major developments during the past year. The Public Limited Company Act and the Company's Articles of Association require the BD to announce the Company's operating results during the past year to the general shareholders' meeting.

The BD was of the opinion that the Annual General Meeting of Shareholders for 2009 should be informed about the Company's operating results per the financial statements for the year ended on 31 December 2008 and strategic direction summarized as follows:

Operating Results	Year 2007	Year 2008
1. Total Revenue (MB)	11,685.33	12,145.56
2. Net Profit (MB)	197.67	200.94

The BD Secretary invited Mr. Polsak Lertputipinyo, Chief Executive Officer, to present the Company's operating results for the year ended on 31 December 2008 to the Annual General Meeting of Shareholders for 2009.

Mr. Polsak Lertputipinyo, CEO, reported the following important matters to the Annual General Meeting of Shareholders for 2009:

- Mission Statement
- Fighting Global Economic Recession
- 2008 Achievements
- Key New Products

Mr. Polsak said the Company's mission statement in 2009 is "Stars to lead the industry in the advanced manufacturing technology." He then said the projected sales revenue from major customers' orders would slightly drop. However, the Company expects to gain orders from new customers in Europe and the projected net profit in 2009 should rise when compared with the previous years. The following table shows the net profits:

unit: million baht

Year	Sales Revenue	Net Profit
2005	4,461.81	44.79
2006	7,976.50	103.25
2007	11,685.43	197.67
2008	12,127.27	200.94
2009	11,106.50 (Projected)	250.64(Projected)

The following table compares the Company's operating results in 2008 and in 2007:

unit: million baht

Operating Results	2008	% of revenue	2007	% of revenue
Revenue (excluding foreign exchange gain/ loss)	12,145.5 6	100.00%	11,667.3 7	100.00%
Costs of Sales and Service	11,686.7 8	96.22%	11,301.1 1	96.86%
Gross Profit	458.78	3.78%	366.26	3.14%
Operating Profit (excluding foreign exchange gain/ loss)	241.64	1.99%	179.71	1.54%
Net Profit	200.94	1.65%	197.67	1.69%

Mr. Polsak further said that the Company had prepared a strategic plan to fight the world economic crisis. The plan contains concrete actions that allow the Company's employees to know the Company's direction and comprises the following 3R strategy:

Relief	-Apply Lean Management Concept to reduce various costs. -Apply financial control with discipline.
Reform	-Reshuffle, reorganize and rotate jobs to enhance skills. -Create an environmentally friendly operations system. -Eliminate unnecessary processes/ activities.
Recover	-Focus on new customers in niche markets that offer high-end products. -Drive the Company's sales channels to find new customers in Europe, USA and Asia.

In 2009, the Company will place emphasis on new customers in niche markets that have low competition but require high technology. The Company will develop new products with customers. Currently there are 5 new customers and mass production will start in the latter half of the year. These customers' products included MEMS (Micro-Electro-Mechanical System) devices, intelligent smartcards, etc.



New products of existing customers continue to be important and are developed through joint innovation. The Company will focus on Touch Screen that brings high margins and is needed in the world market. There are over 20 products of Touch Screen. Besides, there are Touch Pad modules (ALL PET) which are the Company's technology. The Company together with its customer registered the patent in America. The Company has been awarded the right to solely manufacture this product and can apply this innovation to produce for other customers. Furthermore, the Company is negotiating with other customers in Europe to develop new products.

**Resolved:** The Shareholder Meeting learned about the Company's operating results for 2008.

**Agenda 4** **Consider and approve the report and the financial statements for the accounting period ended on 31 December 2008 as audited by the external auditor and endorsed by the Audit Committee and the BD.**

The BD Secretary stated that the Company had prepared the balance sheet and the income statement for the accounting period ended on 31 December 2008, which were audited by the external auditor and endorsed by the Audit Committee and the BD. The Public Limited Company Act and the Articles of Association require the General Meeting of Shareholders to consider and approve the balance sheet and the income statement so that the shareholders will learn about the Company's operating results and direction during the past year. The BD was of the opinion that the General Meeting of Shareholders should consider and approve the report and financial statements for the accounting period ended on 31 December 2008 as audited by the external auditor and endorsed by the Audit Committee and the BD. The BD Secretary invited Mr. Withaya Yotpraphun, Senior Finance and Accounting Director, to present the details of the report and the financial statements per the enclosed financial report to the Annual General Meeting of Shareholders for 2009.

Mr. Withaya Yotpraphun informed the meeting about the unconditional report and financial statements for the accounting period ended on 31 December 2008 as audited by the external auditor, the details of the balance sheet ended on 31 December 2008, the income statement ended on 31 December 2008, the statement of changes in the shareholders' equity and the statement of cash flow ended on 31 December 2008, and the notes to the financial statements consisting of 32 items.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to approve the proposed report and financial statements for the accounting period ended on 31 December 2008 as audited by the external auditor and endorsed by the Audit Committee and the BD.

**Agenda 5** **Consider and approve setting aside the annual net profit as legal reserves and consider dividend payments for 2008.**

The BD Secretary stated that the Company's income statement for the accounting period ended on 31 December 2008 shows a net profit of 200.94 million baht and the Company's Articles of the Association obliges the Company to set aside 5% of the annual net profit as the reserves until the reserves reach 10% of the Company's registered capital. Besides, the Board of Directors' Meeting No. 1/2008, under Agenda 7, resolved that the Company could pay approximately 40% of its net profit as dividends (with conditions).

The BD was of the opinion that the Annual General Meeting of Shareholders for 2009 should consider and approve the Company's reserving 5% of its annual net profit until the reserves reach 10% of the Company's registered capital but disapprove the dividend payments because the Company had better use its profit from the operating results for 2008 to maintain liquidity and as working capital.

A shareholder asked about the Company's legal reserve amount. Mr. Withaya Yotpraphun, Senior Finance and Accounting Director, replied that the Company's legal reserves already amounted to 5.6% of its registered capital.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to approve setting aside 5% of its annual net profit as the legal reserves until the reserves constitute 10% of the Company's registered capital and skipped the dividend payment in 2008.

**Agenda 6** **Consider and propose the appointment of the directors to replace the ones who will vacate after completing their terms, to the shareholders.**

The BD Secretary stated that the Public Limited Company Act and the Company's Articles of Association require the General Meeting of Shareholders to consider and approve the appointment of new directors to replace those who will vacate after completing their terms. Each year, one-third of the total number of the directors shall vacate the office. At the moment, there are a total of 10

directors. This year, 4 directors shall vacate after completing their terms, comprising the following persons.

1. Mr. Somnuk      Chaikul
2. Mr. Polsak      Lertputipinyo
3. Mr. Toru        Uchino
4. Mr. Tetsuo      Tsujimoto

The BD was of the opinion that all the directors, who will complete their terms of service in this year, are qualified, knowledgeable, capable, experienced in management or running the Company's business, possess a clean and unblemished record. The BD thus thought that the Annual General Meeting of Shareholders for 2009 should reappoint the proposed directors to resume another term of office.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to approve the appointment of the 4 directors, who will complete their terms of service in this year, to these same positions for another term.

**Agenda 7**      **Consider and determine the remuneration of the directors.**

The BD Secretary stated that in 2008, the Company pays each Board director and Audit Committee member a monthly salary of 12,000.00 baht, a meeting allowance of 4,000.00 baht per one meeting for each Board director and a meeting allowance of 4,000.00 baht per one meeting for each Audit Committee member.

The BD was of the opinion that the Shareholder Meeting should consider and approve the remuneration for the directors and therefore unanimously resolved to propose that the General Meeting of Shareholders should further consider and approve.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to approve paying the same remuneration rate to the directors for another term. Thus, each Board director and each Audit Committee member receive a monthly salary of 12,000.00 baht and an allowance of 4,000.00 baht for each Board meeting and an allowance of 4,000.00 baht for each Audit Committee meeting.

**Agenda 8 Consider and approve appointing the external auditor and determine the remuneration for 2009 as endorsed by the Audit Committee and the Board of Directors.**

The Company Secretary stated that the Public Limited Company Act and the Company's Articles of Association require the General Shareholders' Meeting to consider and approve appointing the accounting auditor and determine the remuneration. In 2008, the Company appointed the following accounting auditors from Ernst & Young Office Limited as the Company's external auditor for the remuneration of 1,050,000.00 baht:

**Certified Auditors**

No.	License	Name of Certified Auditor
1.	3315	Mr. Narong Puntawong
2.	3930	Mr. Supachai Phanyawattano
3.	3844	Ms. Siraporn Ouaanunkul

The Audit Committee after consideration thought that the accounting auditors from Ernst & Young Office Limited performed their duties appropriately with no conflicts of interest with the Company, management, or major shareholders, or those related to the aforementioned persons. They exercised their freedom to carry out their tasks and express their opinions. With the approval of the Audit Committee, the BD was of the opinion that the accounting auditors from Ernst & Young Office Limited should be appointed as the Company's external auditor in 2009 and the remuneration is 1,300,000 baht. The names of the auditors are as follows:

No.	License	Name of Certified Auditor
1.	3315	Mr. Narong Puntawong
2.	3930	Mr. Supachai Phanyawattano
3.	3844	Ms. Siraporn Ouaanunkul

Initially, Ernst & Young Office Limited proposed a remuneration of 1,350,000 baht. The Audit Committee asked for a reduction to 1,300,000 baht. Ernst & Young Office Limited gave the following reasons for the increase:

1. The Company has Stars Microelectronics USA, Inc. as its subsidiary. This calls for consolidation of the financial statements and more time to contact foreign accounting auditors.
2. The Company's accounting contains relatively many adjusted items and this requires a fairly long time to audit at the Company.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to approve the appointment of the accounting auditor from Ernst & Young Office Limited as the Company's external auditor in 2009 consisting of Mr. Narong Puntawong holding the license No. 3315, Mr. Supachai Phanyawattano holding the license No. 3930, and Ms. Siraporn Ouuanunkul holding the license No. 3844. The annual remuneration for the external auditor in 2009 is 1,300,000.00 baht.

**Agenda 9** **Consider revoking the authority and duty of the Audit Committee (old version) approved by the Extraordinary Meeting of Shareholders No. 2/2002 under Agenda 5, and consider approving the duty and responsibility of the Audit Committee (new version).**

The BD Secretary stated that the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) had revised the regulations on setting the scope and responsibility of the Audit Committee. The new regulations will apply to listed companies which hold an annual general meeting of shareholders in 2009 onwards. TISCO Securities Company Limited, the Company's financial advisor, recommended the Company to revise the content so it is correct and conforms to the new regulations. The Extraordinary Meeting of Shareholders No. 2/2002, under Agenda 5, approved the authority and duty of the Audit Committee (old version). Therefore, the Company had prepared the duty and responsibility of the Audit Committee (new version) which was endorsed by the Audit Committee and the BD. One major duty and responsibility of the Audit Committee is to hold a meeting with the external auditor with no participation from the Company's management at least once a year.

The BD was of the opinion that the duty and responsibility of the Audit Committee (new version) was revised to comply with the new requirements of

SEC and SET and was considered by the Audit Committee and the BD. The Annual General Meeting of Shareholders for 2009 was asked to consider and approve revoking the authority and duty of the Audit Committee (old version) approved by the Extraordinary Meeting of Shareholders No. 2/2002, under Agenda 5, and consider and approve the duty and responsibility of the Audit Committee (new version) to be in compliance with the new requirements of the SEC and SET.

**Resolved:** The Shareholder Meeting after consideration unanimously resolved to revoke the authority and responsibility of the Audit Committee (old version) approved by the Extraordinary Meeting of Shareholders No. 2/2002, under Agenda 5, and approved the proposed duty and responsibility of the Audit Committee (new version).

**Agenda 10 Consider any other businesses (if any).**

After the meeting considered all the agendas contained in the invitation letter, the BD Secretary asked if any shareholder wished to table any other matters.

Nobody raised any other matters for consideration. The BD Secretary invited Mr. Polsak Lertputipinyo, Chairman of the Meeting, to make a closing speech.

He thanked all the shareholders who attended the meeting and declared the Meeting closed at 15.20 p.m.

-Signature-

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( Mr. Polsak Lertputipinyo )  
Chairman of the Meeting

-Signature-

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( Mr. Yunyong Sawasdi )  
The Board of Directors' Secretary

## Curricula Vitae of the Nominated Persons to be Directors in Replacement of Those Who Are Retired by Rotation

**Associate Professor Dr. Preecha Jarungidanan** (63 years of age)



### Educational Background

- Bachelor of Economics, Major in Finance and Banking, Thammasat University
- Master of Economics, Major in Public Finance, California State University, Long Beach, USA.
- Doctor of Philosophy (Ph.D.) in Economics, Major in Monetary Theory, University of Missouri – Columbia, USA.

### Work Experience

- **Present:**
  - Independent Director and Audit Committee Member of Stars Microelectronics (Thailand) PCL.
  - Academic Specialist, MBA Program, The National Institute of Development Administration
  - Director and Audit Committee Member of Kim Eng Securities (Thailand) PCL.
  - Director and Audit Committee Member of Lam Soon (Thailand) PCL.
  - Director and Audit Committee Member of Thai-German Products PCL.
  - Honorary Director of Public Debt Management Control and Policy Committee, The Public Debt
  - Director of Office of the National Research Council of Thailand, Economics Department
  - Director of Office of the Public Sector Development Commission Thailand
  - Honorable Sub-Committee Member of Office of the Higher Education Commission
- **Past:**
  - President of the National Institute of Development Administration

### Training History

- Director Accreditation Program (DAP) Class of 9/2004 Thai Institute of Directors
- Director Certification Program (DCP) Class of 89/2007 Thai Institute of Directors
- Audit Committee Program (ACP) Class of 24/2008 Thai Institute of Directors

### Summarized Past Achievements

Associate Professor Dr. Preecha Jarungidanan is an expert in economics holding a Ph.D. in Monetary Theory from the University of Missouri, Columbia, USA. He has high experience in management both in the private and public sectors. He was a former President of the prestigious National Institute of Development Administration (NIDA). In his tenure as the Company's Board Director, he has brought his invaluable experience to greatly benefit the Company. In addition, he serves as Independent Director, Member of the Audit Committee and Chairman of the Remuneration Committee of the Company.

**Mr. Pitak Sirivanasandha** (59 year of age)



### **Educational Background**

- Bachelor of Engineering, Major in Electricity, Faculty of Engineering Chulalongkorn University
- Master of Engineering, Major in Electricity, University of Detroit, USA

### **Work Experience**

- **Present:**
  - Director of Stars Microelectronics (Thailand) Public Company Limited
- **Past:**
  - Senior Engineer Forrest Coile Associates, P.C., Virginia, U.S.A.
  - Senior Engineer GTE Products Corp., Virginia, U.S.A.
  - Engineer, Planning Research Corp., NASA, Kennedy Space Center, Florida, U.S.A.
  - Chief Executive Officer of Stars Microelectronics (Thailand) Public Company Limited
  - Director of Electronic & Computer Employers' Association
  - Engineer, Electricity Generation Authority of Thailand
  - Vice President of Thai Factory Development Public Company Limited
  - Executive Director and Project Manager of Sri Sukho Thai Mansion Company Limited
  - Executive Director and Project Manager of United Reality Company Limited
  - Project Manager of Porn Sawas Building Limited Partnership
  - Managing Partner in P.T.S Enterprise Limited Partnership
  - Medallion Award: ALT Award –ALT flights of the Space Shuttle Orbiter

### **Training History**

- Director Accreditation Program (DAP) Class of 29/2004 Thai Institute of Directors

### **Summarized Past Achievements**

Mr. Pitak Sirivanasandha is knowledgeable and capable with extensive experience in management useful to the Company's business. He studied engineering. Because he used to be the Company's CEO, he knows and understands the nature of the Company's business and the electronics industry very well. He has been the Company's Director for a long time and shared his helpful opinions and experience in management to considerably benefit the Company's operations. Moreover, he serves as Vice Chairman of the Board of Directors and Director of the Remuneration Committee of the Company.



**Mrs. Poonpun Chaikul** (50 year of age)

**Educational Background**

- Bachelor' Degree in Business and Administration, Bangkok University



**Work Experience**

- **Present:**
  - Director of Thai Maparn Trading Company Limited
  - Director of TMP Rice Mill Company Limited
  - Director of Cheeva Rice Company Limited
  - Director of Sri Sukho Thai Resort Company Limited
  - Chairman of Kulphassorn Company Limited

**Training History**

- Mini – M.B.A. Faculty of Commerce and Accountancy, Chulalongkorn University
- The Boss (7<sup>th</sup> Clause)

**Summarized Past Achievements**

Mrs. Poonpun Chaikul possesses vast knowledge and broad experience in management. She has assumed the position of Director for a long time. She thus understands the role and responsibility required of a director extremely well. She will play an important role in advancing the work of the Board of Directors both now and in the future.

## Details of the Employee Stock Option Plan for Directors and/or Employees of the Company

1. Objectives: To motivate and to retain knowledgeable and capable directors and employees of the Company, this will provide the Company with the benefits at most over the long-term, leading to the increase of the share value to shareholders.
2. Preliminary Details of the Warrants:

Type of Warrants:	Warrants to purchase the Company's common shares, name-specified and non-transferable type unless by hereditary transfer.
Issue Size:	7,500,000 (2.04% of the paid-up registered capital as of December 31, 2009)
Allotment Method:	To be completed within 1 year from the approval date of the Shareholders' Meeting
Allotment Criteria:	The Board of Directors and/or the Chairman of the Board will determine the allotment as deemed appropriate and directly allot to the employees of the Company, and not offering through intermediary, taking into consideration the position of employees including job description, responsibilities to the Company, term of work, experiences and contributions toward the Company. The Board of Directors and/or the Chairman of the Board, or the person authorized by the Board, are empowered to consider and determine any other details regarding the issuance of the Warrants, including the process to obtain the approval from any authority, to undertake any action necessary in relation to such issuance of the Warrants There are no employees who received the allotment more than 5.00% of total warrants of the Company.
Term:	4 years from the issue date
Offering price:	Free (Zero per share)
Exercise price:	Baht 4.50 per share The exercise price is referred from the book value per share as of December 31, 2009 (Baht 4.62 per share) and deducts with a dividend which is announced on March 2, 2010 at Baht 0.15 per share. As a result, the book value is Baht 4.47 per share. The exercise price is discounted from the 7 days weighted average before the BOD's resolution that proposes to the shareholders for seeking an approval to sell warrants to directors and employees during March 4 – 12, 2010 at Baht 6.17 per share. It is equivalent to a discount of 27.07%. This will motivate and provide rewards to directors and employees of the company for their contributions in order to maximize the benefits to the company.
Exercise ratio:	1 ordinary share for 1 warrant
Number of shares reserved for exercise:	7,500,000 shares
Exercise Period:	The Warranholders are entitled to exercise the warrant to purchase ordinary shares of the Company every 3 months during 4 years from the issue date. The Company Board of Directors and/or the Chairman of the Board will determined the first exercise date, as deemed appropriate, with subsequent exercise dates being three months from the preceding exercise dates, and the last exercise date. In case the Exercise Date is the bank's holiday, the Exercise Date shall postpone to the next business day.
Exercisable Amount:	<u>The First and Second Exercise date:</u> The Warranholders can exercise not exceeding 15% of the total number of the Warrants allotted to each Warranholders. <u>The Third and Forth Exercise date:</u> The Warranholders can exercise not exceeding 30% of the total number of the Warrants allotted to each Warranholders (inclusive of the exercisable amount from the first and the second exercise date). <u>The Fifth and Sixth Exercise date:</u>

The Warranholders can exercise not exceeding 45% of the total number of the Warrants allotted to each Warranholders (inclusive of the exercisable amount from the First to the Forth exercise date)

The Seventh and Eighth Exercise date:

The Warranholders can exercise not exceeding 60% of the total number of the Warrants allotted to each Warranholders (inclusive of the exercisable amount from the First to the Sixth exercise date).

The Ninth and Tenth Exercise date:

The Warranholders can exercise not exceeding 80% of the total number of the Warrants allotted to each Warranholders (inclusive of the exercisable amount from the First to the Eighth exercise date).

The Eleventh and the subsequent exercise date:

The Warranholders can exercise not exceeding 100% of the total number of the Warrants allotted to each Warranholders (inclusive of the exercisable amount from the First to the Tenth exercise date).

### 3. Allocation Terms and Conditions and Exercise Conditions of the Warrants:

#### Exercise Period of Warrants

The Warrant-holder who wished to exercise his/her right is required to submit an exercise notice with the Company between 9:00 a.m. and 4:00 p.m. within 5 days prior to each Exercise Date, except for the last exercise where exercise notice must be submitted during 15 days prior to the last Exercise Date. Common shares purchased in every exercise of warrants will be in whole number of a trading unit on the main board of the Stock Exchange of Thailand, except for the last exercise.

### 4. List of Directors Receiving Allotment

	Name	Position	Amount (Units)	% of Total Warrants Issued
1	Mr. Somnuk Chaikul	Chairman	200,000	2.67
2	Mr. Polsak Lertputipinyo	Director and Chief Executive Officer	200,000	2.67
3	Mr. Pitak Sirivanasandha	Vice Chairman	200,000	2.67
4	Miss Suthiluck Chaikul	Director	200,000	2.67
5	Mr. Tetsuo Tsujimoto	Director	200,000	2.67
6	Mr. Chong Kwem Sam	Director	200,000	2.67
7	Mr. Dheerasak Suwannayos	Independent Director and Chairman of the Audit Committee	200,000	2.67
8	Mr. Prasart Yunibhand	Independent Director and Audit Committee	200,000	2.67
9	Mr. Preecha Jarunggidanan	Independent Director and Audit Committee	200,000	2.67

### 5. List of Directors and Employees Receiving More Than 5% of the Total Issue Size

-None-

### 6. Effects of the Issue to Shareholders

#### 6.1 Price Dilution Effect

In the event that all of 7,500,000 units of warrants are being exercised at the exercise price of Baht 4.50 each, given the weighted average market price of the share before the BOD resolution that propose to shareholders to sell warrants to directors and employees (at Baht 6.17 (price

average from March 4 – 12, 2010) and the current paid-up shares of 368,000,000 shares (as of March 15, 2010), the market price of the share will be diluted by 0.54% of the original market price.

#### 6.2 Control Dilution Effect

In the event that all of 7,500,000 units of warrants are being exercised, given the registered shares including underlying shares of the ESOP of 375,500,000 shares, existing shareholders will be diluted by 1.997% in terms of their voting right and their share of profit.

7. Rights of Shareholders in Opposing to the Issuance of the Warrant for Employee Stock Option Plan. According to the SEC's Notification Tor Jor, 32/2551 Dated December 15, 2008, the issuance and offering of warrant to employees must be approved in a Shareholders' Meeting with votes of not less than three quarter of all votes of shareholders attending the meeting and having the right to vote, and must not be opposed by shareholders with an aggregate number of shares exceeding 10% of all votes of shareholders attending the meeting.
8. Other Restrictions: In case of resignation and termination, the remaining warrants belonging to that person shall be cancelled.
9. Proceeds from exercise: Baht 33.75 million (in the event of full exercise at the exercise price of Baht 4.50 per share)
10. Other conditions:  
The Company's Board of Directors and/or the Chairman of the Board shall have the power to amend, add or delete any related terms and conditions as deemed appropriate in order to make the plan conforms to related rules and regulations.

## **Company's Articles Relating to the General Meeting of Shareholders**

### **Shareholder Meetings**

Clause 24 The Board of Directors shall call a shareholder meeting which is an annual ordinary general meeting of shareholders within four months of the last day of the fiscal year of the Company.

Shareholder meetings other than the one referred to in the first paragraph shall be called extraordinary general meetings. The Board of Directors may call an extraordinary general meeting of shareholders any time the Board considers it expedient to do so, or shareholders holding shares amounting to not less than one-fifth of the total number of shares sold, or shareholders numbering not less than twenty-five persons holding shares amounting to not less than one-tenth of the total number of shares sold may submit their names in a request directing the Board of Directors to call an extraordinary general meeting at any time, but the reasons for calling such meeting shall be clearly stated in such request. The Board of Directors shall proceed to call a shareholder meeting to be held within one month of the date of receipt of such request from the said shareholders.

Clause 25 In calling a shareholder meeting, the Board of Directors shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable detail by indicating clearly whether it is the matter proposed for information, for approval, or for consideration, as the case may be, including the opinions of the Board of Directors in the said matters, and the said notice shall be delivered to the shareholders and the Registrar for their information at least seven days prior to the date of the meeting. The notice calling for the meeting shall also be published in a newspaper at least three days prior to the date of the meeting.

The place of the shareholder meeting shall be on the province in which the head office of the company is located or other province in the Kingdom.

Clause 29 The matters which should be conducted by the annual general meeting of shareholders are as follows:

- (1) to consider the report of the board of directors concerning the Company's business in the past year period
- (2) to consider and approve the balance sheet, the statement of profit and loss for the past year period.
- (3) to consider and approve of allocation of profit and a reserve fund.
- (4) to consider and elect new directors in place of those who retire by rotation and fix the remuneration of directors.
- (5) to consider and appoint auditor and fix the auditor fee.
- (6) other business.

### **Proxy and Voting**

Clause 26 At a meeting of shareholders, the shareholder may appoint any other person who is sui juris as proxy present and voting on his behalf. The proxy form must be dated and signed by the principal and according to the form as prescribed by the Registrar.

The proxy form must be submitted to the board chairman or other person designated by the board chairman at the meeting place before the proxy attending the meeting.

Clause 27 The meeting of shareholders must be attended by not less than 25 shareholders or proxies (if any) and holding an aggregate number of shares not less than one-third of all

shares sold or not less than a half of total number of shareholders holding an aggregate number of shares not less than one-third of all shares sold in number to constitute a quorum.

In the event at any meeting of shareholders, after one hour from the time fixed for the meeting commencement, the number of shareholders present is still not enough to form a quorum as required, if such meeting of shareholders was requested for by the shareholders, such meeting shall be revoked. If such meeting of shareholders was not called for by the shareholders, the meeting shall be called for again and in the latter case notice of the meeting shall be delivered to shareholders not less than 7 days before the meeting. In the subsequent meeting no quorum is required.

In the shareholders meeting, the chairman of the board shall be the chairman of shareholders' meetings. If there is not the chairman of the board or the chairman of the board is not present at a meeting, and if there is a vice-chairman, the vice-chairman shall be chairman of the meeting. If there is no vice-chairman or there is a vice-chairman but he cannot perform his duty, the shareholders present at the meeting shall elect one shareholder to be the chairman of the meeting.

Clause 28 A resolution of a shareholders' meeting, the shareholders shall be entitled to one (1) vote per one (1) share. A resolution of the Shareholders' Meeting shall require:

- (1) in a normal case, by the majority vote of the shareholders who attend the meeting and have the right to vote. In case of an equality of vote, the chairman of the meeting shall be entitled to a casting vote.
- (2) in the following cases, by a vote of not less than three-fourths of the total number of shareholders present at the meeting and entitled to vote:
  - a. the sale or transfer of whole or essential parts of business of the Company to other persons.
  - b. the purchase or acceptance of transfer of businesses of other companies or private companies to the Company's own.
  - c. entering into, amending or terminating the contract relating to the leasing out of business of the Company in whole or in essential parts; the assignment to anyone else to manage the businesses of the Company or the amalgamation of the businesses with other persons with an objective to share profit and loss.
  - d. amendment of the memorandum of association or articles of association.
  - e. increase or reduction of the capital of the Company or the issuance of debentures.
  - f. the amalgamation or liquidation of the Company.

### **Directors' Qualifications, Election and Rotation of Directors**

Clause 11 The Company shall have a board of directors comprising at least five directors but not more than fifteen, and not less than half of the Directors shall be residents of the Kingdom. The Directors must have qualifications as per stipulated by law.

No director shall operate, become a partner or a director in any juristic person which has the same nature as and is in competition with the business of the company, unless he or she notifies the shareholder meeting prior to the resolution for his or her appointment.

In conducting the business of the company, the directors shall comply with all laws, objects and the articles of association of the company, and the resolutions of the shareholder meetings in good faith and with care to preserve the interests of the company.

A director shall notify the company without delay when he or she has a direct or indirect interest in any contract which is made by the company during a fiscal year, or holds

shares or debentures of the company or an affiliated company, and shall indicate the total number of shares increasing or decreasing during a fiscal year.

Clause 12 The directors shall be elected at the shareholder's meeting by a majority votes and in accordance with the criteria and procedures as follows:

- (1) Each shareholder shall have one share for one vote
- (2) Shareholder shall elect the Directors individually.
- (3) The persons receiving the highest votes in their respective order of the votes shall be elected as directors at the number equal to the number of directors required at that time. In the event of an equality of votes among the persons elected in order of respective high numbers of votes, which number exceeds the required number of directors of the Company at that time, the chairman of the meeting shall be entitled to a second or casting vote.

Clause 13 At the annual general meeting of shareholders, one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third, must retire from the office.

The director to retire during the first and the second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. A retiring director is eligible for re-election.

Clause 14 A director shall have a right to receive remuneration from the Company in the form of rewards, meeting allowance, gratuity, bonus or other benefits in accordance with the approval of the shareholders' meeting. It may be prescribed in fixed amount or establish the rules and prescribed for particular circumstance(s) or being perpetual rules until be changed by shareholder's meeting resolution. Moreover, a director shall have a right to receive the allowance and welfare according to the Company's rule.

The provisions in the first paragraph shall not affect the right of the director appointed from the officers or employees of the Company to receive remuneration and benefit in his/her capacity as an officer or employee of the Company.

### **Dividend Payment**

Clause 36 Dividends shall not be paid other than out of profits. If the company still has an accumulated loss, no dividends shall be distributed.

Unless otherwise specified by the articles of association regarding preferred shares, dividend shall be distributed according to the number of shares, with each share receiving an equal amount.

Payment of dividends shall be approved by the shareholder meeting.

The Board of Directors may pay interim dividends to the shareholders from time to time, if the Board believes that the profits of the Company justify such payment, and after the dividends have been paid, such dividend payment shall be reported to the shareholders at the following shareholder meeting.

Payment of dividends shall be made within one month from the date of the resolution of the shareholder meeting, or of the meeting of the Board of Directors, as the case may be. The shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper. No dividends shall bear interest if they are paid within the time specified by law.



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Clause 37 The Company shall allocate not less than five percent of its annual profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten percent of the registered capital.



## Documents Required Prior to Attending the Meeting, Proxy, Registration and Voting

### Documents Required Prior to Attending the Meeting

#### **1. For Natural Person**

##### **1.1 Attendance in person:**

A document issued by a government authority, which is not expired, e.g. the identification card, governmental identification card, or passport (for foreign Shareholder), including the evidence of name or last name's change (if any).

##### **1.2 Attendance by proxy:**

- (a) One of the Proxy Forms as attached hereto, completely filled up and signed by the Shareholder and the Proxy;
- (b) Certified true copy document of the shareholder issued by a government authority as specified in Item 1.1;
- (c) A document of the Proxy issued by a government authority as specified in Item 1.1

#### **2. In the event that the shareholder is a juristic person:**

##### **2.1 Attendance in person by an authorized representative of the shareholder:**

- (a) A document of such authorized representative issued by a government authority as referred to in clause 1.1 above;
- (b) A photocopy of the Affidavit of the shareholder, certified as true and correct by its authorized representative and containing details which shows that the representative who attended the meeting is authorized to act on the shareholder's behalf.

##### **2.2 Attendance by proxy:**

- (a) a proxy form, the form of which is attached to hereto, completely filled up and signed by the authorized director(s) of the Shareholder and the Proxy;
- (b) a photocopy of the Affidavit of the shareholder, certified as true and correct by its authorized representative and containing details which shows that the representative who signed the proxy form is authorized to act on the shareholder's behalf;
- (c) Certified true copy of valid evidence of the authorized director(s) signing the Proxy Form as specified in Item 1.
- (d) A document of the Proxy issued by a government authority as specified in Item 1.1

#### **3. In the event that the shareholder is a non-Thai shareholder and appointing the Custodian In Thailand**

- (a) All evidences similar to those of the Juristic Person as specified in Items 2.1 and 2.2
- (b) In case the non-Thai shareholder authorizes the Custodian to sign the Proxy Form on its behalf, the following documents are required :
  - 1) Power of Attorney by the non-Thai shareholder authorizing Custodian to sign the Proxy Form on its behalf.

- 2) Letter certifying that the Custodian is permitted to engage in the Custodian business.

English translation is required to be attached for any original document which is not made in English and such translation must be certified as correct by the authorized representative(s) of such juristic person.

## Proxy

### **Form of the Proxy**

The Proxy Forms attached hereto are according to Regulation of the Department of Business Development, Ministry of Commerce Re: Form of Proxy (No. 5) B.E. 2550, there are 3 Proxy Forms as follows:

- Form A: General Proxy Form (Simple Form)
- Form B: Specific Proxy Form
- Form C: Proxy Form for the non-Thai shareholder appointing the Custodian in Thailand

### **Appointment of Proxy**

Shareholder who is unable to attend the Meeting may appoint a person as your Proxy as follows:

1. Complete only one of above Proxy Forms as follows:
  - 1.1 General Shareholder shall select only one of either Form A or Form B.
  - 1.2 Shareholders listed in the share register book as a non-Thai shareholder appointing the Custodian in Thailand can select only one of three Proxy Forms (Form A, Form B, or Form C).
2. Authorize a person or an Independent Director as specified by the Company (Mr. Prasart Yunibhand) to attend and vote at the Meeting on your behalf by specifying the name with details of a person to be your Proxy or mark  the name of an Independent Director as specified by the Company in the Proxy form.
3. Affix the 20 Baht stamp duty with specifying the date of Proxy Form across such stamp duty. For your convenience, the Company will facilitate in affixing the stamp duty when registering to attend the Meeting
4. Submit the completed Proxy Form together with the Register form (which has a Barcode) in the Company's envelope and return it to the Company by Tuesday, April 27, 2010 or one hour before beginning of the Meeting for verification of documents.

\* In case of the Custodian which granted Proxy from several shareholders, please submit the Proxy form to the Company for verify at lease one day prior to the meeting date by facsimile: 035 221 778 (for information: contact Compliance & Legal Department Tel. 035 221 777 ext 309)

Allocation of shares to several Proxies to vote in the Meeting is not allowed. The Shareholder shall authorize the Proxy to cast the votes by all the shares held by it. Authorization of less than the total number of shares is not allowed *except for the Custodian appointed by the non-Thai shareholder in accordance with Proxy Form C*.

## Meeting Registration

The Company will open the registration counter for meeting attendance from 13.00 hours on Thursday 29 April 2010 Jupiter Room, 3<sup>rd</sup> floor, Miracle Grand Convention Hotel, Viphavadi-Rangsit Rd, Bangkok as per a map in attachment 9.



## Voting

### Voting Regulation

#### **General Agenda:**

1. A voting by voting card, which one share will count as one vote, will be made in each Agenda where the shareholder or proxy shall make only one vote for **approval**, **disapproval** or **abstention**. The allocation of voting is not allowed except for the vote by the Custodian.
2. In Case of Proxy
  - 2.1 The Proxy shall solely vote in accordance with the authorization by the Shareholder as specified in the Proxy Form. Any vote not in accordance with the Proxy Form is invalid and shall not be counted as the vote of the Shareholder.
  - 2.2 In case of the Shareholder does not specify the authorization or the authorization is unclear, the Meeting considers any agenda other than which specified in the Proxy Form, or there is any change of fact, the Proxy shall be authorized to consider and vote such matter as it may deem appropriate.

#### **Election of Director's Agenda:**

In accordance with Clause 12 of the Company's Articles of Association, the Shareholder shall have one vote for one share and shall elect the candidate individually.

### Voting Procedures of each Agenda

The Chairman of the meeting will inform the meeting as to the methods of voting as follows:

1. The Chairman will propose the Meeting to have the vote in each Agenda by asking time by time whether there is any shareholder approve, disapprove or abstain.
2. When the Chairman asks as above, shareholder or the Proxy can vote by mark  in voting card either for approval, disapproval or abstention (except for the vote of Custodian which the allocation of the vote is allowed as specified in the Proxy Form.

### Resolution of the Shareholders' Meeting

- General case: majority vote of the Meeting
- Other case which the laws or the Company's Articles of Association provided otherwise: the vote shall be in accordance with the laws or the Company's Articles of Association. The Chairman shall inform the Meeting before voting each Agenda.
  1. In case a tie of votes, the Chairman of the Meeting shall have a casting vote.
  2. Any Shareholder or the Proxy having any special interest in a matter shall not be permitted to vote on such matter and may be invited by the Chairman of the Meeting to temporarily leave from the Meeting, except for voting on election of the Directors.

### Counting and Announcement of the Vote

Prior to the Meeting, the Chairman shall inform that the counting of votes for each agenda shall be made from the voting of Shareholder or Proxy and the vote result of all Agenda shall be informed to the Meeting before the Meeting is adjourned.

## Profile of Independent Director Proposed by the Company to Represent Shareholders

**Mr. Prasart Yunibhand**

**Position:** Independent Director and Audit Committee Member

**Age:** 62 years old

**Educational Background**

- Bachelor of Law, Faculty of Law, Chulalongkorn University
- Master Degree in International Relations and Law, University of Detroit, USA

**Work Experience**

- **Present:**
  - Independent Director and Audit Committee Member of Stars Microelectronics (Thailand) Public Company Limited
  - Director of ISC (Thailand) Limited
  - Director of Thai Cardif Life Assurance Company Limited
  - Managing Director of Noppong & Prasart Law Office Limited
  - Director of Siam Capital Multi-Services Company Limited
  - Director of Siam-Charoen Capital Services Company Limited

**Training History**

- Director Accreditation Program (DAP) Class of 26/2004 Thai Institute of Directors

Note: Mr. Prasart Yunibhand, Independent Director, the Company proposed to represent shareholders, may obtain the allocation of the warrants, totaling 200,000 units or 2.67 percent of the issued warrants.



**PROXY FORM A (SIMPLE FORM)  
According to Regulation of Department of Business Development  
Re: Form of Proxy (No. 5) B.E. 2550**

Written at \_\_\_\_\_  
Date \_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_

(1) I / We \_\_\_\_\_ Nationality \_\_\_\_\_  
with address at \_\_\_\_\_

being a shareholder of Stars Microelectronics (Thailand) Public Company Limited  
holding the total amount of \_\_\_\_\_ shares .

(2) do hereby appoint either one of the following persons:

(1) \_\_\_\_\_ Age \_\_\_\_\_ Years  
with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(2) \_\_\_\_\_ Age \_\_\_\_\_ Years  
with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(3) Mr. Prasart Yunibhand Age 62 Years  
with address at 586 Road - Sub-District Klongjig  
District Bang Pa In Province Phra Nakorn Sri Ayuthaya Postal Code \_\_\_\_\_ or

as only one of my / our proxy to attend and vote on my/our behalf at the 2010 Annual General Meeting of Shareholders to be held on **Thursday April 29, 2010, 14.30 hours at Jupiter Room, 3rd floor, Miracle Grand Convention, Viphavadi-Rangsit Road, Bangkok Metropolis** or at any adjournment thereof.

For any act performed by the Proxy at the meeting, it shall be deemed as such acts had been done by me / us in all respects.

Signed \_\_\_\_\_ Shareholder  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( Mr. Prasart Yunibhand )

**Remarks:**

1. The Shareholder appointing the Proxy must authorize only one proxy to attend and vote at the meeting and shall not allocate the number of shares to several proxies to vote separately.
2. Mr. Prasart Yunibhand, Independent Director, the Company proposed to represent shareholders, may obtain the allocation of the warrants, totaling 200,000 units or 2.67 percent of the issued warrants (Agenda 9).

**PROXY FORM B (SPECIFIC DETAILS FORM)**  
**According to Regulation of Department of Business Development**  
**Re: Form of Proxy (No. 5) B.E. 2550**

Written at \_\_\_\_\_  
 Date \_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_

(1) I / We \_\_\_\_\_ Nationality \_\_\_\_\_  
 with address at \_\_\_\_\_

(2) being a shareholder of Stars Microelectronics (Thailand) Public Company Limited holding the total amount of \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes as follows;

- ordinary share \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes
- preferred share \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes

(3) do hereby appoint either one of the following persons:

(1) \_\_\_\_\_ Age \_\_\_\_\_ Years  
 with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
 District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(2) \_\_\_\_\_ Age \_\_\_\_\_ Years  
 with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
 District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(3) Mr. Prasart Yunibhand Age 62 Years  
 with address at 586 Road - Sub-District Klongjig  
 District Bang Pa In Province Phra Nakorn Sri Ayuthaya Postal Code \_\_\_\_\_ or

as only one of my / our proxy to attend and vote on my/our behalf at the 2010 Annual General Meeting of Shareholders to be held on **Thursday April 29, 2010, 14.30 hours at Jupiter Room, 3rd floor, Miracle Grand Convention, Viphavadi-Rangsit Road, Bangkok Metropolis** or at any adjournment thereof.

(4) I/We authorize my/our Proxy to cast the votes according to my/our intentions as follows:

- Agenda 1: Adoption of Minutes of 2009 Annual General Meeting of Shareholders.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve                       Disapprove                       Abstain
- Agenda 2: Be informed of the BD's report on the Company's performance in fiscal year 2009.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve                       Disapprove                       Abstain
- Agenda 3: Consider and approve the balance sheet and income statement for the year ended on 31 December 2009 and the report of the external auditor.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve                       Disapprove                       Abstain
- Agenda 4: Consider and approve setting aside the profit as legal reserves and dividend payment for fiscal year 2009.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve                       Disapprove                       Abstain
- Agenda 5: Consider appointing the directors to replace the ones who will complete their terms of office.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - 1) **Associate Professor Dr. Preecha Jarungidanan**
      - Approve                       Disapprove                       Abstain
    - 2) **Mr. Pitak Sirivanasandha**
      - Approve                       Disapprove                       Abstain



3) Mrs. Poonpun Chaikul

Approve  Disapprove  Abstain

- Agenda 6: Consider and approve the remuneration for the directors.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 7: Consider and approve appointing and determine the remuneration for the external auditor.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 8: Consider and approve further amendments to Article 9 of the Articles of Association.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 9: Consider and approve the issuance of the Employee Stock Option Plan which will be contributed to directors and employees of the Company.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 10: Consider and approve the increase of the registered capital of the Company from the existing registered capital of Baht 736,000,000 (seven hundred thirty six million Baht) to Baht 751,000,000 (seven hundred fifty one million Baht).**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 11: Consider and approve the amendment to clause 4 of the Memorandum of Association of the Company in order to comply with the increase of the Company's registered capital.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 12: Consider and approve the allotment of increased ordinary shares amounting 7,500,000 shares at the par value of Baht 2.00 each for the conversion rights of warrants to be contributed to directors and employees the Company (ESOP).**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve  Disapprove  Abstain
- Agenda 13: Consider any other businesses (if any).**

(5) Vote of the Proxy in any Agenda which is not in accordance with this Form of Proxy shall be invalid and shall not be the vote of the Shareholder.

(6) In case I do not specify the authorization or the authorization is unclear, or if the meeting considers or resolves any matter other than those stated above, or if there is any change or amendment to any fact, the Proxy shall be authorized to consider and vote the matter on my / our behalf as the Proxy deems appropriate.

For any act performed by the Proxy at the Meeting, it shall be deemed as such acts had been done by me / us in all respects except for vote of the Proxy which is not in accordance with this Proxy Form.

Signed \_\_\_\_\_ Shareholder  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( Mr. Prasart Yunibhand )



**Remarks:**

1. The Shareholder appointing the Proxy must authorize only one proxy to attend and vote at the meeting and shall not allocate the number of shares to several proxies to vote separately.
2. In case there are agenda other than the agenda specified above, the additional statement can be specified by the Shareholder in the Regular Continued Proxy Form B as enclosed.
3. Mr. Prasart Yunibhand, Independent Director, the Company proposed to represent shareholders, may obtain the allocation of the warrants, totaling 200,000 units or 2.67 percent of the issued warrants (Agenda 9).





**REGULAR CONTINUED PROXY FORM B**

Authorization on behalf of the Shareholder of Stars Microelectronics (Thailand) Public Company Limited  
For the 2010 Annual General Meeting of Shareholders to be held on **Thursday April 29, 2010, 14.30 hours at Jupiter Room, 3rd floor, Miracle Grand Convention, Viphavadi-Rangsit Road, Bangkok Metropolis**, or at any adjournment thereof.

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:
  - Approve                       Disapprove                       Abstain

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:
  - Approve                       Disapprove                       Abstain

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:
  - Approve                       Disapprove                       Abstain

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:
  - Approve                       Disapprove                       Abstain

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:
  - Approve                       Disapprove                       Abstain

**Agenda** \_\_\_\_\_: **Election of Directors (continued).**

Name of Director \_\_\_\_\_

- Approve                       Disapprove                       Abstain

Name of Director \_\_\_\_\_

- Approve                       Disapprove                       Abstain

Name of Director \_\_\_\_\_

- Approve                       Disapprove                       Abstain

Name of Director \_\_\_\_\_

- Approve                       Disapprove                       Abstain

Name of Director \_\_\_\_\_

- Approve                       Disapprove                       Abstain



**PROXY FORM C (FOR FOREIGN SHAREHOLDER  
APPOINTING CUSTODIAN IN THAILAND)  
According to Regulation of Department of Business Development  
Re: Form of Proxy (No. 5) B.E. 2550**

Written at \_\_\_\_\_  
Date \_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_

(1) I / We \_\_\_\_\_ Nationality \_\_\_\_\_  
with address at \_\_\_\_\_

acting as the custodian for \_\_\_\_\_  
being a shareholder of Stars Microelectronics (Thailand) Public Company Limited  
holding the total amount of \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes as follows;  
 ordinary share \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes  
 preferred share \_\_\_\_\_ shares with the voting rights of \_\_\_\_\_ votes

(2) do hereby appoint either one of the following persons:

(1) \_\_\_\_\_ Age \_\_\_\_\_ Years  
with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(2) \_\_\_\_\_ Age \_\_\_\_\_ Years  
with address at \_\_\_\_\_ Road \_\_\_\_\_ Sub-District \_\_\_\_\_  
District \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_ or

(3) Mr. Prasart Yunibhand Age 62 Years  
with address at 586 Road - Sub-District Klongjig  
District Bang Pa In Province Phra Nakorn Sri Ayuthaya Postal Code \_\_\_\_\_ or

as only one of my/our proxy to attend and vote on my/our behalf at the 2010 Annual General Meeting of Shareholders to be held on **Thursday April 29, 2010, 14.30 hours at Jupiter Room, 3rd floor, Miracle Grand Convention, Viphavadi-Rangsit Road, Bangkok Metropolis** or at any adjournment thereof.

(3) I / We authorize my / our Proxy to attend and cast the votes as follows:

- The Proxy is authorized for all shares held and entitled to vote.
  - The Proxy is authorized for certain shares as follows:
    - ordinary share \_\_\_\_\_ shares, entitling to vote \_\_\_\_\_ votes
    - preferred share \_\_\_\_\_ shares, entitling to vote \_\_\_\_\_ votes
- Total entitled vote \_\_\_\_\_ votes

(4) I/We authorize my/our Proxy to cast the votes according to my/our intentions as follows:

- Agenda 1: Adoption of Minutes of 2009 Annual General Meeting of Shareholders.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 2: Be informed of the BD's report on the Company's performance in fiscal year 2009.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 3: Consider and approve the balance sheet and income statement for the year ended on 31 December 2009 and the report of the external auditor.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

- Agenda 4: Consider and approve setting aside the profit as legal reserves and dividend payment for fiscal year 2009.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 5: Consider appointing the directors to replace the ones who will complete their terms of office.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - 1) **Associate Professor Dr. Preecha Jarungidanan**  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
    - 2) **Mr. Pitak Sirivanasandha**  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
    - 3) **Mrs. Poonpun Chaikul**  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 6: Consider and approve the remuneration for the directors.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 7: Consider and approve appointing and determine the remuneration for the external auditor.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 8: Consider and approve further amendments to Article 9 of the Articles of Association.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 9: Consider and approve the issuance of the Employee Stock Option Plan which will be contributed to directors and employees of the Company.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 10: Consider and approve the increase of the registered capital of the Company from the existing registered capital of Baht 736,000,000 (seven hundred thirty six million Baht) to Baht 751,000,000 (seven hundred fifty one million Baht).**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 11: Consider and approve the amendment to clause 4 of the Memorandum of Association of the Company in order to comply with the increase of the Company's registered capital.**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 12: Consider and approve the allotment of increased ordinary shares amounting 7,500,000 shares at the par value of Baht 2.00 each for the conversion rights of warrants to be contributed to directors and employees the Company (ESOP).**
  - (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
  - (b) The Proxy must cast the votes in accordance with my / our following instruction:
    - Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes
- Agenda 13: Consider any other businesses (if any).**

(5) Vote of the Proxy in any Agenda which is not in accordance with this Form of Proxy shall be invalid and shall not be the vote of the Shareholder.

(6) In case I do not specify the authorization or the authorization is unclear, or if the meeting considers or resolves any matter other than those stated above, or if there is any change or amendment to any fact, the Proxy shall be authorized to consider and vote the matter on my / our behalf as the Proxy deems appropriate.



For any act performed by the Proxy at the Meeting, it shall be deemed as such acts had been done by me / us in all respects except for vote of the Proxy which is not in accordance with this Proxy Form.

Signed \_\_\_\_\_ Shareholder  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( \_\_\_\_\_ )

Signed \_\_\_\_\_ Proxy  
( Mr. Prasart Yunibhand )

**Remarks:**

1. This Proxy Form C shall be applicable only for the Shareholders listed in the share register book as the non-Thai Shareholder appointing the Custodian in Thailand.
2. The following documents shall be attached with this Proxy Form:
  - (1) Power of Attorney from a shareholder authorizing a custodian to sign the Proxy Form on behalf of the shareholder.
  - (2) Letter certifying that the person signing the Proxy Form is authorized to engage in custodian business.
3. The Shareholder appointing the Proxy must authorize only one proxy to attend and vote at the meeting and shall not allocate the number of shares to several proxies to vote separately.
4. In case there are agenda other than the agenda specified above, the additional statement can be specified by the Shareholder in the Regular Continued Proxy Form C as enclosed.
5. Mr. Prasart Yunibhand, Independent Director, the Company proposed to represent shareholders, may obtain the allocation of the warrants, totaling 200,000 units or 2.67 percent of the issued warrants (Agenda 9).



**REGULAR CONTINUED PROXY FORM C**

Authorization on behalf of the Shareholder of Stars Microelectronics (Thailand) Public Company Limited  
For the 2010 Annual General Meeting of Shareholders to be held on **Thursday April 29, 2010, 14.30 hours at Jupiter Room, 3rd floor, Miracle Grand Convention, Viphavadi-Rangsit Road, Bangkok Metropolis**, or at any adjournment thereof.

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

**Agenda** \_\_\_\_\_

- (a) The Proxy is entitled to cast the votes on my / our behalf at its own discretion.
- (b) The Proxy must cast the votes in accordance with my / our following instruction:  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

**Agenda** \_\_\_\_\_: **Election of Directors (continued).**

Name of Director \_\_\_\_\_  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

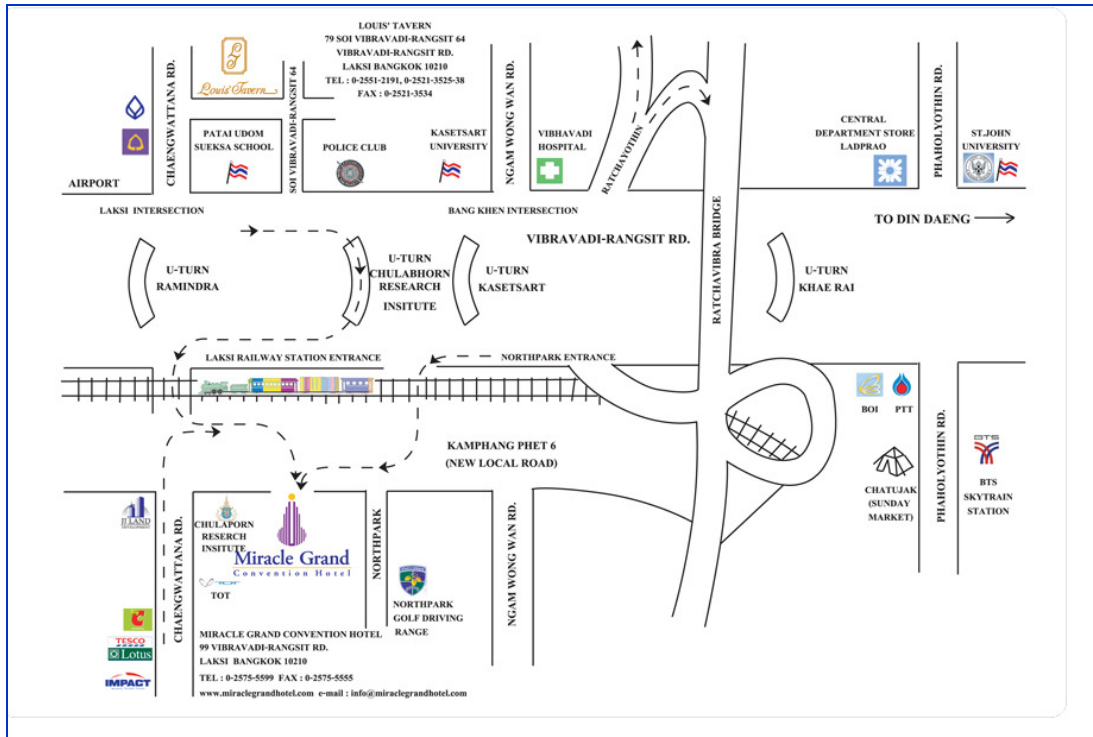
Name of Director \_\_\_\_\_  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

Name of Director \_\_\_\_\_  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

Name of Director \_\_\_\_\_  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

Name of Director \_\_\_\_\_  
 Approve \_\_\_\_\_ votes  Disapprove \_\_\_\_\_ votes  Abstain \_\_\_\_\_ votes

## Map of Miracle Grand Convention Hotel



Jupiter Room, 3rd floor,  
 Miracle Grand Convention Viphavadi-Rangsit Road, Bangkok Metropolis  
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