

18th March 2012

Subject Invitation to the 2012 Annual General Meeting of Shareholder
To Shareholders of SiS Distribution (Thailand) Public Company Limited
Attachments 1. A copy of the minute of the 2011 Annual General Meeting of Shareholders held on April 8, 2011
2. The 2011 Annual Report and the 2011 Audited Financial Statement in CD-ROM
3. Capital Increase Report Form (F53-4)
4. The definition of the Independent Director
5. The biography of Directors proposed to be the Company's Directors
6. The Articles of Association of the Company relevant to the meeting
7. Map of the meeting's venue
8. The biography of the Independent Directors who is assigned to be a proxy for Shareholders
9. Guideline for documents and evidences to be declared before attend the meeting
10. Proxy Form B

SiS Distribution (Thailand) Public Company Limited would like to invite you to attend The 2012 Annual General Meeting of Shareholders, on 20th April 2012 at 10.00 hours at Diamond Room, 2nd Floor, Grand Mercure Fortune Hotel, No.1 Ratchadapisek Road, Huaykwang, Dingdaeng, Bangkok for considering the following agendas:

1. Acknowledgement of the matters announced by the Chairman.

Reason and Detail: announcement of general information to Shareholders.

Board of Directors' comment: It is considered appropriate for the Shareholders Meeting to acknowledge general matters from the Chairman.

2. Consideration and approval of the minute of the 2011 Annual General Meeting of Shareholders on 8 April 2011

Reason and Detail: The Company held the 2011 Annual General Meeting of Shareholders on Friday, April 8, 2011 and the minutes of meeting has been submitted to the Stock Exchange of Thailand and the Ministry of Commerce and also posted in the company's website within 14 days from the date of meeting in compliance with the law and regulations. (The copy of the minute is enclosed in Attachment 1.)

Board of Directors' comment: agreed to propose such to the Shareholders' Meeting for approval of the minute of the 2011 Annual General Meeting held on Friday, 8th April 2011, which the Board of Directors have considered and agree with its correctness and completeness.

3. Acknowledgement of the 2011 Board of Director's operations report and approve the 2011 Annual Report.

Reason and Detail: According to Article No.43 of the Company's Articles of Association that the Board of Directors must provide the annual report and report to Shareholders. The summary of operating results is in annual report and has been sent together with this letter

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to acknowledge the operations of the year 2011 and the 2011 Annual Report. (Details are in 2011 Annual Report).

4. **Consideration and approval of the Statement of Financial Position and the Statement of Comprehensive Income for the year ended 31st December 2011 which have been audited by the CPA with the Auditor's Report.**

Reason and Detail: According to the Section 112 of the Public Limited Companies Act B.E. 2535, which stipulate that the Board of Directors shall prepare the Balance Sheet and the Statement of Income as of the end of the accounting period of the Company, and report to Shareholders Meeting in the Annual General Meeting of Shareholders for consideration and approval. The financial statements have been audited by CPA and considered by the Audit Committee before propose to the Shareholder's Meeting.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve the Statement of Financial Position and the Statement of Comprehensive Income for the year ended 31st December 2011 which have been audited by the CPA with Auditor's Report and also considered by the Audit Committee and the Board of Directors. (Details are in 2011 annual report)

5. **Consideration and approval of the dividend payment for the operating results of the year 2011.**

Reason and Detail: According to Section 115 of the Public Limited Companies Act B.E. 2535 and Article 44 of the Company's Articles of Association that the Board of Directors have the authority to propose dividend payment from net profit of the current year or retain earning to the Shareholders of the Company and the payment of dividend shall be made within one month from the date of Shareholders' Meeting or of the resolution of the Board of Directors, as the case may be.

According to Section 116 of the Public Limited Companies Act B.E. 2535, The Company must allocate part of the annual net profit as legal reserve in an amount not less than five percent of the annual net profits, less the sum of accumulated loss brought forward (if any), until the reserved fund reaches the amounts not less than ten percent of the registered capital, unless the articles of association of the company or other law provides for a greater amount of the legal reserve.

The Company has its policy specifying for the dividend payment about 40 percentage of net profit depend on situation of economy and future project of the Company

In the Year 2011, the Company has its annual net profit in the amount of Baht 143,519,752.29 and there is no accumulated loss, therefore, the Company can pay the dividend according to the Company's policy.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve dividend payment for the operating results of whole year of the 2011, for 211,183,625 shares, as follows:

1. To approve for dividend payment paid as ordinary share of the Company of not exceeding 21,118,363 shares at the par value Baht 1 per share to the Company's shareholders at the rate of 10 existing shares per 1 stock dividend totaling not exceeding Baht 21,118,363.00 Millions, or shall be converted for dividend payment at Baht 0.10 per share. In case that any shareholder has the fraction of shares remaining after such allocation, the dividend shall be paid by cash instead of stock dividend at the rate of Baht 0.10 per share
2. To approve for dividend payment paid as cash dividend at the rate of Baht 0.15 per share, or not exceeding in total of Baht 31,677,543.75 Millions.

The total of the stock dividend and the cash dividend payment shall be equivalent to the rate of Baht 0.25 per share, amounting to Baht 52,795,906.75. The total dividend payout ratio is approximated at 36.78% of the 2011

net profit, by dividing into stock dividend payment at the rate 14.71% and cash dividend payment at the rate 22.07%. All dividends shall be deducted for the withholding tax at the rate stipulated by law.

The Company will specifying the lists of shareholders who are entitled to receive the dividend on 2nd May 2012, and collecting the name of shareholders according to Section 225 of the Securities and Stock Exchange Act, by way of closing the registration book to suspend the transfer of share on 3rd May 2012, and fixing the date of dividend payment on 18th May 2012. The Board of Directors deemed the above payment rate as appropriate and in line with dividend payment policy of the Company, realize on the operating results and current situation of economic. The dividend payment must be approved by Shareholders in the 2012 Annual General Meeting for Shareholders.

Table of Dividend payment comparison

Dividend Payment Description	2011 (Proposed year)	2010	2009
1. Net Profit (Baht)	143,519,752	295,282,084	241,727,524
2. Amount of Shares			
2.1 Amount of Interim Dividend Payment (Shares)	-	-	-
2.1 Amount of Dividend Payment for the Year (Shares)	211,183,625	208,543,175	203,174,100
3. Total Dividend Payment per Share (baht/share)			
3.1 Interim Dividend Payment (baht/share)	-	-	-
3.1 Dividend Payment for the Year (baht/share)	0.25	0.50	0.40
4. Total Dividend Payment (Baht)	52,795,906.75	104,271,587.50	81,269,640
5. Dividend Payment Ratio (percent)	36.78	35.31	33.56
The proposed dividend will be paid out of net profit, taxed at a rate of 30%			

The Company has the legal reserve in full amount by the Law. There is no legal reserve in the year 2011, and allocated the remain net profit as retain earning of the Company

6. Consideration and approval of the increase of the Company's registered capital under a General Mandate

Reason and Detail: The Company proposed the shareholders to consider and approve the increase of registered capital of the Company under a General Mandate, by issuing the new ordinary shares at the amount of 15,707,537 shares at par value of Baht 1 per share, and consideration to authorize the Board of Directors and/or delegates of the Board of Directors to be empowered to consider and determine the objective of capital increase, any condition, and other details necessary for the pertinent to the issue of newly issued ordinary shares as well as sign any related agreements or documents including to perform any other acts necessary and related to the newly issued ordinary shares and listing newly issued ordinary shares on the Stock Exchange of Thailand.

Board of Directors' comment: agreed to propose to the Shareholders' Meeting for consideration and approval the increase of registered capital of the Company under a General Mandate, by issuing the new ordinary shares at the amount of 15,707,537 shares at par value of Baht 1 per share, and consideration to authorize the Board of Directors and/or delegates of the Board of Directors to be empowered to consider under the above condition.

7. Consideration and approval of the increase of registered capital at 36,825,900 shares to support the dividend payment and under General Mandate, including to amend Clause 4 of the Company's Memorandum of Association to be in line with the increase of the registered capital.

Reason and Detail: According to the Company adopted a resolution regarding the dividend payment in the form of ordinary share of the Company to shareholders, the details of which appeared in Agenda 5, the Company shall allocate ordinary shares to support the dividend payment for 21,118,363 shares, and the Company proposed the shareholder to approve the increase of registered capital of the Company under a General Mandate for another 15,707,537 shares. However, the Company shares are not sufficient, the Company propose to the Shareholders' Meeting for consideration the approval to increase registered capital from the previous registered capital of Baht 213,174,100 to be the new registered capital of Baht 250,000,000, divided into 250,000,000 shares at the par value of Baht 1 per share. In this regard, the new ordinary share will be issued for 36,825,900 shares at the par value of Baht 1 per share, and Clause 4 of Memorandum of Association of the Company shall be amended to be in line with the increase of registered capital of the Company.

Board of Directors' comment: The Board of Directors agreed to propose the shareholders meeting for consideration and approval of increase the registered capital from the previous registered capital of Baht 213,174,100 to be the new registered capital of Baht 250,000,000, divided into 250,000,000 shares at the par value of Baht 1 per share. In this regard, the new ordinary share will be issued for 36,825,900 shares at the par value of Baht 1 per share, and Clause 4 of Memorandum of Association of the Company shall be amended to be in line with the increase of registered capital of the Company as follows:

"Clause 4" Registered capital : Baht 250,000,000 (Two Hundred and Twenty Five Million Baht)
 Divided into : 250,000,000 Shares (Two Hundred and Twenty Five Million Shares)
 Par value of : Baht 1 (One Baht)

Separated into:

 Ordinary shares : Baht 250,000,000 (Two Hundred and Twenty Five Million Baht)
 Preference shares : - Share (-)"

Voting Procedure

The resolution for this agenda according to the Article No.4 of the Company's Article of Association, the Company's capital increased or decreased by the resolution of shareholders meeting based on the number of votes not less than three-fourth (3/4) of the total number of votes attending the meeting with voting right.

8. Consideration and approval of the allocation of ordinary shares for increase of registered capital to support the stock dividend payment and a General Mandate.

Reason and Detail: the Company adopted a resolution regarding the dividend payment in the form of ordinary shares of the Company to shareholders as described in Agenda 5. The Company shall allocate new ordinary shares to support the stock dividend payment for 21,118,363 shares, and under a General Mandate for 15,707,537 shares to offer for sale to the Company's shareholders in proportion to the number of shares already held by each shareholder, The total stock allocation are 36,825,900 shares.

Board of Directors' comment: The Board of Directors agreed to propose the shareholders meeting for

consideration and approval of the allocation of new ordinary shares to support the stock dividend payment for 21,118,363 shares, and under a General Mandate for 15,707,537 shares to offer for sale to the Company's shareholders in proportion to the number of shares already held by each shareholder and authorize the Board of Directors and/or delegates of the Board of Directors to consider and determine whether share allocation shall be made once or several time later. The Company shall completely allocate the newly issued shares either by the date of the next annual general meeting or by the date required by law to fix the date of the next annual general meeting, whichever come first.

9. Consideration and approval of the election of Company's Directors to replace the Directors who have to retire by rotation, Mr.Suwit Chindasanguan, Mr.Somchai Sittichaisrichart and Mr.Lim Hwee Hai.

Reason and Detail: According to Article 36 of the Company's Article of Association, which stipulate that in the Annual General Meeting, one-third of Directors have to retire from their position but they can be re-appointed. In the year 2012, there are 3 directors who would be retired by rotation, Mr.Suwit Chindasanguan, Mr.Somchai Sittichaisrichart and Mr.Lim Hwee Hai.

For the benefit of all Shareholders and in accordance with the principle of Good Corporate Governance, the Company provided an opportunity for shareholders to nominate qualified persons to be elected as the Company's Directors in advance under the channel and the criterion of nomination of the Company and disclosed on the website of the Company. There are no shareholders proposing the qualified nominee to the Board of Directors for consideration. The criteria of directors' selection are as follows:

Shareholders appoint Company Director in the Annual General Meeting of Shareholders. The company's regulations state that there must be no less than 5 company directors, and that they shall be elected through a process of majority voting in accordance with the following criteria and methods:

1. The vote of each shareholder is equal to the number of shares he or she holds
2. In electing directors, it is possible to elect directors either on an individual basis or to elect several individuals simultaneously as a team, or to elect directors by any other method as deemed appropriate by the shareholder meeting. In passing resolutions, shareholders must use all their votes simultaneously as stated 1 (above), and cannot separate their votes among individuals or teams.
3. The election of Directors shall be conducted through majority voting. If the number of votes is equal, the chair of the meeting shall hold the casting vote.

Board of Directors' comment: According to the suggestion of the Remuneration and Nomination Committee, The Board of Directors considered on the basis of knowledge, capability, experiences, management participation and met the qualifications as specified in the Public Limited Companies Act B.E. 2535 and Article 29 of the Company's Article of Association, considering it appropriate to propose the Shareholders' Meeting to re-elect all three directors as the Company's Directors for another term with Mr.Suwit Chindasanguan as the Independent Director and Chairman of the Board, Mr.Somchai Sittichaisrichart as the Managing Director and Mr.Lim Hwee Hai as the Non-Executive Director. (The biography of nominated Directors are shown in attachment 4)

10. Consideration and approval of the Director's Remuneration for the year 2012.

Reason and Detail: According to Section 90 of the Public Limited Companies Act B.E. 2535 specifies that "the company will not be allowed to pay money or any other assets to its directors unless for remuneration payment according to the Articles of Association of the company" and The Article 42 of the Company's Article of Association specifies that the directors are entitled to receive the remuneration from the Company in the form of reward, attendance fee, bonus, or other benefits according to the Articles of Association or consideration of the shareholders' meeting and such remuneration may be specified in the certain amount of money, or in criterions for consideration from time to time, or in effective all the time until such has been changed. In addition, the directors will be entitled to receive allowance and other welfares according to the Company's rules.

The contents in the first paragraph will not affect to the right of staff or employee of the Company who is elected to be the director to receive the remuneration and benefit as the staff or employee of the Company

The Remuneration and Nomination Committees' comment: The Remuneration and Nomination Committee stipulated the payment criterion of Directors remuneration clearly and appropriately, suitability with the duties and responsibilities of Directors,. In the year 2012, the director remuneration will be not exceed Baht 6,000,000 and to remain at the same rate as 2011 director remuneration. The criterion and detail of remuneration are shown in Annual Report and conclude in the table below:

Compensation structure	2012 (Proposed year)	2011
Monthly Retaining Fee for the Board		
Chairman	20,000.00	20,000.00
Committee	10,000.00	10,000.00
Remark: except Managing Director and Executive Director who get salary as the Executive.		
Monthly Retaining Fee for the Audit Committee		
Chairman	32,500.00	32,500.00
Committee	25,000.00	25,000.00
Meeting Attendance Fee for the Board		
Chairman	30,000.00	30,000.00
Committee	20,000.00	20,000.00
Meeting Attendance Fee for the Audit Committee		
Chairman	10,000.00	10,000.00
Committee	7,500.00	7,500.00
Meeting Attendance Fee for the Remuneration and Nomination Committee		
Chairman	30,000.00	30,000.00
Committee	20,000.00	20,000.00
Meeting Attendance Fee for the Risk Management Committee		
Chairman	30,000.00	30,000.00
Committee	20,000.00	20,000.00
The Company will pay yearly special reward to non-executive directors once a year according to operating results with clearly criteria of the Remuneration and Nomination Committee		

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve the total remuneration, monthly retaining fee, meeting attendance fee and yearly special reward for Directors and Sub Committee for the year 2012, totaling not exceed Baht 6,000,000 as the recommendation by the Remuneration and Nomination Committee

11. Consideration and approval of the appointment of Company's Auditor and the 2012 Auditor Fee.

Reason and Detail: According to the Public Limited Companies Act B.E. 2535, which state that the General Shareholders' Meeting shall appoint the Auditor of the Company and fix the Auditor Remuneration every year by the recommendation of the Audit Committee.

Audit Committee's comment: Audit Committee considered on the basis of knowledge, capability and experienced in international standard audit with satisfactory performance. The Audit Committee has considered the appointment of Company's Auditor and proposed to the Board of Directors for consideration to proposing the Shareholder's Meeting to appoint auditors from KPMG Phoomchai Audit Limited as the Company's auditor for the year 2012. One of the following auditors can conduct the audit and provide opinions on the Company's financial statement.

Name	Registration Number	Number of Audited Year
Mr. Vichien Thamtrakul	3183	Never signed the financial statements
Ms. Vannaporn Jongperadechanon	4098	Never signed the financial statements
Ms. Sureerat Thongarunsang	4409	Signed for the year 2010
Mr. Ekasit Chuthamsatit	4195	Signed for the year 2005 - 2009

KPMG Phoomchai Audit Limited and the four auditors mentioned above have no relationship and / or conflict of interest with the Company, Subsidiary Companies, the Executives, Major Shareholders or related persons of the those parties, there are independent in auditing and express an opinions on the Company's financial statement report. The proposed auditors also are not shareholders of the Company.

The Audit Committee proposed the Board of Directors to consider approving the audit fees for 2012 at the total amount of Baht 1,255,000 that slightly increase from 2011 by Baht 96,000 or approximately 8.28 percent exclude the out of pocket expenses. The proposed annual audit fees are reasonable when compared with the increment of audit work to comply with the requirements of new regulations of International Financial Reporting Standards (IFRS). The Company did not have non-audit fee in 2011, and to fix the same accounting policy and accounting audit standard including any financial report of the Company and subsidiary companies, Also, KPMG Phoomchai Audit Limited is the auditor of the subsidiary companies as follows:

1. SiS Venture Company Limited.
2. Qool Distribution (Thailand) Company Limited.

Table of audit fee comparison (only the company)	2012 (Proposed Year)	2011
Fee for the annual audit report	700,000.00	655,000.00
Fee for the quarterly review report	480,000.00	429,000.00
Fee for the reporting Package	75,000.00	75,000.00
Total	1,255,000.00	1,159,000.00

Amount change, increment (decrement)	96,000.00	74,000.00
Percentage change, increase (decrease)	8.28	6.82

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to appoint Mr.Vichien Thamtrakul or Ms.Vannaporn Jongperadechanon or Ms.Sureerat Thongarunsang or Mr.Ekasit Chuthamsatit of KPMG Phoomchai Audit Limited as the Company's Auditor for the year 2012. In addition, The Board of Directors also found it appropriate to propose the Shareholder's meeting to approve the audit fee of the Company for 2012 in total amount of Baht 1,255,000 by recommendation of the Audit Committee.

12.Consideration of other matters (if any)

Reason and Detail: To provide the opportunity for shareholders to make the suggestion to the Company.

Board of Directors' comment: The Shareholders can make the suggestion or recommendation to the Company.

In order to promote the good Corporate Governance, the Company is providing the opportunity for the shareholders to propose matter to be included as an agenda, as well as propose qualified candidate to be consideration as the Company's director in the 2012 General Meeting of Shareholders, starting on 27th October 2011 until 31st December 2011. The detail of guideline and procedure has been disclosed in the Company's website name www.sisthai.com and notification at SET's news. There are no shareholders proposing matter to be included as an agenda and qualified nominee to be the Board of Directors for their consideration.

The Company therefore would like to invite all Shareholders to attend the meeting on the date, time and venue as indicated above. In case of the shareholders wish to authorize other person or the Independent director to attend the meeting and vote on his/her behalf. Please fill and sign in the proxy form and attach your personal document, and submit to company secretary or authority person before the meeting.

The Shareholders can submit their questions in advance for more information related to each meeting agenda or other information. That will benefit to the Board of Director and The Managements to provide clear information on shareholders' meetings or any Shareholders wishes to receive the annual report in book form please send the requirement to investorinfo@sisthai.com or companysecretary@sisthai.com or facsimile no. 0 2640 3590

Best Regards,



(Mr. Somchai Sittichaisrichart)

Managing Director

Company's Secretary Tel. 0 2640 3043

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