



บริษัท เอสไอเอส ดิสทริบิวชั่น (ประเทศไทย) จำกัด (มหาชน)  
SiS Distribution (Thailand) Public Company Limited

# Invitation to Annual General Meeting of Shareholder 2019

Date : Friday 19 April 2019

Time : 14.00 hours

**At Tabtim+ Petai+ Petchchompoo Room, 3rd Floor, The Emerald Hotel**

No. 99/1 Ratchadapisek Road, Dindaeng, Bangkok 10400

March 15, 2019

Subject Invitation to the 2019 Annual General Meeting of Shareholders  
To Shareholders of SiS Distribution (Thailand) Public Company Limited  
Attachments 1. A copy of the minute of the 2018 Annual General Meeting of Shareholders held on April 20, 2018  
2. QR Code for 2018 Annual Report and 2018 Audited Financial Statements downloading  
3. Profile of nominated candidates for Directors election to replace who retired by rotation  
4. The definition of the Independent Director  
5. Profile of independent director nominated by the company to act as proxy for shareholders  
6. The Articles of Association of the Company related to the meeting  
7. Description of Voting and Counting  
8. Description of document and evidences for meeting attendance  
9. QR Code instruction  
10. Map of The Emerald Hotel  
11. Proxy Form B  
12. Proxy Form C

SiS Distribution (Thailand) Public Company Limited would like to invite you to attend The 2019 Annual General Meeting of Shareholders on April 19, 2019 at 2.00 p.m. at Tabtim+ Petai+ Petchchompoo Room, 3<sup>rd</sup> Floor, The Emerald Hotel, No. 99/1 Ratchadapisek Road, Dindaeng, Bangkok 10400 for considering the following agendas:

**1. To acknowledge the matters announced by the Chairman.**

**Reason and Detail:** To announce general information to Shareholders

**Opinion of the Board of Directors:** It is appropriate for the Shareholders to acknowledge general matters from the Chairman.

**2. To consider and approve the minutes of the 2018 Annual General Meeting of Shareholders on Friday, 20 April 2018.**

**Reason and Detail:** The Company held the 2018 Annual General Meeting of Shareholders on Friday, 20 April 2018 and the minutes of meeting has been submitted to the Stock Exchange of Thailand and the Ministry of Commerce and also posted on the Company's website within 14 days from the date of the meeting, in accordance with the law and regulations. (The copy of the minute is enclosed in Attachment 1).

**Comment of the Board of Directors:** It is agreed to propose the minute of the 2018 Annual General Meeting of Shareholders which held on Friday, 20 April 2018 to the Shareholders' Meeting for approval due to the Board of Directors considered and agreed on its correctness and completeness.

### **3. To acknowledge the 2018 Company's Performance Report and the 2018 Annual Report.**

**Reason and Detail:** To comply with the Article No. 44 of the Company's Articles of Association that the Board of Directors have to provide the Annual Report and report to the Shareholders. Also, the detail of operational performance is presented in the 2018 Annual Report that has been sent together with this letter.

**Comment of the Board of Directors:** It is appropriate for the Shareholders to acknowledge the performance of the year 2018 and the 2018 Annual Report. (Detail is in the 2018 Annual Report or attachment 2.)

### **4. To consider and approve the Financial Statements for the year ended December 31, 2018**

**Reason and Detail:** To comply with the Section 112 of the Public Limited Companies Act B.E. 2535 that the Board of Directors shall prepare the Balance Sheet and the Statement of Income as of the accounting period of the Company, and report to Shareholders Meeting in the Annual General Meeting of Shareholders for consideration and approval. The Board of Directors have to provide an auditing on the Balance Sheet and the Statement of Income by the CPA then propose to the Audit Committee for consideration before propose to the Shareholders' Meeting.

**Comment of the Board of Directors:** It is appropriate for the Shareholders' Meeting to approve the Financial Statement for the year ended December 31, 2018 which have been audited by the CPA and the Auditor's Report from EY Office Limited. Also, they have been considered by the Audit Committee and the Board of Directors. (Detail is in the 2018 Annual Report or attachment 2.)

### **5. To consider and approve the allocation of the Legal Reserve and Dividend Payment for the year 2018.**

**Reason and Detail:** To comply with the Section 115, Public Limited Companies Act B.E. 2535 and the Article No. 45 of the Company's Articles of Association which stated 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 the meeting of Shareholders or of the resolution of the Board of Directors, as the case may be. The net profit of the year 2018 was 310,266,854.99 Baht and there was no deficit. According to the Dividend Payment Policy of the Company, it is defined that the dividend will be paid at the rate of 40 percent of the net profit, however, it is depended on the current economic situation as well as the business plan in the future of the Company.

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 5 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 10 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.

**Comment of the Board of Directors:** It is appropriate for the Shareholders' Meeting to approve the Dividend Payment on the Company's operational performance of the year 2018 to the Shareholders in amount of 350,198,655 shares at the rate of 0.55 Baht per share, totally 192,609,260.25 Baht. The Dividend Payment is 41.20 percent of the net profit. The Company schedules the Dividend Payment to the Shareholders who are listed on the Shareholders Registration Book as at May 7, 2019 (Record Date) and the payment date is scheduled on May 16, 2019. Additionally, the rate of Dividend Payment as mentioned above is higher than the dividend payment policy and the dividend payment rate of the previous year which was 0.45 Baht per share. This is a particular case due to the lower of debt to equity and the good liquidity of the Company which it has to be approve by the 2019 Annual General Meeting of Shareholders. Nevertheless, the Company pays the dividend from the net profit after corporate income tax at the rate of 20 percent.

**The table of Dividend Payment, comparison in 4 years**

<b>Detail of Dividend Payment</b>	<b>2018 (Proposed Year)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
1. Net Profit (Loss) (Baht)	310,266,854.99	296,800,849.09	227,446,012.98	166,337,401.21
2. Number of Share				
2.1 Number of Share for Interim Dividend Payment (Share)	-	-	-	-
2.2 Number of Share for Annual Dividend Payment (Share)	350,198,655	350,198,655	350,198,655	350,198,655
3. Total Dividend Payment per share (Baht/Share)	-	-	-	-
3.1 Interim Dividend (Baht/Share)	-	-	-	-
3.2 Annual Dividend (Baht/Share)	0.55	0.45	0.40	0.30
4. Total Dividend Payment (Baht)	192,609,260.25	157,589,395.75	140,079,462.00	105,059,596.50
5. Dividend Payment to Net Profit	41.20	53.10	61.59	63.16

The registered share capital as at December 31, 2018 was 350,198,655 Baht which the Company has to be allocated as legal reserve at the amount of 35,019,865.50 Baht. However, the Company has allocated the profit as the legal reserve fully 10 percent of the registered share capital. Then, the rest of the profit will be accumulated as the retain earnings for the Company.

**6. To consider and approve the election of the Company's Directors to replace who will be retired by rotation in 2019.**

**Reason and Detail:** To comply with the Article 37 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 2019, there are 3 directors who would be retired by rotation, Ms. Sudaporn Tawapee, Mr. Lim Kiah Meng and Mr. Somchai Sittichaisrichart. 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 from November 30, 2018, to December 31, 2018. 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 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.

**Comment of the Board of Directors:** The company provided the opportunity for all shareholders to propose the qualified candidate for director election from November 30, 2018 to December 31, 2018 which was before the date of Annual General Meeting. Also, the criteria and the channel have been disclosed on the company's website. Nevertheless, there was no candidate proposed by the shareholders. Then, the Board of Directors considered 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 30 of the Company's Article of Association.

For Ms. Sudaporn Tawapee, the candidate of independent directors, she is expertise and has the strong experiences in accounting more than 20 years also she is independent which is in accordance to the independent qualification defined by SEC and SET. She would be able to provide the independent opinion among the Board of Directors. Moreover, her expertise and experiences would fulfill the Board skill matrix. The Board of Directors considered and agreed to propose the shareholders to re-elect these 3 directors to the position for another term, Ms. Sudaporn Tawapee as the Independent Director, Audit committee, Corporate Governance Committee and Chairman of Remuneration and Nomination Committee, Mr. Lim Kiah Meng as the Non-Executive Director and Mr. Somchai Sittichaisrichart as the Managing Director, Corporate Governance Committee, Remuneration and Nomination Committee and Risk Management Committee (The profile of nominated candidates are shown in Attachment 3).

**7. To consider and approve the Remuneration of Company's Directors and Sub-Committee member for the year 2019.**

**Reason and Detail:** To comply with the 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".

The Article 43 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

**Comment of the Remuneration and Nomination Committee:** The Remuneration and Nomination Committee stipulated the payment criterion of Directors remuneration clearly and appropriately, suitability in accordance with the best practices of Thai Institute of Directors (IOD) as followings.

1. The Director's remuneration is classified into 2 parts; monthly retaining fee and meeting attendance fee. The monthly retaining fee will be paid to only Non-Executive Directors and Independent Directors.
2. Consideration on duties, responsibilities and the performance of Directors as well as Sub Committee together with the Company's performance and the practices of the industry.
3. Consideration on Scope of duties of Directors and Sub Committees.

The Remuneration and Nomination Committee has defined the Directors' Remuneration clearly by considering the criterion above. In 2019, the total of the Directors' Remuneration will not exceed 8,000,000 Baht which is same as the previous year. Nevertheless, the Remuneration and Nomination Committee has considered as appropriate to propose this rate of Directors' Remuneration to the Board of Directors in order to propose to the Shareholders' meeting for approval. The detail of the remuneration is presented in the table below.

**The table of Directors' Remuneration Comparison between 2019 and 2018**

Compensation Structure	2019 (Proposed Year)	2018
<b>Monthly Retaining Fee for the Board</b>		
Chairman	36,000.00	36,000.00
Committee	18,000.00	18,000.00
Remark: Except Managing Director and Executive Director who get salary as the Executives		
<b>Monthly Retaining Fee for the Audit Committee</b>		
Chairman	32,500.00	32,500.00
Committee	25,000.00	25,000.00
<b>Meeting Attendance Fee for the Board</b>		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
<b>Meeting Attendance Fee for the Audit Committee</b>		
Chairman	20,000.00	20,000.00
Committee	15,000.00	15,000.00
<b>Meeting Attendance Fee for the Remuneration and Nomination Committee</b>		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
<b>Meeting Attendance Fee for the Risk Management Committee</b>		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
<b>Meeting Attendance Fee for the Corporate Governance Committee</b>		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
Remarks:		
<ol style="list-style-type: none"> <li>1. The yearly special reward will be rewarded to Non-Executive Directors once a year based on the Company's performance by the consideration of the Remuneration and Nomination Committee.</li> <li>2. The company has no policy to compensate Directors and Sub Committees in other forms beyond monthly retaining fee, meeting attendance fee and yearly special reward which mentioned above.</li> </ol>		

**Comment of the Board of Directors:** It is considered as appropriate for the Shareholders' Meeting to approve the total remuneration, monthly retaining fee, meeting attendance fee and yearly special reward for Directors and Sub Committees for the year 2019 which is in accordance with the criterion, totally not exceed 8,000,000 Baht as the recommendation by the Remuneration and Nomination Committee.

**8. To consider and approve the appointment of the Company's Auditor and the Audit Fee of the year 2019.**

**Reason and Detail:** To comply with the Section 120, Public Limited Companies Act B.E. 2535, which state that the Annual General Meeting of Shareholders shall appoint the Auditor of the Company and fix the Auditor Remuneration every year by the recommendation of the Audit Committee.

**Comment of the Audit Committee:** The Audit Committee considered the qualifications consists of reputation, reliability, standardization, knowledge, expertise and experienced of the audit firm as well as the audit team, the audit committee agreed to propose to the Board of Directors for consideration to propose the meeting of Shareholders to appoint auditors from EY Office Limited as the Company's Auditor for the year 2019. One of the following auditors can conduct the audit and provide opinions on the Company's financial statements.

<u>Auditors</u>	<u>License No.</u>	<u>Number of Audited Year</u>
1. Mr. Wichart Lokatekrawee	4451	Never signed the financial statements
2. Ms.Satida Ratananurak	4753	-1-
3. Ms. Siriwan Nitdamrong	5906	Never signed the financial statements

EY Office Limited and the 3 auditors mentioned above have no relationship and/or conflict of interest with the Company, Subsidiary Companies, the Executives, Major Shareholders or related persons of those parties, there are independent in auditing and express opinions on the Company's financial statement report. The proposed auditors also are not shareholders of the Company. Also, it is appropriate to propose the Board of Directors to consider approving the audit fees for 2019 at the total amount of Baht 1,940,000 which increase from the previous year 160,000 Baht, excluding out of pocket expenses. The increasing of annual audit fees are due to the increment of audit work to comply with the requirements of new regulations of International Financial Reporting Standards (IFRS) and the more business transaction affected the audit work hours. To be consistency in accounting policy, accounting standards and financial reporting standards between the Company, its subsidiaries and associations, EY Office Limited will be the auditor of subsidiaries and associations as following:

<b>Subsidiaries and Associates</b>	<b>Type of Company</b>	<b>Auditor/Audit Firm</b>
1. SiS Venture Co. Ltd.	Subsidiary	One of the Auditor following who is under the same Audit Firm as the Company (SiS), EY Office Limited will be appointed to be the Auditor of these 3 Subsidiaries and Associate in 2019 (As the left Column) Mr.Wichart Lokatekraweeor Ms. Satida Ratananurakor Ms. Siriwan Nitdamrong
2. Qool Distribution (Thailand) Co., Ltd.	Subsidiary	
3. Wiko Mobile (Thailand) Co., Ltd.	Association	
4. Nippon Pack Trading Co., Ltd.	Association	The Auditor will not be under the same Audit Firm as the Company (SiS) because its financial statements are not in the criterion to consolidate.



**The table of Audit Fee Comparison**

<b>Audit Fee</b>	<b>2019 (proposing year)</b>	<b>2018</b>	<b>2017</b>
Fee for the annual audit report	1,100,000.00	1,000,000.00	925,000.00
Fee for the quarterly review report (3 quarters)	600,000.00	540,000.00	525,000.00
Fee for the Package Report	240,000.00	240,000.00	90,000.00
<b>Total</b>	<b>1,940,000.00</b>	<b>1,780,000.00</b>	<b>1,540,000.00</b>
Change Increase (Decrease)	160,000.00	240,000.00	170,000.00
Percentage Change Increase (Decrease)	8.99	15.58	12.41

**The Table of Subsidiaries' Audit Fee Comparison**

<b>Audit Fee</b>	<b>2019 (proposing year)</b>		<b>2018</b>		<b>2017</b>	
	<b>SiS Venture</b>	<b>Qool Distribution (Thailand)</b>	<b>SiS Venture</b>	<b>Qool Distribution (Thailand)</b>	<b>SiS Venture</b>	<b>Qool Distribution (Thailand)</b>
Fee for the annual audit report	120,000.00	290,000.00	120,000.00	450,000.00	110,000.00	395,000.00
Fee for the quarterly review report (3 quarters)	30,000.00	30,000.00	30,000.00	70,000.00	30,000.00	75,000.00
<b>Total</b>	<b>150,000.00</b>	<b>320,000.00</b>	<b>145,000.00</b>	<b>520,000.00</b>	<b>140,000.00</b>	<b>470,000.00</b>
Change Increase (Decrease)	0.00	(200,000.00)	10,000.00	50,000.00	10,000.00	70,000.00
Percentage Change Increase (Decrease)	0.00	(38.46)	7.14	10.64	7.69	17.50

**Comment of the Board of Director:** The Board of Directors has considered and agreed that it is appropriate to propose to the Annual General Meeting of Shareholders to appoint Mr. Vichart Lokatekraweeor Ms. Satida Ratanurak or Ms. Siriwan Nitdamrong of EY Office Limited as the Company's Auditor for the year 2019. In additional, The Board of Directors also agreed that it is appropriate to propose the meeting of Shareholders to approve the audit fee of the Company for 2019 by recommendation of the Audit Committee in total amount of Baht 1,940,000 which increase precisely 160,000 Baht from 2018, excluding other expenses which might occur during auditing.

## 9. Questions and Answers

**Reason and Detail:** To provide the opportunity for Shareholders to make the suggestions to the Company.

**Comment of the Board of Director:** It should provide the opportunity for shareholders to ask any question or make the suggestions as well as recommendations 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 2019 Annual General Meeting of Shareholders, starting on November 30, 2018 until December 31, 2018. The detail of guideline and procedure has been disclosed in the Company's website name [www.sisthai.com](http://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](mailto:investorinfo@sisthai.com) or [companysecretary@sisthai.com](mailto:companysecretary@sisthai.com) or facsimile no. 0 2020 3590

Best Regards,



(Mr. Somchai Sittichaisrichart)

Managing Director

Company Secretary                      Tel 0 2020 3219  
Investor Relation Department        Tel 0 2020 3040