

March 17, 2022

Subject Invitation to the 2022 Annual General Meeting of Shareholders

To Shareholders of SiS Distribution (Thailand) Public Company Limited

Attachments

1. QR Code for 2021 Annual Report (Form 56 – 1 One Report) and 2020 Audited Financial Statements downloading
2. Profile of nominated candidates for directors election to replace who retired by rotation
3. The definition of the Independent Director
4. Profile of independent director nominated by the company to act as proxy for shareholders
5. The Articles of Association of the Company related to the meeting
6. Description of Voting and Counting
7. Description of document and evidences for meeting attendance
8. QR Code instruction
9. Proxy Form B
10. Proxy Form C

SiS Distribution (Thailand) Public Company Limited would like to invite you to attend The 2022 Annual General Meeting of Shareholders on April 22, 2022 at 2.00 p.m. via electronic media (E - Meeting). Shareholder can register at <https://www.sisthai.com/agm2022> 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 acknowledge the 2021 Annual Report (Form 56 – 1 One Report) and the 2021 Company's Performance Report**
Reason and Detail: The Board of Directors has to provide the Annual Report and report to the Shareholders. Also, the detail of operational performance is presented in the 2021 Annual Report, in the summary of financial statements, section 1 page no. 56, management discussion and analysis, section 1 page no. 48 and auditor's report, section 3 page no. 141 that has been sent together with this invitation letter.
Comment of the Board of Directors: It is appropriate for the Shareholders to acknowledge the performance of the year 2021 and the 2021 Annual Report in order to comply with article 44 of company's article of association. (Detail is in the 2021 56 – 1 One Report or attachment 1)
3. **To consider and approve the Financial Statements for the year ended December 31, 2021.**
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, 2021 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 2021 56 – 1 One Report or attachment 1)

4. To consider and approve the allocation of the Legal Reserve and Dividend Payment for the year 2022 (From 2021 Performance).

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 2021 was 792,620,279 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 2020 to the Shareholders in amount of 350,198,655 shares at the rate of 1.20 Baht per share, totally 420,238,386 Baht. The Dividend Payment is 53.02 percent of the net profit. The Company schedules the Dividend Payment to the Shareholders who are listed on the Shareholders Registration Book as at March 11, 2022 (Record Date) and the payment date is scheduled on May 13, 2022. 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 1.00 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 approved by the 2022 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

Detail of Dividend Payment	2021 (Proposed Year)	2020	2019	2018
1. Net Profit (Loss) (Baht)	792,620,279	597,498,197	423,389,417	467,856,024
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)	1.20	1.00	0.55	0.55
4. Total Dividend Payment (Baht)	420,238,386	350,198,655.00	192,609,260.25	192,609,260.25
5.Dividend Payment to Net Profit	53.02	58.61	45.49	41.20

The registered share capital as at December 31, 2021 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.

5. To consider and approve the election of the Company's Directors to replace who will be retired by rotation in 2022.

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 positions, but they can be re-appointed. In the year 202, there are 3 directors who would be retired by rotation, Ms. Sudaporn Tawapee, Mr. Somchai Sittichaisrichart and Mr. Lim Kia Hong. 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 December 17, 2021, to January 31, 2022. 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 December 17, 2021 to January 31, 2022 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 based on 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 15 years also she is independent which is in accordance with 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, Chairman of Remuneration and Nomination Committee, Mr. Somchai Sittichaisrichart as the Executive Director and Mr. Lim Kia Hong as the Non-Executive Director. (The profile of nominated candidates are shown in Attachment 2).

6. To consider and approve the Remuneration of Company's Directors and Sub-Committee member for the year 2022.

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 criteria 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 2022, 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 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 2022 and 2021

Compensation Structure	2022 (Proposed Year)	2021
Monthly Retaining Fee for the Board		
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		
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	33,000.00	33,000.00
Committee	22,000.00	22,000.00
Meeting Attendance Fee for the Audit Committee		
Chairman	20,000.00	20,000.00
Committee	15,000.00	15,000.00
Meeting Attendance Fee for the Remuneration and Nomination Committee		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
Meeting Attendance Fee for the Risk Management Committee		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
Meeting Attendance Fee for the Corporate Governance Committee		
Chairman	33,000.00	33,000.00
Committee	22,000.00	22,000.00
Remarks:		
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.		

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.

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 2022 which is in accordance with the criterion, totally not exceed 8,000,000 Baht as the recommendation by the Remuneration and Nomination Committee.

7. To consider and approve the appointment of the Company's Auditor and the Audit Fee of the year 2022.

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 2022. 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. Ms.Satida Ratananurak	4753	-4-
2. Ms. Siriwan Nitdamrong	5906	Never signed the financial statements
3. Ms. Natteera Pongpinitpinyo	7362	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, they 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 2022 at the total amount of Baht 2,220,000 which is increase from the previous year 220,000 Baht, excluding out of pocket expenses. The increasing of annual audit fee is due to the more business transaction affected the audit working hours.

To be consistency in accounting policy, accounting standards and financial reporting standards between the Company, its subsidiaries and associations, EY Office Limited and ALPHA AUDIT Company Limited will be the auditors of subsidiaries and associations as following:

Subsidiaries and Associates	Type of Company	Auditor/Audit Firm
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 in 2022 (As the left Column) Ms. Satida Ratananurak or Ms. Siriwan Nitdamrong or Ms. Natheera Pongpinitpinyo
2. Qool Distribution (Thailand) Co., Ltd.	Subsidiary	
3. PT Automation (Thailand) Co., Ltd.	Subsidiary	The Auditor is Mr. Pisut Namsa / ALPHA AUDIT Company Limited
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

Audit Fee	2022 (proposing year)	2021	2020
Fee for the annual audit report	1,370,000.00	1,150,000.00	1,150,000.00
Fee for the quarterly review report (3 quarters)	600,000.00	600,000.00	600,000.00
Fee for the Package Report	250,000.00	250,000.00	250,000.00
Total	2,220,000.00	2,000,000.00	2,000,000.00
Change Increase (Decrease)	220,000.00	-	60,000.00
Percentage Change Increase (Decrease)	11.00	-	3.09
Out of pocket expenses (Non – Audit Fee)	-	-	-
Total	2,220,000.00	2,000,000.00	2,000,000.00
Change Increase (Decrease)	220,000.00	-	60,000.00
Percentage Change Increase (Decrease)	11.00	-	3.09

The Table of Subsidiaries' Audit Fee Comparison

Audit Fee	2022(proposing year)			2021			2020	
	SiS Venture	Qool Distribution (Thailand)	PT Automation (Thailand)	SiS Venture	Qool Distribution (Thailand)	PT Automation (Thailand)	SiS Venture	Qool Distribution (Thailand)
Fee for the annual audit report	120,000.00	120,000.00	15,000.00	120,000.00	120,000.00	25,000.00	120,000.00	120,000.00
Fee for the quarterly review report (3 quarters)	30,000.00	30,000.00	0.00	30,000.00	30,000.00	0.00	30,000.00	30,000.00
Total	150,000.00	150,000.00	15,000.00	150,000.00	150,000.00	25,000.00	150,000.00	150,000.00
Change Increase (Decrease)	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	(170,000.00)
Percentage Change Increase (Decrease)	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	(32.69)

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 Ms. Satida Ratanurak or Ms. Siriwan Nitdamrong or Ms. Natheera Pongpinitpinyo of EY Office Limited as the Company's Auditor for the year 2022. In addition, 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 2022 by recommendation of the Audit Committee in total amount of Baht 2,220,000 which is increase from the previous year 220,000 Baht, excluding other expenses which might occur during auditing.

8. 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 2022 Annual General Meeting of Shareholders, starting on December 17, 2021 until January 31, 2022. 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.

Best Regards,



(Mr. Somchai Sittichaisrichart)

Managing Director

Company Secretary

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Investor Relation Department

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