



Ref. OS 2024/007

March 22nd, 2024

Subject Invitation to the Annual General Meeting of Shareholders for the year 2024
To Shareholders of SiS Distribution (Thailand) Public Company Limited
Attachments

1. Instructions for using QR codes for registration to attend the meeting and downloading meeting materials.
2. QR code for downloading the Annual Report (Form 56-1 One Report) and Audited Financial Statements for the fiscal year ended December 31st, 2023.
3. Profile of individuals nominated for election as directors to replace directors who will retire by rotation in 2024.
4. Definition of independent director.
5. Information on independent directors designated by the Company as proxies for shareholders.
6. The Company's Articles of Association relevant to the shareholders' meeting.
7. Instructions for the meeting registration, the meeting attending and identity verification documents for attending and vote for the meeting.
8. Privacy notice
9. Instruction for voting in the Annual General Meeting of Shareholders.
10. QR Code for downloading e-Shareholder Meeting System User Manual.
11. Proxy Form B.
12. Proxy Form C.

SiS Distribution (Thailand) Public Company Limited (“the Company”) cordially invites shareholders to attend the Annual General Meeting of Shareholders for the year 2024 on Friday, April 26th, 2024, at 14:00 hrs. The meeting will be conducted in an electronic format (E-Meeting), and shareholders can register to attend via the website or QR code as detailed in Attachment no. 7. The agenda for the meeting is as follows:

1. The matters announced by the Chairman for acknowledgement.

Reason and details: To provide general information to shareholders for acknowledgement.

Opinion from the Board of Directors: Agreed to notify the shareholders to acknowledge general matters relating to the meeting.

2. To consider and acknowledge the Annual Report (Form 56-1 One Report) and the Board of Directors report on the Company's performance for the year 2023.

Reason and details: The Board of Directors has prepared and reported the shareholders about for the Annual Report (Form 56-1 One Report) with details of operational performance in Section 1 Article 4 (Management's Discussion and Analysis), and Section 3 (Financial Statement) which has been sent together with this invitation letter.



Opinion from the Board of Directors: Agreed to propose for the shareholders to acknowledge the operating performance of the year 2023 and the Annual Report (Form 56-1 One Report) for the year 2023 according to requirements in Article 44 of the Company's Article of Association. (Details as shown in the Annual Report (Form 56-1 One Report) for the year 2023, which can be downloaded from Attachment no.2).

3. To consider and approve the audited Financial Statements for the year ended December 31st, 2023.

Reason and Details: To comply with Section 112 of the Public Limited Companies Act, B.E. 2535, which required the Board of Directors to prepare the Balance Sheet and the Statement of Income as of the accounting period of the Company for presentation at the Annual General Meeting of Shareholders for consideration and approval. The Board of Directors shall provide an auditing on the Balance Sheet and the Statement of Income by the Certified Public Accountant ("CPA") prior to being considered by the Audit Committee and propose to the shareholders' meeting.

Opinion from the Board of Directors: Agreed to propose to shareholders for consideration the Financial Statement for the year ended December 31st, 2023, which has been audited and certified by the CPA from EY Office Limited. Such Financial Statement has been considered and agreed by the Audit Committee and the Board of Directors. (Details as shown in the Annual Report (Form 56-1 One Report) for the year 2023 and Audited Financial Statements as at December 31st, 2023 which can be downloaded from Attachment no.2).

4. To consider and approve the allocation of net profit for the Legal Reserve and Dividend Payment for the year 2024 (From 2023 performance).

Reason and details: According to Section 115 of the Public Limited Companies Act B.E. 2535 and Article 45 of the Company's Article of Association, the Board of Directors has the authority to propose dividend payment from net profit of the current year or retain earnings to the shareholders. The payment of dividend shall be made within one month from the date of the shareholders' meeting or the date resolved by the Board of Directors. The net profit of the year 2023 was 645,585,393 Baht and there was no deficit. According to the Company's dividend payment policy, dividends are typically set at approximately 40% of the net profit, subject to economic conditions and the Company's future business projects. Additionally, in accordance with Section 116 of the Public Limited Companies Act B.E. 2535, the company is required to allocate a portion of the annual net profit as a legal reserve, not less than 5% of the annual net profit, until the reserve fund reaches not less than 10% of the registered capital, unless the Company's Articles of Association or other law requires a greater amount of the legal reserve.

Opinion from the Board of Directors: Agreed to propose to shareholders for approval the payment of dividends for the fiscal year 2023 to the shareholders of the Company, totaling 350,198,655 shares at a rate of 1.05 Baht per share, totaling 367,708,588 Baht. This dividend payment represents 56.96% of the net profit. The Company has set the Record Date for dividend entitlement on March 6th, 2024, and the dividend payment date on May 15th, 2024. This dividend payment rate exceeds the Company's policy for maximum shareholder benefit, despite the Company facing economic downturns. It is deemed appropriate to propose this dividend payment rate to shareholders for approval at the Annual General Meeting of Shareholders for the year 2024. The dividends proposed for payment will be paid from the net profit after deducting corporate income tax at a rate of 20%.



The table of Dividend Payment, comparison in last 4 years

Detail of Dividend Payment	From the performance of 2023 (Proposed Year)	From the performance of 2022	From the performance of 2021	From the performance of 2020
1. Net Profit (Loss) (Baht)	645,585,393	688,483,503	792,620,279	597,498,197
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)	1.05	1.20	1.20	1.00
4. Total Dividend Payment (Baht)	367,708,588	420,238,386	420,238,386	350,198,655.00
5. Dividend Payment to Net Profit	56.96	61.04	53.02	58.61

As of December 31st, 2023, the registered capital amounted to 350,198,655 Baht. According to the law, 10% of the registered capital must be allocated as a legal reserve, totaling 35,019,865.50 Baht. The Company has allocated the full amount required by law, which is 10% of the registered capital. As for the remaining profit, it will be retained as retained earnings for future business operations.

5. To consider and approve the election of the Company's directors replacing the directors who will retire by rotation in 2024.

Reason and details: According to Article 37 of the Company's Article of Association, at each Annual General Meeting of Shareholders, one-third (1/3) of the directors shall retire from their positions. If it is not possible to divide the number of directors evenly into thirds, the closest number to one-third shall retire. The directors who retire may be re-elected. In the year 2024, there are three directors who are required to retire according to the rotation schedule consisting of:

1. Mr. Panuwat Chalongkwamdee Independent director/ Chairman of the Corporate Governance and Sustainability Committee/ Audit Committee.
2. Mr. Lim Kiah Meng Non-Executive Director/ Chairman of the Board of Directors.
3. Mr. Somchai Sittichaisrichart Executive Director/ Managing Director.

For the benefit of all shareholders according to good corporate governance principles, the Company has provided an opportunity for shareholders to nominate individuals who are qualified in advance for being elected as directors. The Company has established channels and criteria for this nomination process, which were disclosed on the Company's website from December 1st, 2023, to January 31st, 2024. During this period, no shareholder nominated any individuals for consideration by the directors. The Company's procedure for appointing directors is as follows:



The Company appoints directors through the shareholders' meeting. The Company's Article of Association stipulates that the Board of Directors shall consist of no less than five directors, elected based on the majority of votes according to the following criteria:

1. Each shareholder is entitled to a number of votes equivalent to the number of shares they hold.
2. For the election of directors, the voting process may involve individual votes for each candidate, voting for multiple candidates as a slate, or any other method deemed appropriate by the shareholders' meeting. However, in each voting instance, shareholders must cast all their votes in accordance with the criterion stated in no.1. and cannot separate their votes among individuals or teams.
3. In the event of a tie in the voting for the election of directors, the Chairman of the meeting shall cast the deciding vote.

Opinion from the Board of Directors: The Board of Directors recognizes that the Company has provided an opportunity for shareholders to nominate individuals who are qualified to be elected as directors in advance. The Company has established channels and criteria disclosed on its website, for this purpose between December 1st, 2023, and January 31st, 2024. During this period, no shareholder nominated any individual for consideration as a director. The Board of Directors subsequently evaluated, through a rigorous and cautious process, the nominees based on their knowledge, abilities, experience, leadership qualities, visionary perspectives, integrity, commitment to dedicating time to the Company, past contributions to management, and diversity in the Board's composition, including compliance with the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, Article 30.

For Mr. Panuwat Chalongkwamdee, who has been nominated to serve as an independent director, the Board of Directors has considered that he has fulfilled the independence criteria as required by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and the Charter of the Audit Committee. He has served as an independent director for the Company for a period of 6 years. The Board of Directors has determined that he possesses the necessary knowledge, experience, and professional background to contribute effectively to the Company's operations. Furthermore, he meets all legal requirements related to independence criteria and relevant qualifications. His extensive experience will enhance the efficiency and diversity of the Board's composition.

The Board of Directors agreed to propose to the shareholders for re-election of the following 3 directors for another term to further develop the Company:

1. Mr. Panuwat Chalongkwamdee To be the independent director/ Chairman of the Corporate Governance and Sustainability Committee/ Audit Committee.
2. Mr. Lim Kiah Meng To be Non-Executive Director/ Chairman of the Board of Directors.
3. Mr. Somchai Sittichaisrichart To be Executive Director/ Managing Director.

The profiles of these 3 directors are provided in Attachment 3.



6. To consider and approve the remuneration of the Company's and the sub-committees' directors for the year 2024.

Reason and details: According to the Public Limited Companies Act B.E. 2535, Section 90 prohibits the Company from paying any money or other assets to the directors, except as remuneration according to the Company's Articles of Association.

Article 43 of the Company's Article of Association specifies that directors have the right to receive remuneration from the Company in the form of rewards, meeting allowances, gratuities, bonuses, or other remuneration as stipulated in the Articles of Association or consideration of the shareholders' meeting. The shareholders' meeting may determine a specific amount or set criteria, and such remuneration may be temporary or ongoing until further changes. Additionally, directors are entitled to receive allowances and various benefits according to the Company's regulations. This provision does not affect the rights of the Company's employees who have been appointed as directors to receive remuneration and benefits as employees of the Company.

Opinion from the Remuneration and Nomination Committee: The Remuneration and Nomination Committee has considered establishing remuneration for the Board of Directors and subcommittees, taking into account appropriateness according to best practices in setting director remuneration, as promoted by the Thai Institute of Directors (IOD), as follows:

1. Remuneration for directors is divided into two parts: monthly compensation and meeting allowances. Monthly compensation is paid to non-executive and independent directors only.
2. Consideration is given to the duties, responsibilities, and performance of the Board of Directors and subcommittees, the Company's performance, and industry practices.
3. The scope of responsibilities of the Board of Directors and subcommittees.

The Remuneration and Nomination Committee has clearly defined the process for director remuneration, considering the aforementioned criteria. The proposal for remuneration undergoes screening by the Remuneration and Nomination Committee before being presented to the Board of Directors. In the year 2024, the total remuneration for directors will not exceed 8,000,000 Baht, same as 2023. The committee has duly considered and proposed director compensation to the Board of Directors for further submission to the shareholders' meeting. Details of the remuneration criteria are outlined in the Annual Report, along with the following comparative table:

Compensation Structure	2024 (Proposing Year)	2023
Monthly Retaining Fee for the Board		
● Chairman of the Board of Directors	36,000.00	36,000.00
● Director	18,000.00	18,000.00
<i>Remark: Excluding the Managing Director and Executive Directors, who already receive salaries as Management.</i>		
Monthly Retaining Fee for the Audit Committee		
● Chairman of the Audit Committee	32,500.00	32,500.00
● Audit Committee	25,000.00	25,000.00

Compensation Structure	2024 (Proposing Year)	2023
Meeting Allowance for the Board of Directors		
● Chairman of the Board of Directors	33,000.00	33,000.00
● Director	22,000.00	22,000.00
Meeting Allowance for the Audit Committee		
● Chairman of the Audit Committee	20,000.00	20,000.00
● Audit Committee	15,000.00	15,000.00
Meeting Allowance for the Remuneration and Nomination Committee		
● Chairman of the Remuneration and Nomination Committee	33,000.00	33,000.00
● Remuneration and Nomination Committee	22,000.00	22,000.00
Meeting Attendance Fee for the Risk Management Committee		
● Chairman of the Risk Management Committee	33,000.00	33,000.00
● Risk Management Committee	22,000.00	22,000.00
Meeting Attendance Fee for the Corporate Governance and Sustainability Committee		
● Chairman of the Corporate Governance and Sustainability Committee	33,000.00	33,000.00
● Corporate Governance and Sustainability Committee	22,000.00	22,000.00
Remarks:		
<ol style="list-style-type: none"> 1. Special rewards will be given to non-executive directors annually based on performance, as determined by the Nomination and Remuneration Committee. 2. The Company does not have a policy of providing remuneration to the Board of Directors and subcommittees in the form of other benefits or non-monetary compensation, apart from position salaries, meeting allowances, and annual special rewards as proposed above. 		

Opinion from the Board of Directors: The Board of Directors has considered, in accordance with the recommendations of the Remuneration and Nomination Committee and agreed to propose to the shareholders for approval the total compensation amount for directors for the fiscal year 2024. This includes monthly remuneration, meeting allowances, and annual special rewards for the Board of Directors and subcommittees, not exceeding a total of 8,000,000 Baht, as per the criteria set forth by the Remuneration and Nomination Committee.

7. To consider and approve the appointment of the Company's Auditor and the Audit Fee for the year 2024.

Reason and details: To comply with the Public Limited Company Act B.E. 2535, Section 120, which stipulates that at the Annual General Meeting of Shareholders, the appointment of Auditor and the determination of the audit fee for the Company shall be proposed by the Audit Committee.



Opinion from the Audit Committee: The Audit Committee considered the qualifications consist of reputation, reliability, knowledge, competence, expertise, standardization, experienced and business understanding of the audit firm as well as the audit team including the audit and other fees. The Audit Committee has considered and proposed to the Board of Directors for consideration to propose to the shareholders' meeting to appoint the Auditors from EY Office Limited as the Company's Auditor for the year 2024. One of the following Auditors can perform 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 years
2. Ms. Siriwan Nitdamrong	5906	Never sign the Financial Statements
3. Ms. Natteera Pongpinitpinyo	7362	2 years

EY Office Limited and the proposed three Auditors have no relationship and/or conflict of interest with the Company, subsidiaries, affiliate, the Management, major shareholders, or related persons of those parties and are not shareholders of the Company, ensuring their independence in conducting audits and expressing opinions on the Company's Financial Statements.

The Board of Directors and the Audit Committee propose to the shareholders' meeting to approve the remuneration for the auditors for the fiscal year 2024 at an amount of 2,540,000 Baht, which is higher than the amount for the fiscal year 2023 for 270,000 Baht. This increase is attributed to inflation and changes in accounting standards, as well as increased emphasis on reducing the risk of fraud, resulting in auditors requiring more time and resources to perform their duties. The proposed remuneration does not include incidental expenses incurred during the audit process. EY Office Limited will continue to serve as the Auditor of the Company's subsidiaries. For subsidiaries audited by other audit firms, the Board of Directors will ensure that financial statements are prepared promptly as per the stipulated timeframe. Details are listed below:

Subsidiaries and Associates	Type of Company	Auditor/Audit Firm
1. SiS Venture Co. Ltd.	Subsidiary	One of the following Auditors who are under the same Audit Firm as the Company, which is EY Office Limited, will be appointed to be the Auditor for the subsidiaries in 2024 (As detailed in the left Column) Ms. Satida Ratananurak or Ms. Siriwan Nitdamrong or Ms. Natheera Pongpinitpinyo
2. Qool Distribution (Thailand) Co., Ltd.	Subsidiary	
3. P T Automation (Thailand) Co., Ltd.	Subsidiary	The Auditor is Mr. Chainun Kitisarasak/ C&K CONSULTANT Company Limited



Comparison table for the Company's Audit Fee with the previous years

Audit Fee	2024 (Proposing year)	2023	2022
Fee for the annual audit report	1,660,000	1,420,000.00	1,370,000.00
Fee for the quarterly review report (3 quarters)	630,000	600,000.00	600,000.00
Fee for the Package Report	250,000	250,000.00	250,000.00
Total	2,540,000	2,270,000.00	2,220,000.00
Change Increase (Decrease)	270,000	50,000	220,000.00
Percentage Change Increase (Decrease)	11.89	2.25	11.00
Out of pocket expenses (Non – Audit Fee)	-	-	-
Total	2,540,000	2,270,000.00	2,220,000.00
Change Increase (Decrease)	270,000	50,000	220,000.00
Percentage Change Increase (Decrease)	11.89	2.25	11.00

Comparison table for the subsidiaries' Audit Fee with the previous years

Audit Fee	2024 (Proposing year)			2023			2022		
	SIS Venture	Qool Distribution (Thailand)	PT Automation (Thailand)	SIS Venture	Qool Distribution (Thailand)	PT Automation (Thailand)	SIS Venture	Qool Distribution (Thailand)	PT Automation (Thailand)
Fee for the annual audit report	120,000	120,000	15,000	120,000	120,000	15,000	120,000	120,000	15,000
Fee for the quarterly review report (3 quarters)	30,000	30,000	0.00	30,000	30,000	0.00	30,000.00	30,000	0.00
Total	150,000	150,000	15,000	150,000	150,000	15,000.00	150,000	150,000	15,000
Change Increase (Decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,000.00)
Percentage Change Increase (Decrease)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(40.00)

Opinion from the Board of Directors: The Board of Directors has considered and agreed to propose to the Annual General Meeting of Shareholders for consideration and approval of the appointment of Ms.Satida Ratananurak, Ms. Siriwan Nitdamrong and Ms. Natteera Pongpinitpinyo who are auditors from EY Office Limited to be the Auditors of the Company for the fiscal year 2024. Additionally, based on the recommendation of the Audit Committee, the Board of Directors proposes to the Annual General Meeting of Shareholders to approve the audit fee for the fiscal year 2024 at an amount of 2,540,000 Baht, which is higher than the audit fee for the fiscal year 2023 by 270,000 Baht, excluding incidental expenses incurred during the audit process.



8. Questions and Answers.

Reason and details: To provide an opportunity for shareholders to inquire or provide feedback to the Company.

Opinion from the Board of Directors: Agreed to provide an opportunity for shareholders to inquire or provide feedback to the Company, as it will contribute to the ongoing improvement and development of the Company.

To promote good corporate governance practices, the Company has provided an opportunity for shareholders to submit proposals for consideration at the meeting and nominate individuals for election as directors at the Annual General Meeting of Shareholders for the year 2024. This opportunity was available from December 1st, 2023, to January 31st, 2024. Details, criteria, and procedures were disclosed on the Company's website at www.sisthai.com and through the Stock Exchange of Thailand's Electronic Listed Companies Information Disclosure system. During this period, no shareholder submitted any proposals for consideration at the meeting or nominated individuals for election as directors.

The Company invites shareholders to attend the meeting as per the date, time, and channel mentioned above. In the event that a shareholder wishes to appoint another individual or an independent director to participate in and vote on behalf of the shareholders' meeting of the Company, please fill in the proxy form attached to this invitation letter along with signature and necessary documents as specified in the attached documents prior to uploading the aforementioned documents into the electronic registration system according to the instructions for the meeting registration provided through the attached electronic system.

Furthermore, shareholders are encouraged to submit questions in advance to inquire about matters related to each agenda item or any other relevant information regarding the meeting to the Company. Questions can be submitted prior to the meeting date through the Company's website (www.sisthai.com) under the "Investor Relations" section, specifically under the subsections **"Information for Shareholders"** and **"Submission of Questions prior to the Annual General Meeting of Shareholders"** or via email to the Investor Relations Department at investorinfo@sisthai.com or the Company Secretary at companysecretary@sisthai.com. This will be beneficial for the Board of Directors and Management to prepare the necessary information for the shareholders' meeting. Shareholders can also indicate their desire to receive the Annual Report (Form 56-1 One Report) by contacting the Investor Relations Department or the Company Secretary via the email addresses provided.



In the event that the Company decides to change the meeting method, or set the date, time, and venue of the meeting, the Company will announce such news through the Stock Exchange of Thailand's information disclosure system and the Company's website to ensure that shareholders are informed in advance.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Somchai Sittichaisrichart'.

(Mr. Somchai Sittichaisrichart)

Managing Director