

26 February 2010

Subject Invitation to Annual General Meeting of Shareholder no. 1/2010

To Shareholders

Attachments

1. Copy of meeting minute of Annual General Meeting of Shareholder no. 1/2009
2. Annual Report and Audited Financial Statement of 2009 in CD-Rom version.
3. Selection of Directors and definition of Independent Director.
4. Biography of the nomination Directors.
5. Summary of Employee Stock Option Plan Scheme
6. Detail of Director who get more 5% of ESOP
7. Capital Increase Report Form
8. Articles of Association relating to the meeting
9. Biography of the Independent Directors who serves as proxy holder for Shareholders
10. Guideline for documents and evidences to be declared before attend meeting
11. Map of the meeting venue
12. Proxy Form B

SiS Distribution (Thailand) Public Company Limited would like to invite you to participate in The Annual General Meeting of Shareholders 2010, which will be held on 2nd April 2010 at 10.00 a.m. at Diamond Room, Grand Mercure Fortune Hotel, No.1 Ratchadapisek Road, Huaykwang, Dingdaeng, Bangkok to consider the following agendas:

1. To acknowledge the matters announce by the Chairman.

Reason and Detail: To announce general information to Shareholders.

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

2. To consider approving the minute of the Annual General Meeting no. 1/2009 held on 27th March 2009.

Reason and Detail: The Company held the General Shareholder's Meeting no. 1/2009 on Friday, 27th March 2009, and has submitted the meeting minute to the Stock Exchange of Thailand and the Ministry of Commerce and also disclosed in the company's website according to the time frame of legal regulations. The copy of minute is shown in attachment.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve the minute of Annual General Meeting no. 1/2009 on Friday 27th March 2009 which the Board of Directors have deemed it is a true and correct recorded.

3. To acknowledge the Board of Director's report for operations of year 2009 and approve the 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.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to acknowledge the operations of the year 2009 and approve the 2009 annual report (Details are in Annual Report of the year 2009).

4. To consider approving the Balance Sheet and the Statement of Income for the year ended 31 December 2009 which have been audited by the CPA with 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 at the Annual General Meeting for consideration and approval. The financial statements have been audited by CPA before submit to the Shareholder's Meeting.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve the Balance Sheet and the Statement of Income for the year ended 31st December 2009 which have been audited by the CPA with Auditor's Report and it was also considered by the Audit Committee and the Board of Directors (Details are in annual report of the year 2009).

5. To consider approving the dividend payment for the operating results of the year 2009.

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. The Company recorded the net profit for the year 2009 in total amount Baht 241,727,524 and no accumulated loss, according to the dividend payment policy of the Company that stipulate to pay dividend about 40 percentage of net profit depend on situation of economy and future project 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 reserve fund in an amount not less than five percent of the annual net profit less the sum of accumulated loss brought forward (if any) until the reserve fund amounts to 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 reserve fund.

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve dividend payment for the operating results of year 2009, for 203,174,100 shares at the rate of baht 0.40 per share, total amount to Baht 81,269,640.00. The dividend is 33.56 percent of the 2009 net profit. The Company will pay out dividend to shareholders with names registered in the Shareholders Registration Book as of 22nd April 2010, and the payment would be scheduled on 29th April 2010. The Board of Directors deemed the payment rate as appropriateness and in line with dividend payment policy of the Company, operating results and current situation of economic.

Table of Dividend payment comparison

Dividend Payment Description	2009	2008	2007	2006
1. Net Profit (Baht)	241,727,524	206,619,427	129,604,734	92,973,672
2. Amount of Shares				
2.1 Amount of Interim Dividend Payment (Shares)	-	-	-	-
2.1 Amount of Dividend Payment for the Year (Shares)	203,174,100	203,174,100	201,655,100	201,481,300
3. Total Dividend Payment per Share (baht/share)				
3.1 Interim Dividend Payment (baht/share)	-	-	-	-
3.1 Dividend Payment for the Year (baht/share)	0.40	0.35	0.25	0.14
4. Total Dividend Payment (Baht)	81,269,640	71,110,935	50,413,775	28,207,382
5. Dividend Payment Ratio (percent)	33.56	34.42	38.90	30.34

For the year 2007, The Company fully reserved the legal reserve according to the Public Limited Companies Act B.E. 2535. The Board of Directors did not appropriate the legal reserve in the year 2009 and appropriate remain net profit to retain earning.

6. To consider the election of Company's Directors to replace the Directors who have to retire by rotation rule, Mr.Somchai Sirivichayakul, 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 the Company. In the year 2010, the Directors who have to retire by rotation rule are Mr.Somchai Sirivichayakul, Mr.Somchai Sittichaisrichart and Mr.Lim Hwee Hai.

For the benefit of all Shareholders according to the Good Corporate Governance, the Company allowed shareholders to nominate qualified persons for election as the Company's Directors under the channel and the nomination procedure of the Company and disclosed on the website of the Company. There was no nomination from Shareholder to the Company.

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 including the qualifications according to 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 reelect Mr.Somchai Sirivichayakul, Mr.Somchai Sittichaisrichart and Mr.Lim Hwee Hai as the Company's Directors for another term. (The biography of nomination Directors are shown in attachment)

7. To consider approving the Director's Remuneration for the year 2010.

Reason and Detail: The Remuneration and Nomination Committee appropriately stipulated the payment criterion for Directors and correspondence with the duties and responsibilities of Directors. In the year 2010, the director remuneration will be not over 6,000,000 baht that is same rate with 2009. The criterion and detail of remuneration are shown in Annual Report and conclude in the table below:

Remuneration of Directors comparison table

Compensation structure	2010	2009
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 Management.		
Monthly Retaining Fee for the Audit Committee		
Chairman	32,500.00	30,000.00
Committee	25,000.00	20,000.00
Attendance Fee for the Board		
Chairman	30,000.00	30,000.00
Committee	20,000.00	20,000.00
Attendance Fee for the Audit Committee		
Chairman	10,000.00	5,000.00
Committee	7,500.00	5,000.00
Attendance Fee for the Remuneration and Nomination Committee		
Chairman	30,000.00	30,000.00
Committee	20,000.00	20,000.00
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 clearly criteria of the Remuneration and Nomination Committee		

Board of Directors' comment: It is considered appropriate for the Shareholders' Meeting to approve the Board of Directors Remuneration, monthly retain, attendance fee and yearly special reward for Directors and Sub Committee for the year 2010, totaling not over Baht 6,000,000.

8. To consider approving the appointment of Company's Auditor and fixed of the Auditor Fee for the year 2010.

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 from the Audit Committee.

Audit Committee's comment: Requirements of the Securities and Exchange Commission (SEC) on auditor rotation every 5-year period that Mr.Ekkasit Chuthamsatid, the auditor from KPMG Phoomchai Audit Limited who signed in financial statement report of the Company since year 2005 - 2009 including 5 years and have to change auditors to comply with the requirements.

Audit Committee considered on the basis of knowledge, capability and worldwide standard skill in financial 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 2010. One of the following auditors may audit and provide opinions on the Company's financial statement.

Name	Registration Number	Number of Audited Year
Ms. Somboon Supasiripinyo	3731	- None -
Ms. Vannaporn Jongperadechanon	4098	- None -
Mr. Vichien Thamtrakul	3183	- None -
Ms. Sureerat Thongarunsang	4409	- None -

KPMG Phoomchai Audit Co.,Ltd. and the nominated auditors do not have relationship and / or conflict of interest with the Company, Managements, Major Shareholders or related persons of the those parties, There are independent in auditing and provide opinions on the Company's financial report. The nominated auditors also are not shareholders of the Company.

The Audit Committee proposed the Board of Directors to fix the remuneration of Auditor at total amount of Baht 1,085,000 that slightly increase from 2009 by Baht 65,000 or 6.37 percent. Such fee is reasonable when compared with the increment of work to comply with new regulation in IFRS.

Table of audit fee comparison

Type of Audit Fees	2010 (current proposal year)	2009
Fee for the annual audit report	630,000.00	600,000.00
Fee for the quarterly review report	390,000.00	360,000.00
Fee for the reporting Package	65,000.00	60,000.00
Other fee	-	-
Total	1,085,000.00	1,020,000.00
Increment (Decrement)	65,000.00	

Not include out-of-pocket expenses e.g. miscellaneous expenses during work period such as traveling, copy and facsimile expenses.

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to appoint Ms. Somboon Supasiripinyo or Ms. Vannaporn Jongperadechanon or Mr. Vichien Thamtrakul or Ms. Sureerat Thongarunsang of KPMG Phoomchai Audit Limited as the Company's Auditor for the year 2010. 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 2010 in total amount of Baht 1,085,000 as recommendation by the Audit Committee.

9. To consider approving the reduction of the Registered Capital of the Company and the amendment to Clause 4 of the Memorandum of Association so as to reflect the reduction of registered capital.

Reason and Detail: The Company wishes to reduce the registered capital of the Company because the warrant for ESOP was expired and did not exercise as ordinary shares in total amount 1,825,900 units as follow:

The current registered capital of the Company is Baht 205,000,000, divided into 205,000,000 ordinary shares with the par value of Baht 1 per share and the current paid up capital is Baht 203,174,100 and unpaid up capital is Baht 1,825,900. The Company must reduction of registered capital by cancelling Baht 1,825,900. A new register capital will be Baht 203,174,100 divided into 203,174,100 ordinary shares of par value of Baht 1 (one) each and to amend clause 4 of the Memorandum of Association so as to reflect the reduction of the Company's registered capital to comply with this capital reduction.

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to approve the reduction of registered capital of the Company by cancelling Baht 1,825,900 and new register capital will be Baht 203,174,100 divided into 203,174,100 ordinary shares of par value of Baht 1 (one) each and to amend clause 4 of the Memorandum of Association so as to reflect the reduction of the Company's registered capital to comply with this capital reduction as follow:

Previous Statements:

Article No. 4 Registered Capital : 205,000,000 Baht (Two hundred and five million Baht)
Divided into : 205,000,000 Shares (Two hundred and five million shares)
Value per Share : 1.00 Baht (One Baht)

Separated into:

Ordinary Shares : 205,000,000 Shares (Two hundred and five million shares)
Preference Shares : - Share (-)

Amended Statements:

Article No. 4 Registered Capital : 203,174,100 Baht (Two hundred and three million, one hundred and seventy four thousand, one hundred Baht)
Divided into : 203,174,100 shares (Two hundred and three million, one hundred and seventy four thousand, one hundred shares)
Value per Share : 1.00 Baht (One Baht)

Separated into:

Ordinary Shares : 203,174,100 shares (Two hundred and three million, one hundred and seventy four thousand, one hundred shares)
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.

10. To consider approving the issue of 10,000,000 warrants to Directors and employees (including any employee(s) who is also a Director) under Employee Stock Option Plan Scheme.

Reason and Detail: The Company wishes to issue of 10,000,000 warrants to Directors and employees (including any employee(s) who is also a Director) under Employee Stock Option Plan Scheme. The purpose for the offering is as follow:

- 1) Reward to the Directors and Employees of the Company that they can contribute improving the continuity of the Company's operation results and profitability.
- 2) Motivate the employee to work in the long term and to be owner of the Company with the right to buy shares in good price.
- 3) Adjusted employee benefits in the same direction with shareholders benefits.

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to approve the issue of 10,000,000 warrants to Directors and employees (including any employee(s) who is also a Director) as detailed in Summary of

Employee Stock Option Scheme attached herewith. In case of the warrants are not exercised within the term of the warrants or are not allocated when out of the offering period, in any such case, shareholders authorize to the Board of Director to consider and allocate the remaining right to Directors and employees (including any employee(s) who is also a Director) in one or many time appropriately.

Voting Procedure

The issue of such warrants must be approved by a shareholders' meeting with the vote of not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote excluding those of interested shareholders with no objection from shareholders holding more than 10% of the total votes of the shareholders attending the meeting.

11.To consider approving the issue of warrants to Mr.Somchai Sittichaisrichart over 5% of total warrants.

Reason and Detail: From the past of operating results, the Company has been continued growth of profitable and sales that came from accurate and appropriate policies under the monitoring of the Board of Director and assigned management through the Managing Director (Mr.Somchai Sittichaisrichart) and Executive Director (Mr.Sombati Pugnsrinont) to control and oversee all departments to achieve the policies. That operation is making operation's result growth and paid continued the dividend to shareholders every year. From above reasons, the Company wishes to allocate 600,000 warrants to Mr.Somchai Sittichaisrichart, equal 6% of total warrants for approval.

Board of Directors' comment: The Board of Directors has considered by the recommendation for the Remuneration and Nomination Committee on the past of operating results and found it appropriate to propose the General Shareholders' Meeting to approve the allocation of warrant to Mr.Somchai Sittichaisrichart.

12.To consider approving the issue of warrants to Mr.Sombati Punsrinont over 5% of total warrants.

Reason and Detail: From the past of operating results, the Company has been continued growth of profitable and sales that came from accurate and appropriate policies under the monitoring of the Board of Director and assigned management through the Managing Director (Mr.Somchai Sittichaisrichart) and Executive Director (Mr.Sombati Pugnsrinont) to control and oversee all departments to achieve the policies. That operation is making operation's result growth and paid continued the dividend to shareholders every year. From above reasons, the Company wishes to allocate 600,000 warrants to Mr.Somchai Sittichaisrichart, equal 6% of total warrants for approval.

Board of Directors' comment: The Board of Directors has considered by the recommendation for the Remuneration and Nomination Committee on the past of operating results and found it appropriate to propose the General Shareholders' Meeting to approve the allocation of warrant to Mr.Sombati Pungsrinont.

13. To consider approving the increment of the Registered Capital of the Company and the amendment to Clause 4 of the Memorandum of Association so as to reflect the increment of registered capital.

Reason and Detail: The Company wishes to increase the registered capital of the Company for another Baht 10,000,000 divided into 10,000,000 ordinary shares with the par value of Baht 1 per share to be reserved for the exercise of warrants which were allotted to the Directors and employees (including any employee(s) who is also a Director) of the Company, as detailed in Capital Increase Report Form attached herewith and to amend clause 4 of the Memorandum of Association so as to reflect the increment of the Company's registered capital to comply with this capital increase.

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to approve the increment of registered capital of the Company for another Baht 10,000,000 and new register capital will be Baht 213,174,100 divided into 213,174,100 ordinary shares of par value of Baht 1 (one) each and to amend clause 4 of the Memorandum of Association so as to reflect the increment of the Company's registered capital to comply with this capital increment as follow:

Previous Statements:

Article No. 4 Registered Capital	: 203,174,100 Baht (Two hundred and three million, one hundred and seventy four thousand, one hundred Baht)
Divided into	: 203,174,100 shares (Two hundred and three million, one hundred and seventy four thousand, one hundred shares)
Value per Share	: 1.00 Baht (One Baht)
Separated into:	
Ordinary Shares	: 203,174,100 shares (Two hundred and three million, one hundred and seventy four thousand, one hundred shares)
Preference Shares	: - Share (-)

Amended Statements:

Article No. 4 Registered Capital	: 213,174,100 Baht (Two hundred and thirteen million one, hundred and seventy four thousand, one hundred Baht)
Divided into	: 213,174,100 shares (Two hundred and thirteen million, one hundred and seventy four thousand, one hundred shares)
Value per Share	: 1.00 Baht (One Baht)
Separated into:	
Ordinary Shares	: 213,174,100 shares (Two hundred and thirteen million, one hundred and seventy four thousand, one hundred shares)
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.

14. To consider approving the allocation of new ordinary shares.

Reason and Detail: To reserve for the exercise of the warrants that the Company will issue the warrants to Directors and employees (including any employee(s) who is also a Director) under ESOP Scheme in total amount 10,000,000 ordinary shares at the par value of Baht 1 each.

Board of Directors' comment: The Board of Directors has considered and found it appropriate to propose the General Shareholders' Meeting to approve the allotment of 10,000,000 new ordinary shares to be reserved for the exercise of warrants which were allotted to Directors and employees (including any employee(s) who is also a Director) under ESOP Scheme.

15. To consider other matter (if any)

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

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

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 cannot attend the meeting and wishes to authorize other person or the Audit Committee to attend the meeting and vote on his/her behalf. Please fill in the proxy form and sign the signature in the attached Power of Proxy with fix revenue stamp, 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 Management to provide clear information on shareholders' meetings. The shareholders can send at investorinfo@sisthai.com or companysecretary@sisthai.com or facsimile no.0 2640 3590.

Best Regards,



(Mr. Somchai Sittichaisrichart)

Managing Director

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