

24th March 2017

Subject: Invitation Letter to the 2017 Annual General Shareholders' Meeting

To: Shareholders of Sappe Public Company Limited (the "Company")

- Enclosures:
1. Copy of the Minutes of the 2016 Annual General Shareholders' Meeting
 2. The 2016 Annual Report (CD-ROM)
 3. The profiles of retiring directors proposed for re-election and the qualifications of Independent director
 4. The profile of Independent Director who may be granted a Proxy
 5. Proxy Form (B)
 6. Proxy Form (C)
 7. Conditions, rules and procedures to attend the meeting
 8. The Company's Articles of Association concerning the Shareholders' Meeting
 9. Map of the venue of the meeting

According to the Board of Directors' Meeting of the Company No. 2/2017 held on Wednesday, 15th March 2017 had resolved to hold the 2017 Annual General Shareholders' Meeting on Wednesday 26th April 2017 at 13.30 hours, at Srinakarin1 Room, 9th Floor, The Grand Fourwings Convention Hotel, 333 Srinakarin Rd., Huamark, Bangkapi, Bangkok. The meeting agendas are as follows:

Agenda 1 To consider and approve the Minutes of the 2016 Annual General Shareholders' Meeting which held on 21st April 2016

Fact and Reason: The secretary of the meeting took the 2016 Annual General Shareholders' Meeting which held on 21st April 2016. The Company's Board of Directors has considered that the minutes were taken accurately according to the resolutions of the meeting (Enclosure 1).

The Board of Directors' Opinion: The minutes were taken accurately according to the resolutions of the meeting. Thus, the board deemed it appropriate to propose to the Shareholders' Meeting to approve the minutes of the 2016 Annual General Shareholders' Meeting which held on 21th April 2016.

Vote: The resolution of this agenda shall be passed by majority votes of shareholders who are present at the meeting and cast their votes.

Agenda 2 **To acknowledge the Company's performance results for the year 2016**

Fact and Reason: The Company has prepared the performance results and the important changes of the year 2016, which were disclosed in the 2016 Annual Report (Enclosure 2).

The Board of Directors' Opinion: The Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to acknowledge the 2016 performance results.

Vote: This agenda is for acknowledgement, therefore there is no vote casting.

Agenda 3 **To consider and approve the Company's Financial Statements for the year 2016, ended 31st December 2016**

Fact and Reason: Pursuant to the Public Limited Company Act B. E. 2535 and Article 45 of the Company's Articles of Association of the Company, the Annual General Meeting of Shareholders shall consider and approve the Company's statements of financial position and statements of income for the preceding year.

Board of Directors' Opinion: The Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to approve the financial statements for the year 2016, ended 31st December 2016 which were audited by the Auditor and reviewed by the Audit Committee and also endorsed by the Board of Directors (Enclosure 2).

Vote: The resolution of this agenda shall be passed by majority votes of shareholders who are present at the meeting and cast their votes.

Agenda 4 **To consider and approve dividend payment for the year 2016**

Fact and Reason: According to the dividend payment policy of the Company provided that the Company will pay dividend to shareholders of not less than 40 percent of net profit, from the separate financial statements, after corporate income tax and any legal reserves. And pursuant to the Articles of Association of the Company, Article 54, dividends shall not be paid other than out of profits, including retained earnings. If the Company still has an accumulated loss, the Company is prohibited from paying dividends. Dividends shall be distributed according to the number of shares, with each share receiving an equal amount of dividends. Dividends payment shall be made by approval from the general meeting of shareholders, unless the interim dividends payment.

The Board of Directors' Opinion: The Shareholders' Meeting should pay the dividend for year 2016 at the rate of 0.54 Baht per share from net profit of the Company's performance during 1st January 2016 to 31st December 2016, totaling 163.27 million Baht or 40.7 percent of the net profit from the separate financial statements. The dividend will be paid to those shareholders who are entitled to receive the dividend as listed on the Record Date on 8th May 2017 and fixed the share registration book closing date on 9th May 2017 for gathering shareholders' names under the Section 225 of the Securities and Exchange Act B.E. 2535 (amended in 2016). The Company shall pay the dividend on 23rd May 2017 after obtaining approval from the 2017 Annual General Shareholders' Meeting.

Information of the dividend payment from previous year

Details of the dividend payment	Year 2016	Year 2015
Net Profit from the separate financial statements (million Baht)	400.91	313.92
Dividend for the year (Baht per shares)	0.54	0.42
Total amount of the dividend (million Baht)	163.27	126.56

The Company will be no additional appropriation as the legal reserve due to the Company has allocated the reserve of 30,462,000 Baht which is 10 percent of the registered capital and reach the requirement of the Public Company Act B.E.2535.

Vote: The resolution of this agenda shall be passed by majority votes of shareholders who are present at the meeting and cast their votes.

Agenda 5 To consider and approve re-election of the directors who are due to retire by rotation

Fact and Reason: Pursuant to Article 20 of the Company's Articles of Association of, at every annual general meeting, one-third (1/3) of directors shall retire from the company. If the number of retiring directors is not a multiple of three (3), the number of directors that is the nearest to one-third (1/3) shall retire. Directors who retire from the company in the first year and the second year after the registration of the company shall be determined by way of drawing lots. In subsequent years, directors who have remained in the company for the longest term shall retire. Retiring directors may be reappointed. In the 2017 Annual General Shareholders' Meeting, 3 retiring directors are;

1. Mr. Anan Ruckariyapong Director and President

2. Ms. Piyajit Ruckariyapong Director and Chief Executive Officer
3. Mr. Arnupap Ruckariyapong Director and Chief Operation Officer

The Board of Directors' Opinion: The Board of Directors deemed it appropriate to propose to the Shareholders' Meeting to approve the re-election of the 3 retired directors as the Company's directors for another term because their experiences, capabilities and good understanding in the Company's business could enhance the Company's performance. The profile of each director was sent together with this Invitation Letter (Enclosure 3).

Vote: The resolution of this agenda shall be passed by majority votes of shareholders who are present at the meeting and cast their votes.

Agenda 6 **To consider and approve the remuneration for the Board of Directors and subcommittee for the year 2017**

Fact and reason: Pursuant to Section 90 of the Public Limited Company Act B. E. 2535, the company shall not pay money or give any property to a director, unless it is a payment of remuneration under the Articles of Association of the company and Article 33 of the Company's Articles of Association, the Company may not pay any money or distribute such other assets to directors except for remunerations of directors. Directors are entitled to receive remunerations, attendance fee, allowance and such other benefits in the form of commission, bonus or benefits of similar nature in accordance with the Articles of Association of the Company or with the resolution of general meetings of shareholders.

The Board of Directors' Opinion: In order to make the remuneration of the Board of Directors and Audit Committee be appropriate and comparable to other leading companies, with concerning to the increase of business transactions those shall be incurred in year 2017; the Board of Directors deemed it appropriate to propose to the 2017 Annual General Shareholders' Meeting to approve the remuneration of the Board of Directors and Audit Committees for 2017 at the aggregate amount of not exceeding 8,000,000 (eight million) Baht, details as follow;

1. Annual fixed fee and attendance fee:

Details of remuneration	2017		2016	
	Annual fixed fee	Attendance fee	Annual fixed fee	Attendance fee
Chairman of Board of Directors	144,000 Baht/annum	25,000 Baht/attendance	144,000 Baht/annum	25,000 Baht/attendance
Director	144,000 Baht/annum	20,000 Baht/attendance	144,000 Baht/annum	20,000 Baht/attendance
Chairman of Audit Committee	-	25,000 Baht/attendance	-	25,000 Baht/attendance
Member of Audit Committee	-	20,000 Baht/attendance	-	20,000 Baht/attendance

2. Director's bonus: considering from net profit for the year 2017 and being allocated by the Board of Directors.

However, there are no any remuneration will be paid to Directors and member of Audit Committee other than the proposed remuneration.

Vote:

The resolution of this agenda shall be passed by a vote of no less than two-third (2/3) of the total number of votes of shareholders who are present at the meeting.

Agenda 7 To consider and approve the appointment of the Company's auditor and remuneration for the year 2017**Fact and Reason:**

Pursuant to Section 120 of the Public Limited Company Act B.E.2535, the annual general meeting of shareholders shall appoint an auditor and determine the auditing fee of the company every year. In appointing the auditor, the former auditor may be re-appointed and Article 53 of the Company's Articles of Association provided that the Annual General Meeting of Shareholders shall appoint auditors and determines auditors' fees. The appointed auditor shall not be director, employee or any person holding a position in the Company.

Board of Directors' Opinion:**1) the Appointment of the Company's Auditor and its Subsidiaries' Auditors**

The Board of Directors deemed it appropriate to propose to Annual General Shareholders' Meeting to approve the appointment an auditor of the Office of KPMG Phoomchai Audit Limited, one of the following names below, to be the auditor of the Company and give opinion to the Company's financial statements for the year 2017

<u>Name</u>	<u>Certified Public Accountant No.</u>	<u>Service Year as the Company's auditor</u>
Ms. Sureerat Thongarunsang	4409	3 years (2012-2014)
Mr. Banthit Tangpakorn	8509	-
Ms. Marisa Tarathornbanpakul	5752	-

For its subsidiaries' auditors, the Board of Directors deemed it appropriate to propose to appoint the auditors, details as follow;

1. BDR Consult Spol. s.r.o. to be the auditor of Sappe Europe s.r.o.
2. KPMG to be the auditor of Sappe Holding (Thailand) Company Limited

For its indirect subsidiaries' auditors, the Board of Directors deemed it appropriate to propose to appoint the auditors, details as follow;

1. Stephen YS Chan & Co to be the auditor of Sappe Hong Kong Company Limited and Sappe Trading (Hong Kong) Company Limited
2. Shanghai LiXin JiaCheng DongShen CPAs to be the auditor of Sappe Trading (Shanghai) Company Limited

By this, the proposed auditors have no benefit and/or relationship with the Company/subsidiaries/executives/major shareholders or any related parties which may impact the independent responsibilities of auditors.

2) The audit remuneration for the year 2017

The auditors' remuneration of the Company and its subsidiaries for the year 2017 is totaling in amount of not exceeding 3,000,000 Baht (details as table below), which is more than 2016. In addition, there will be other expenses occurred during audits, for examples, transportation, document/printing, postal, communication costs which will not exceed 10% of the audit remuneration.

Company name	Audit Firm	Auditors' remuneration		Remark
		2016	2017	
Sappe Public Company Limited	KPMG	1,485,000	1,780,000	Increase 20%
Sappe Europe s.r.o	BDR Consult spol.s.r.o	264,000	264,000	-
Sappe Holding (Thailand) Company Limited	KPMG	50,000	120,000	Increase 140 %
Sappe Hong Kong Co., Ltd.	Stephen YS Chan & Co.	45,000	55,000	Increase 22 %
Sappe Trading (Hong Kong) Co., Ltd.	Stephen YS Chan & Co.	45,000	55,000	Increase 22 %
Sappe Trading (Shanghai) Co., Ltd.	Shanghai LiXin JiaCheng DongShen CPAs	-	350,000	* The company was established in November 2016 and will start to prepare its financial statements in 2017.
Total		1,889,000	2,624,000	Increase 39%

Although the Company has had its subsidiaries in overseas and appointed auditors of subsidiaries from other firms but the subsidiaries were able to deliver their quarterly and annual financial statements on schedule. This could be ensured that the Company could prepare its financial statements within the timeline required by law.

The appointment of the Company's and its subsidiaries' auditors and the auditors' fee for the year 2017 were approved by the Board of Directors meeting No. 1/2017 was held on 23rd February 2017 due to the proposed auditors performed their audits properly in accordance with the accounting standards.

For 2016, the subsidiary of company paid remuneration of other services (Non-Audit Fee) for the service of Financial and Tax Due Diligence to the related business of the Company's auditor for the year 2016 in total amount of 1,200,000 Baht.

Vote:

The resolution of this agenda shall be passed by majority votes of shareholders who are present at the meeting and cast their votes.

Agenda 8 **Other matters (if any)**

Fact and Reason:

Pursuance to Section 105 paragraph 2 of the Public Limited Company Act B.E.2535 and Article 43 paragraph 2 of the Company's Articles of Association, shareholders holding in aggregate of no less than one-third (1/3) of total number of issued shares may request that the meeting consider other agenda than those prescribed under the notice of an invitation to such meeting.

The Board of Director's Opinion:

The meeting should not consider any other matters proposed at the meeting. This is to comply with the Principles of Good Corporate Governance for Listed Companies B.E.2555 and the Annual General Shareholders Meeting Assessment Project that the meeting should consider only the issues already informed in advance for fairness of the overall shareholders.

The Company invites all shareholders to attend the meeting on the date, time and venue aforementioned. The Company has fixed the Record Date on which shareholders have the right to attend the 2017 Annual General Shareholders' Meeting on 30th March 2017 and fixed the share registration book closing date on 31st March 2017 for gathering shareholders' names under Section 225 of the Securities and Exchange Act B.E. 2535 (Revised B.E. 2551) and the registration counters will be opened for shareholders' registration from 11.30 hours onwards. The Chairman has designated officers who register the meeting attendants to collect the proxy forms on his behalf. For greater convenience of all shareholders and proxy holders, please bring a proxy (Enclosure 5 or 6) with affixed duty stamp

in amount of 20 Baht, all required documents and evidences as stated in Enclosure 7 and Barcode Registration Form to declare at the meeting's registration.

In case of shareholders appoint the Company's independent director as their proxy holders, please return the proxy form which affixed duty stamp in amount of 20 Baht and voted for each agenda together with all required documents and evidences as stated in Enclosure 7 and Barcode Registration Form to the Company Secretary, Sappe Public Company Limited No. 2 Soi Rama9 28, Rama9 Road, Huamark, Bangkapi, Bangkok, 10240 within Wednesday, 12th April 2017.

The Company reserves the right not to register shareholders in case where required documents and evidences are incomplete or inaccurate or do not meet the requirements and conditions specified.

If any inquiry, please contact Investor Relation Department or Company Secretary at Tel: + 66 2319 4949 ext. 312 or ext. 4144.

Yours sincerely,



Mr. Natee Onin

Chairman