



**INVITATION OF 2022 ANNUAL GENERAL  
SHAREHOLDERS' MEETING**

Wednesday 27<sup>th</sup> April 2022 at 1.30 p.m.

Electronic Annual General Shareholders' Meeting (E-AGM)



5 April 2022

Subject: Invitation Letter to the 2022 Annual General Shareholders' Meeting

To: Shareholders of Sappe Public Company Limited

Enclosures:

1. Copy of the Minutes of the 2021 Annual General Shareholders' Meeting
2. Form 56-1 One Report 2021 (QR code)
3. The profiles of retiring directors proposed for re-election and the qualification of Independent director
4. The profiles of Independent Directors who may be granted by a Proxy
5. Proxy Form (A)
6. Proxy Form (B)
7. Proxy Form (C)
8. The Company's Articles of Association concerning the Shareholders' Meeting
9. Conditions, rules, and procedures to attend the electronic Annual General Shareholders' Meeting (E-AGM)
10. User Manual of Electronics Meeting System

Pursuant to Article 34 of the Company's Articles of Association; "Subject to applicable laws, regulations, announcements, requirements or other relevant rules that are currently available or may be modified in the future, the Company's General Meeting of Shareholders may be held by means of electronic communications equipment", and the resolution of the Board of Directors' Meeting of Sappe Public Company Limited (the "Company") No.2/2022 held on Monday 14<sup>th</sup> March 2022, the 2021 Annual General Shareholders' Meeting will be **held electronically on Wednesday 27<sup>th</sup> April 2022 at 13.30 hours.**

The meeting agenda are as follows:

**Agenda 1****Matter to be informed by Chairman****Vote:**

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

**Agenda 2****To consider and approve the Minutes of the 2021 Annual General Shareholders' Meeting, held on 29 April 2021****Fact and Reason:**

The secretary of the meeting took the minutes of 2021 Annual General Shareholders' Meeting, held on 29 April 2021. 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 of Directors deemed it appropriate to propose to the Shareholders' Meeting to approve the minutes of the 2021 Annual General Shareholders' Meeting, held on 29 April 2021.

**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 3****To acknowledge the Company's operating results for the year 2021****Fact and Reason:**

The Company has prepared the performance results and the important changes of the year 2021, which were disclosed in the 2021 Annual Report (Form 56-1 One report) in 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 2021 performance results.

**Vote:**

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

**Agenda 4****To consider and approve the Company's Financial Statements for the year 2021, ended 31 December 2021****Fact and Reason:**

Pursuant to the Public Limited Company Act B.E. 2535 and Article 45 of the Company's Articles of Association, 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.

**The 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 2021, ended 31 December 2021 which were audited by the

Auditor and reviewed by the Audit Committee and also endorsed by the Board of Directors.

**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 dividend payment from the Company's performance for the year 2021**

**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 Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to consider and approve the dividends payment at 1.10 Baht per share from net profit of the Company's performance during 1 January 2021 to 31 December 2021, totaling 338.06 million Baht (or 79% of net profit for the year specified on the separate financial statements), paid to shareholders who are entitled to receive the dividends as listed on the Record Date on 9 May 2022, and the company will pay dividends on 26 May 2022, payable upon approval from the 2022 Annual General Meeting of Shareholders.

**Information of the dividend payment from previous year**

Details of the dividend payment	Year 2021	Year 2020
Net Profit from the separate financial statements (million Baht)	426.17	386.64
Dividend for the year (Baht per shares)	1.10	1.02
Total amount of the dividend (million Baht)	338.06	310.47

There is no additional appropriation of the net profit as the legal reserve since the Company has allocated the reserve of 30,843,808 Baht which is 10% of the Company's registered capital as required by law.

**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**

**Fact and Reason:**

**To consider and re-elect the directors, who are due to retire by rotation**

Pursuant to Article 20 of the Company's Articles of Association, 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 2022 Annual General Shareholders' Meeting, 3 retiring directors are:

Mr. Adisak	Ruckariyaphong	Vice Chairman of The Board of Directors
Mr. Surath	Pralongsil	Independent Director and Audit Committee
Mr. Thana	Thienachariya	Independent Director

Such nominated persons to serve as directors have been considered and approved under the nomination criteria by the Board of Directors. Consequently, they possess the knowledge and ability as well as the experiences that shall generate the benefits on the business operation of the company, with proper qualifications, and no characteristics prohibited by the Public Company Limited Act B.E. 2535, and any amendments thereto, the Securities and Exchange Act B.E. 2535, and any amendments thereto, and relevant regulations.

In addition, Mr. Surath Pralongsil and Mr. Thana Thienachariya qualifications are in line with the company's definition of the independent directors; therefore, they can give comments and opinions independently and in compliance with the relevant criteria as specified. Moreover, such person do not hold office as director or executive in other business that may cause a conflict of interest, or is deemed as a competitive business against the company

To comply with policy of good governance associated, the company announced on Website of the company and to Stock Exchange of Thailand during 1 November 2021 – 31 December 2021 to give rights to shareholders to propose agenda of Annual General Shareholders' Meeting and to nominate a qualified person to be selected as the company's director prior consideration of the Company's Board of Directors. No Shareholder proposed the agenda and nominated candidates to be elected as Directors.

**The Board of Directors' Opinion:**

The Board of Directors has considered and 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 7**

**To consider and approve the remuneration for the Board of Directors and Sub-Committee for the Year 2022**

**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:**

By considering the responsibilities and duties of the directors, the number of transactions expected to occur in 2022, proactive strategies made to generate sales, the Board of Directors has considered and deemed it appropriate to propose to the Annual General Shareholders' Meeting to approve the remuneration of the Board of directors and Audit Committee including other remuneration paid to the Company's directors

for the performance of duties assigned by the Board of Directors. for year 2022 at the aggregate amount of not exceeding 10,000,000 (ten million) Baht, the same amount as the previous year, details as follow:

**1. Annual fixed fee and attendance fee:**

Details of remuneration	2022		2021	
	Annual fixed fee	Annual fixed fee	Annual fixed fee	Attendance fee
Chairman of Board of Directors	240,000 Baht/annum	25,000 Baht/attendance	216,000 Baht/annum	25,000 Baht/attendance
Director	240,000 Baht/annum	20,000 Baht/attendance	216,000 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 2022 and being allocated subject to the Board of Directors' discretion**

However, no any remuneration shall be paid to Directors and members 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-thirds (2/3) of the total number of votes of shareholders who are present at the meeting.

**Agenda 8**

**To consider and appoint the Company's auditor and determine remuneration of the auditor for the year 2022**

**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.

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

The Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to approve the appointment of KPMG Phoomchai Audit Limited ("KPMG") as Company's auditor and one of the following names, to be the auditor of the Company and give opinion to the Company's financial statements for the year 2022

Name	Certified Public Accountant No.	Service Year as the Company's auditor
Ms. Sureerat Thongarunsang	4409	5 years (2017-2021)
Mr. Banthit Tangpakorn	8509	-
Mr. Chokechai Ngamwutikul	9728	-
Miss Thitima Pongchaiyong	10728	-

For its direct and indirect subsidiaries' auditors, the Board of Directors has considered and deemed it appropriate to propose to approve the appointment of the following auditors:

Company	Audit Firm
<b>Direct Subsidiaries</b>	
Sappe Europe s.r.o	BDR Consult spol.s.r.o
Sappe Holding (Thailand) Co., Ltd.	KPMG
<b>Indirect Subsidiaries</b>	
All Coco Group Co., Ltd.	KPMG
K Best Farm Co., Ltd.	KPMG
All Coco Co., Ltd.	Peak Audit Co. Ltd.
Sappe Hong Kong Co., Ltd.	Stephen YS Chan & Co.
Sappe Trading (Hong Kong) Co., Ltd.	Stephen YS Chan & Co.
Sappe Trading (Shanghai) Co., Ltd.	Shanghai LiXn JiaCheng DongShen CPAs

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 auditors' remuneration for the year 2022**

The auditors' remuneration of the Company and its direct and indirect subsidiaries for the year 2022 is totaled in an amount of not exceeding 4,500,000 Baht, which is the same amount as in 2021. The 2022 remuneration includes audit fee (details per below table), related expenses, for examples, transportation, document/ printing, postal, communication expenses which shall not exceed 10% of the audit fee

(Unit: Thai Baht)

Company name	Audit Firm	Audit Fee (Unit: Baht)		Remark
		2021	2022	
Sappe Public Company Limited	KPMG	2,050,000	1,790,000	Decrease 13%
Sappe Europe s.r.o	BDR Consult spol.s.r.o	245,700*	280,800	Increase 14% in exchange rate
Sappe Holding (Thailand) Co., Ltd.	KPMG	170,000	150,000	Decrease 12%
All Coco Group Co., Ltd.	KPMG	610,000	560,000	Decrease 8%
K Best Farm Co., Ltd.	KPMG	200,000	200,000	Same as 2021
All Coco Co., Ltd.	Peak Audit Co. Ltd.	8,500	8,500	Same as 2021
Sappe Hong Kong Co., Ltd.	Stephen YS Chan & Co.	49,500**	49,500**	Same as 2021
Sappe Trading (Hong Kong) Co., Ltd.	Stephen YS Chan & Co.	49,500**	49,500**	Same as 2021
Sappe Trading (Shanghai) Co., Ltd.	Shanghai LiXn JiaCheng DongShen CPAs	44,000***	44,000***	Same as 2021
<b>Total</b>		<b>3,427,200</b>	<b>3,132,300</b>	<b>Decrease 9%</b>

Remark: \*Year 2021 foreign exchange rate (EUR/THB) = 35.00, Year 2022 foreign exchange rate (EUR/THB) = 40.00, \*\* Year 2021 and 2022 foreign exchange rate (HKD/THB) = 4.50 and \*\*\* Year 2021 and 2022 foreign exchange rate (CNY/THB) = 5.00

The actual remuneration for the year 2021 was less than the audit remuneration for the year 2021 approved by 2021 Annual General Shareholders' Meeting as specified in Annual report 2021 (form 56-1 One report).

Although the Company has had its subsidiaries in overseas and appointed auditors of subsidiaries from other firms, 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' remuneration for the year 2022 were approved by Audit Committee Meeting No.1/2022 held on 21 February 2022 as the proposed

auditors performed their audits properly in accordance with the accounting standards.

For 2021, there are not any remuneration of other services (Non-Audit Fee) to the Company's auditor.

**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 9**

**To consider and approve the amendment to the Company's objectives and Memorandum of Association of the Company**

**Fact and Reason:**

To require certificate ISO/IEC 17025, the Competence of Testing and Calibration Laboratories from Department of Medical Sciences Ministry of Public Health and to include new type of business expansion in the future. The Board of Directors deemed it appropriate to propose to Annual General Shareholders' Meeting to approve the amendment to the Objectives of the Company by revising Clauses 46. and by adding objective Clauses 48. as follows:

Existing objectives	Proposed objectives
<b>Clause 46.</b> To carry out technological research and development including basic research, basic industrial research, applied research and experimental research and to provide consultation regarding technological research and development for domestic and International, to individuals, groups of persons, juristic persons, state enterprises, government agencies, government organizations and the Company itself.	<b>Clause 46.</b> To carry out technological research and development including basic research, basic industrial research, applied research and experimental research and <u>to perform analytical laboratory testing</u> as well as to provide consultation regarding technological research and development for domestic and International, to individuals, groups of persons, juristic persons, state enterprises, government agencies, government organizations and the Company itself.
-None-	<b>Clause 48.</b> To conduct business of manufacturing and business of an original equipment manufacturer of all kinds of health food and beverages

**The Board of Directors' Opinion:**

The Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to approve the amendment to the Company's objectives by revising Clauses 46. and by adding objective Clauses 48. and the amendment to Memorandum of Association of the Company to be in accordance with the amendment of the Company's objectives as proposed.

**Vote:**

The resolution of this agenda shall be passed by a vote of no less than three-fourths (3 /4) of the total number of votes of shareholders attending the meeting and having the right to vote.

The Company invites all shareholders to attend the Electronic Shareholders' Meeting on date and time as aforementioned. In this regard, the registration system for attending the E-AGM shall be opened at 11.00 hours. On the meeting date, if shareholders are not convenient to attend the E-AGM, the Company recommends the shareholders to appoint the Independent Director of the company as their proxy to attend the meeting on their behalf. The Company has fixed the Record Date on which shareholders have the right to attend the 2022 Annual General Shareholders' Meeting on 29 March 2022.

The registration system DAP e-Shareholder Meeting (e-Registration) will be available from Wednesday 6<sup>th</sup> April 2022 at 9.00 hours and please register at least 2 days prior to the meeting date or within Monday 25<sup>th</sup> April 2022. For shareholders who cannot register online and proxy holders, please submit specified documents (as per details in Enclosure 9) with complete and accurate information together with TSD's Barcode Registration Form by post to ***Company Secretary, Sappe Public Company Limited No. 71 S.P. Arcade Building, Ramkhamhaeng Road, Huamark, Bangkok, 10240 within Friday 22<sup>nd</sup> April 2022.***

Shareholders may study **the Conditions, rules, and procedures to attend the electronic Annual General Shareholders' Meeting (E-AGM) in Enclosure 9 and User Manual e-Shareholder Meeting System in Enclosure 10**

The Company reserves the right **NOT** to register shareholders in case where required documents and evidence 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: +662 319 4949

Yours sincerely,



Mr. Natee Onin  
Chairman