

2022



THAI PRIDE

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**INVITATION OF 2023
ANNUAL GENERAL
SHAREHOLDERS' MEETING**

Thursday 27th April 2023
1.30 pm

At Srinakarin 1 Room, 9th Floor,
The Grand Fourwings Convention Hotel
333 Srinakarin Road, Huamark,
Bangkapi, Bangkok



Date: 20 March 2023

Subject: Invitation Letter to the 2023 Annual General Shareholders' Meeting

To: Shareholders of Sappe Public Company Limited

Enclosures:

1. Copy of the Minutes of the 2022 Annual General Shareholders' Meeting
2. Form 56-1 One Report 2021 (QR code)
3. The profiles of directors to replace those who are due to retire by rotation
4. The profiles of Independent Directors who may be granted by a Proxy and the qualification of Independent Director
5. Proxy Form (B)
6. Proxy Form (C)
7. The Company's Articles of Association concerning the Shareholders' Meeting
8. Conditions, rules, and procedures to attend the Annual General Shareholders' Meeting
9. Privacy Notice for shareholders
10. Map of the meeting's venue

According to the Board of Directors' Meeting of the Company No. 2/2023 held on Wednesday 15th March 2023 has resolved to hold the 2023 Annual General Shareholders' Meeting on **Thursday 27th April 2023 at 13.30 hours**, at Srinakarin 1 Room, 9th Floor, The Grand Fourwings Convention Hotel, 333 Srinakarin Rd., Huamak, Bangkok, Bangkok.

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 2022 Annual General Shareholders' Meeting, held on 27 April 2022****Fact and Reason:**

The secretary of the meeting took the minutes of 2022 Annual General Shareholders' Meeting, held on 27 April 2022. 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 consider and approve the minutes of the 2022 Annual General Shareholders' Meeting, held on 27 April 2022.

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 2022****Fact and Reason:**

The Company has prepared the performance results and the important changes of the year 2022, which were disclosed in the 2022 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 2022 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 2022, ended 31 December 2022****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, which were disclosed in the 2022 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 consider and approve the financial statements for the year 2022, ended 31 December 2022 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 2022**

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 1.65 Baht per share from net profit of the Company's performance during 1 January 2022 to 31 December 2022, totaling 508.68 million Baht (or 78% 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 10 May 2023, and the company will pay dividends on 26 May 2023, payable upon approval from the 2023 Annual General Meeting of Shareholders.

Information of the dividend payment from previous year

Details of the dividend payment	Year 2022	Year 2021
Net Profit from the separate financial statements (million Baht)	652.71	426.17
Dividend for the year (Baht per shares)	1.65	1.10
Total amount of the dividend (million Baht)	508.68	338.06

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

To consider and approve the appointment of directors to replace those who are due to retire by rotation

Fact and Reason:

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 2023 Annual General Shareholders' Meeting, 4 retiring directors are:

Mr. Padungdej	Indralak	Independent Direct and Chairman of Audit Committee
Mr. Anan	Ruckariyaphong	Directors and The President
Ms. Piyajit	Ruckariyapong	Director and Chief Executive Officer
Mr. Arnupap	Ruckariyapong	Director and Senior Advisor

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, to comply with policy of good governance, the company announced on Website of the company and to Stock Exchange of Thailand during 4 October 2022 – 2 December 2022 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

However, Mr. Padungdej Indralak expressed his intention not to renew his term due to more other jobs loaded that may deprive his time once dedicated to this Board's duties.

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 re-election of the 3 directors who are due to retire by rotation , comprising Mr. Anan Ruckariyapong, Ms. Piyajit Ruckariyapong, Mr. Arnupap Ruckariyapong, as the Company's directors for another term because their experiences, capabilities and good understanding in the business will be beneficial to the Company's performance, and to consider the election of Mr. Chanin Archjananun as an Independent Director and Member of the Audit Committee in replacement of Mr. Padungdej Indralak who retired by rotation. Mr. Chanin Archjananun has been considered as a person with appropriate qualifications, knowledge and competence that matches the business of the Company and also meets the criteria of an independent director who is able to express opinions independently. In addition, he has not held a position as a director or executive in other businesses that may cause conflicts of interest or is in business competition with the Company

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 2023

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 2023, proactive strategies made to generate sales, the Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to consider and 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 2023 at the aggregate amount of not exceeding 14,000,000 (fourteen million) Baht, increase of 4,000,000 (four million) from the previous year, details as follow:

1. Annual fixed fee and attendance fee:

Details of remuneration	2023		2022	
	Annual fixed fee	Annual fixed fee	Annual fixed fee	Attendance fee
Chairman of Board of Directors	240,000 Baht/annum	25,000 Baht/attendance	240,000 Baht/annum	25,000 Baht/attendance
Director	240,000 Baht/annum	20,000 Baht/attendance	240,000 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 2023 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.

Details of remuneration for year 2022 were disclosed in the 2022 Annual Report (Form 56-1 One report) in Enclosure 2.

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 2023**

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 consider and 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 2023

Name	Certified Public Accountant No.	Service Year as the Company's auditor
Ms. Sureerat Thongarunsang	4409	6 years (2017-2022)
Mr. Banthit Tangpakorn	8509	-
Mr. Piyanat Singkhorn	11641	-
Ms. Marisa Tarathornbanpakul	5752	-

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
Direct Subsidiaries	
Sappe Europe s.r.o	Akra, .s.r.o
Sappe Holding (Thailand) Co., Ltd.	KPMG
Indirect Subsidiaries	
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 2023

The auditors' remuneration of the Company and its direct and indirect subsidiaries for the year 2023 is totaled in an amount of not exceeding **4,500,000 Baht**, which is the same amount as in 2022. The 2023 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
		2022	2023	
Sappe Public Company Limited	KPMG	1,790,000	1,905,000	Increase 6%
Sappe Europe s.r.o	BDR Consult spol.s.r.o	280,800	284,000*	Increase 1%
Sappe Holding (Thailand) Co., Ltd.	KPMG	150,000	155,000	Increase 3%
All Coco Group Co., Ltd.	KPMG	560,000	590,000	Increase 5%
K Best Farm Co., Ltd.	KPMG	200,000	210,000	Increase 5%
All Coco Co., Ltd.	Peak Audit Co. Ltd.	8,500	8,000	Decrease 6%
Sappe Hong Kong Co., Ltd.	Stephen YS Chan & Co.	49,500**	49,500**	No change
Sappe Trading (Hong Kong) Co., Ltd.	Stephen YS Chan & Co.	49,500**	49,500**	No change
Sappe Trading (Shanghai) Co., Ltd.	Shanghai LiXn JiaCheng DongShen CPAs	44,000***	55,000***	Increase 25%
Total		3,132,300	3,306,000	Increase 5%

Remark: Exchange rate *2022 (EUR 7,020 @ 40), 2566 (EUR 7,100 @ 40) **2022 IIA- 2566 (HKD 11,000 @ 4.5) ***2022 (CNY 8,800 @ 5) IIA- 2566 (CNY 11,000 @ 5). The actual remuneration for the year 2022 was less than the audit remuneration for the year 2022 approved by 2022 Annual General Shareholders' Meeting as specified in Annual report 2022 (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 2023 were approved by Audit Committee Meeting No.1/2023 held on 28 February 2023 as the proposed auditors performed their audits properly in accordance with the accounting standards.

For 2022, there is 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**Fact and Reason:****To consider and approve the decrease in Company's Registered Capital**

Due to the fact that the Company has unsold common stocks of 149,000 (one hundred forty-nine thousand) stocks with a par value of 1 baht per stock, which were issued for the second common stock warrants issuance and offered to the Company's executives and employees program (SAPPE-WA2), as approved by the Annual General Shareholders' Meeting No. 1/2018, in which, upon completion of the program, there was the number of unexecuted and terminated warrants equal to the Company's unsold common stocks.

The Board of Directors' Opinion:

In order to operate in accordance with regulations and the law, the Board of Directors deemed it appropriate to propose to the Shareholders' Meeting to consider and approve the Company's registered capital decrease from the original amount of 308,438,080 Baht (Three hundred eight million four hundred thirty eight thousand and eighty Baht) to the new registered capital of 308,289,080 Baht (Three hundred eight million two hundred eighty nine thousand and eighty Baht) by eliminating the 149,000 (one hundred forty-nine thousand) unsold common stocks with the value of 1 baht each, the remaining stocks from the second common stock warrants issuance and offered to the Company's executives and employees program (SAPPE-WA2).

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.

Agenda 10**Fact and Reason:****To consider and approve the amendment to the Memorandum of Association of the Company, Item 4, to be in line with the decrease in the Company's Registered Capital.**

Due to the proposed decrease in the Company's registered capital from the original amount of 308,438,080 baht (three hundred eight million four hundred thirty-eight thousand and eighty baht) to the new registered capital of 308,289,080 baht (three hundred eight million two hundred eighty-nine thousand and eighty baht), by eliminating 149,000 unsold common stocks (one hundred forty-nine thousand stocks) at the par value of 1 baht per share as detailed in Agenda 9 above. In order for the decrease in the registered capital to be completely legally effective, it is

proposed that the Shareholders' Meeting consider and approve the amendment to the Memorandum of Association, Item 4 regarding the registered capital to be consistent with the reduction of the Company's registered capital by replacing the original statement with the following statement:

Item 4

Registered capital	308,289,080 baht (Three hundred eight million two hundred eighty-nine thousand and eighty baht)
Equals to	308,289,080 (Three hundred eight million two hundred eighty-nine thousand and eighty stocks)
Value per stock	1 baht (One baht)
Including:	
Common stock	308,289,080 (Three hundred eight million two hundred eighty-nine thousand and eighty stocks)
Preferred stock	- (-)

In addition, it is proposed to assign the Executive Committee of the company or the Chief Executive Officer or the person assigned by the Executive Committee or the Chief Executive Officer has the power to register the amendment of the Company's Memorandum of Association at the Department of Business Development, Ministry of Commerce as well as having the power to take any action necessary to comply with the order of the Registrar to complete the registration process.

The Board of Directors' Opinion:

In order to operate in accordance with regulations and the law, the Board of Directors deemed it appropriate to propose to the Shareholders' Meeting to consider and approve the amendment to the Memorandum of Association, Item 4 regarding the registered capital to be consistent with the reduction of the Company's registered capital as proposed in all respects.

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 meeting on date, time and venue as aforementioned. The Company has fixed the Record Date on which shareholders have the right to attend the 2023 Annual General Shareholders' Meeting **on 29th March 2023**. The registration counters will be open 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 8 and Barcode Registration Form to declare at the meeting's registration.

In case of shareholders appoint the Company's independent director, as per details in Enclosure 4, to be their proxy holder, please return the proxy form, affixed duty stamp in amount of 20 Baht and voted for each agenda together with all required documents and evidences as stated in Enclosure 8 and Barcode Registration Form to the Company Secretary, **Sappe Public Company Limited No.71 SP Arcade Building, Ramkhamhaeng Road, Huamark, Bangkok, 10240 within Friday, 21st April 2023**.

If any Shareholder has a query about the agenda, you can contact the Company through the Company secretary at address mentioned above or via email address at ir@sappe.com

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: +662 319 4949

Yours sincerely,



Mr. Natee Onin
Chairman