

# 2021

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## **INVITATION OF 2021 ANNUAL GENERAL SHAREHOLDERS' MEETING**

Thursday 29th April 2021 at 1.30 p.m.

Electronic Annual General Shareholders' Meeting (E-AGM)

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7 April 2021

Subject: Invitation Letter to the 2021 Annual General Shareholders' Meeting

To: Shareholders of Sappe Public Company Limited

Enclosures:

1. Copy of the Minutes of the 2020 Annual General Shareholders' Meeting
2. Annual Report for the year 2020 (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 (B)
6. Proxy Form (C)
7. The Company's Articles of Association concerning the Shareholders' Meeting
8. Conditions, rules, and procedures to attend the electronic Annual General Shareholders' Meeting (E-AGM)
9. 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.2/2021 held on Monday 8<sup>th</sup> March 2021, the 2021 Annual General Shareholders' Meeting will be **held electronically on Thursday 29<sup>th</sup> April 2021 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 2020 Annual General Shareholders' Meeting, held on 3 August 2020****Fact and Reason:**

The secretary of the meeting took the minutes of 2020 Annual General Shareholders' Meeting, held on 3 August 2020. 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 2020 Annual General Shareholders' Meeting, held on 3 August 2020.

**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 2020****Fact and Reason:**

The Company has prepared the performance results and the important changes of the year 2020, which were disclosed in the 2020 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 2020 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 2020, ended 31 December 2020****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 2020, ended 31 December 2020 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 2020**

**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 1.02 Baht per share from net profit of the Company's performance during 1 January 2020 to 31 December 2020, totaling 310.47 million Baht (or 80% 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 11 May 2021, and the company will pay dividends on 27 May 2021, payable upon approval from the 2021 Annual General Meeting of Shareholders.

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

| <b>Details of the dividend payment</b>                           | <b>Year 2020</b> | <b>Year 2019</b> |
|--|------------------|------------------|
| Net Profit from the separate financial statements (million Baht) | 386.64           | 418.89           |
| Dividend for the year (Baht per shares)                          | 1.02             | 0.83             |
| Total amount of the dividend (million Baht)                      | 310.47           | 252.63           |

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 2021 Annual General Shareholders' Meeting, 3 retiring directors are:

|                 |               |   |
|-----------------|---------------|---|
| Mr. Natee       | Onin          | Chairman                                    |
| Mrs. Niratchara | Siriamphunkul | Independent Director                        |
| Ms. Kunnigar    | Triyangkulsri | Independent Director and<br>Audit Committee |

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, Mrs. Niratchara Siriamphunkul and Ms. Kunnigar Triyangkulsri 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 2 November 2020 – 31 December 2020 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 2021**

**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 2021, 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 for year 2021 at the aggregate amount of not exceeding 10,000,000 (ten million) Baht. Increase of 1,000,000 (one million) from the previous year, details as follow:

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

| Details of remuneration        | 2021                  |                           | 2020                  |                           |
|--------------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                                | Annual fixed fee      | Annual fixed fee          | Annual fixed fee      | Attendance fee            |
| Chairman of Board of Directors | 216,000<br>Baht/annum | 25,000<br>Baht/attendance | 216,000<br>Baht/annum | 25,000<br>Baht/attendance |
| Director                       | 216,000<br>Baht/annum | 20,000<br>Baht/attendance | 216,000<br>Baht/annum | 20,000<br>Baht/attendance |
| Chairman of Audit Committee    | -                     | 25,000<br>Baht/attendance | - -                   | 25,000<br>Baht/attendance |
| Member of Audit Committee      | -                     | 20,000<br>Baht/attendance | -                     | 20,000<br>Baht/attendance |

**2. Director's bonus: considering from net profit for the year 2021 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 2021**

**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 2021

| Name                         | Certified Public Accountant No. | Service Year as the Company's auditor |
|------------------------------|---------------------------------|---------------------------------------|
| Ms. Sureerat Thongarunsang   | 4409                            | 4 years (2017-2020)                   |
| Mr. Banthit Tangpakorn       | 8509                            | -                                     |
| Ms. Marisa Tarathornbunpakul | 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                           |
|-------------------------------------|--------------------------------------|
| <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 2021**

The auditors' remuneration of the Company and its direct and indirect subsidiaries for the year 2021 is totaled in an amount of not exceeding 4,500,000 Baht, which is the same amount as in 2020. The 2021 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             |
|-------------------------------------|---|------------------------|------------------|--------------------|
|                                     |   | 2020                   | 2021             |                    |
| Sappe Public Company Limited        | KPMG                                    | 2,070,000              | 2,050,000        | Decrease 0.97%     |
| Sappe Europe s.r.o                  | BDR Consult spol.s.r.o                  | 245,700*               | 245,700*         | Same as 2020       |
| Sappe Holding (Thailand) Co., Ltd.  | KPMG                                    | 170,000                | 170,000          | Same as 2020       |
| All Coco Group Co., Ltd.            | KPMG                                    | 610,000                | 610,000          | Same as 2020       |
| K Best Farm Co., Ltd.               | KPMG                                    | 200,000                | 200,000          | Same as 2020       |
| All Coco Co., Ltd.                  | Peak Audit Co. Ltd.                     | 15,000                 | 8,500            | Decrease 43%       |
| Sappe Hong Kong Co., Ltd.           | Stephen YS Chan & Co.                   | 49,500**               | 49,500**         | Same as 2020       |
| Sappe Trading (Hong Kong) Co., Ltd. | Stephen YS Chan & Co.                   | 49,500**               | 49,500**         | Same as 2020       |
| Sappe Trading (Shanghai) Co., Ltd.  | Shanghai LiXn<br>JiaCheng DongShen CPAs | 55,000***              | 44,000***        | Decrease 20%       |
| <b>Total</b>                        |   | <b>3,464,700</b>       | <b>3,427,200</b> | <b>Decrease 1%</b> |

Remark: \* Foreign exchange rate (EUR/THB) = 35.00 , \*\* Foreign exchange rate (HKD/THB) = 4.50 , and \*\*\* Foreign exchange rate (CNY/THB) = 5.00

The actual remuneration for the year 2020 was less than the audit remuneration for the year 2020 approved by 2019 Annual General Shareholders' Meeting as specified in Company's 56-1 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 2021 were approved by Audit Committee Meeting No.4/2020 held on 9 November 2020 as the proposed auditors performed their audits properly in accordance with the accounting standards.

For 2020, 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 support the sustainable growth of the company by using clean energy from solar is another option that the Company has been interested in. Therefore, the company installed rooftop solar panels that can generate electricity up to 2,400 kilowatts. Regarding Energy Industry Act 2007, in the case that 1,000 kilowatts of electricity has been generated, Electricity Production License and Regulated Energy Production License must be obtained. The Board of Directors has considered and deemed it appropriate to propose to the Shareholders' Meeting to approve the amendment to the Objectives of the Company by adding objective no. 47 as follow:

“ 47. To operate, produce, distribute electricity and to develop and distribute, and transfer of rights related to projects of generation of renewable energy which comes from natural sources or processes that are constantly replenished such as solar energy, wind energy, hydroelectric energy, biogas energy, biomass energy, waste energy etc.”

“

**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 waste energy adding objective no. 47 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. The Company has fixed the Record Date on which shareholders have the right to attend the 2021 Annual General Shareholders' Meeting on 24 March 2021.

The online registration will be open from 7 April 2021 at 8.30 hours and please register at least 2 days prior to the meeting date (before 29 April 2021). This online registration is reserved for individual shareholders who intend to use Thai identification card for identity verification and attend the meeting by themselves.

For shareholders who cannot register online and proxy holders, please submit specified documents (as per details in Enclosure 8) 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 23<sup>d</sup> April 2021.***

On the meeting date, the Company will open for shareholders to electronically attend the meeting from 11.00 hours onwards.

Shareholders may study **the Conditions, rules, and procedures to attend the electronic Annual General Shareholders' Meeting (E-AGM) in Enclosure 8 and User Manual of Electronics Meeting System in Enclosure 9**

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