



**Invitation to
The 2020 Annual General Meeting of Shareholders**

Padaeng Industry Public Company Limited

Tuesday June 23, 2020 at 14:30 hours

**Ballroom, 4th Floor, Bliston Suwan Park View Bangkok Hotel,
9 Soi Tonson, Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330, Thailand**

To reduce the risk of spreading COVID-19

- Snacking in the meeting area **is not allowed.**
- **No souvenir** will be given in order to minimize direct contact and to comply with the regulatory bodies' guidelines which encourage listed companies to refrain from/ discontinue giving souvenirs to shareholders at a shareholder meeting.
- The Company reserves the right to allow shareholders to register from 13.00 hrs. and close the registration immediately at the last agenda was finished with the request for a resolution of the meeting only.
- Due to very limited seats, Shareholders cannot enter into the Meeting area when all the seats are occupied.

Ref. PDI/BK-BS-024/2020

May 26, 2020

Subject: Invitation to the 2020 Annual General Meeting of Shareholders

To: The Shareholders

- Enclosures:**
1. Annual Report and Sustainability Report for the Year 2019 (QR Code)
 2. The Biography of Directors recommended for re-election and definition of Independent Director
 3. Details of the Auditor
 4. Company's Articles of Association relating to the General Shareholders' Meeting
 5. Precautionary Measures and Guidelines for attending the 2020 AGM, regarding the outbreak of Coronavirus 2019 (“COVID-19”)
 6. Documents required prior to attending the meeting, Proxy, Registration and Voting
 7. Map of Bliston Suwan Park View Bangkok Hotel, 9 Soi Tonson, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand
 8. Proxy Form B

The Meeting of the Board of Directors of Padaeng Industry Public Company Limited (the “**Company**”) resolved to convene the 2020 Annual General Meeting of Shareholders (“**2020 AGM**”) on Tuesday, 23rd June 2020 at 14:30 hours, Ballroom, 4th Floor, Bliston Suwan Park View Bangkok Hotel, 9 Soi Tonson, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand. The Company has announced the schedule and agenda of the 2020 AGM on the websites of the Company (www.padaeng.com) and the Stock Exchange of Thailand (www.set.or.th) since 12th May 2020.

In compliance with the Principle of Good Corporate Governance, the Company posted the Notice and Enclosures of 2020 AGM in advance on its website since 27th May 2020 in order to provide sufficient time for shareholders to consider the meeting materials before a hard copy is sent to shareholders.

Furthermore, the Board of Directors provided opportunities for minority shareholders to propose agenda items for the Board's consideration in advance of the 2020 AGM by announcing the criteria of such proposal on the Company's website during 18th October 2019 to 31st December 2019. For the AGM 2020, there is no suggested agenda item proposed by minority shareholders. Therefore, the Board of Directors sets forth the agenda as follows:

1. Chairman's Announcement (if any)

Vote required: No vote casting is required because this agenda is for acknowledgement.

2. To consider and acknowledge the Company's Results for the Year 2019

Facts and rationales: Article 34(1) of the Company's Articles of Association states that the Annual General Meeting “shall acknowledge the report of the Board of Directors covering the Company's businesses during the preceding year” as appeared in the Annual Report and Sustainability Report for the Year 2019 (“**the Annual Report 2019**”) which is distributed to the shareholders with this Invitation (**Enclosure No.1**).

Board of Directors' opinion: It is considered appropriate to report the Company's performance in the year 2019 to the meeting of shareholders for acknowledgement.

Vote required: No vote casting is required because this agenda is for acknowledgement.

3. To consider and approve the audited financial statements for the year ended 31st December, 2019

Facts and rationales: According to Section 112 of the Public Limited Companies Act B.E. 2535 (1992) and Article 34(2) of the Company's Articles of Association, the Company is required to prepare the Balance Sheet and the Profit and Loss Statement to propose to the Annual General Meeting of Shareholders for consideration and approval.

The Company has prepared consolidated financial statements for the year ended 31st December 2019 which have been reviewed by the Audit Committee and audited by the Company's Certified Public Accountant. The details are shown in the Annual Report 2019 which is distributed to the shareholders with this Invitation (**Enclosure No.1**).

Summary of the significant figures are as follows:

Brief important figures	Year 2019	Year 2018
Total Assets (Million Baht)	7,514.30	7,018.91
Total Liabilities (Million Baht)	2,809.71	2,315.67
Total Shareholders' Equity (Million Baht)	4,704.59	4,703.24
Total Revenues (Million Baht)	858.19	4,874.54
Net profit (loss) for the year		
- Attributable to owners of the parent (Million Baht)	(5.76)	(41.76)
Earnings (loss) per share (Baht/Share)	(0.02)	(0.18)

Board of Directors' opinion: It is considered appropriate for the meeting of shareholders to consider and approve the Financial Statements for the year ended 31st December 2019, which have been considered by the Audit Committee and audited by the Company's Certified Public Accountant.

Vote required: A majority vote of the shareholders who are present at the meeting and eligible to vote.

4. To consider and approve no dividend payment for the Year 2019

Facts and rationales: According to Section 115 and 116 of the Public Limited Companies Act B.E. 2535 (1992) and Article 34(3), 39 and 40 of the Company's Articles of Association, they are required that:

- 1) the Annual General Meeting of Shareholders may consider and approve the allocation of profits for dividend declaration in the case where the profit is sufficient for dividend payment;
- 2) the Company must allocate at least 5% of its annual net profit as legal reserve, less accumulated losses brought forward (if any) until the legal reserve reaches an amount of not less than 10% of its registered capital unless otherwise specified by other laws.
- 3) no dividend shall be paid out of any money, other than profits. If the Company has accumulated loss, no dividend shall be paid;

According to the dividend payment policy, the Company will normally pay dividends up to 50% of the net profits after deduction of the corporate income taxes. An exception can be made if

the Board deems necessary for the Company to reserve part of the profit to cover the cash needs in the future.

From the Company's Results for the Year 2019, the Company recorded the net loss of 117.2 Million Baht (compared with year 2018, the net loss of which was 72.20 Million Baht). As such the Board of Directors is of the opinion that **no dividend payment** for the Year 2019.

Summary of the details of dividend payment/omission of dividend payment are as follows:

Details of Dividend Payment/ Omission of dividend payment	Year 2019	Year 2018
1. Net profit (loss) for the year	(117,159,008) Baht	(72,197,842) Baht
2. Shares	226,000,100 Shares	226,000,100 Shares
3. Dividend Payment per share	None	None
4. Total Dividend payment	None	None
5. Proportion of Dividend from Net Profit (%)	-	-

* From the Company's Financial Statement

Board of Directors' opinion: It is considered appropriate for the meeting of shareholders to consider and approve no dividend payment for the Year 2019.

Vote required: A majority vote of the shareholders who are present at the meeting and eligible to vote.

5. To consider and approve the appointment of directors to replace the ones who are due to retire by rotation and acknowledge the re-appointment of the Audit Committee

Facts and rationales: According to Section 71 of the Public Limited Companies Act B.E. 2535 (1992) and Article 21 and 34(4) of the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of the directors shall retire, or if the number of the director is not a multiple of three, the number of directors' closet to one-third shall retire. A director who has been in office for the longest shall retire.

On any occasion, if the number of directors who have long been in office for an equal term exceeds the number to be retired on such occasion, the said directors shall retire by means of drawing lots.

A director subject to the retirement by the expiration of his term of office is eligible for re-election by the General Meeting of Shareholders.

Among a total of 10 directors, the directors who retire by rotation at the 2020 AGM are as follows:

- | | |
|---------------------------|--|
| 1. Mr. Karel Vinck | Independent Director/Audit Committee Member |
| 2. Dr. Chokchai Aksaranan | Independent Director/Executive Committee Member/
Risk Management Committee Chairman |
| 3. Mr. Vinai Vamvanij | Independent Director/Audit Committee Chairman/
Nomination and Remuneration Committee Member |
| 4. Dr. Kurujit Nakornthap | Independent Director/Executive Committee Member |

The Company has announced on its website providing an opportunity for minority shareholders to propose the agenda and to nominate qualified candidate(s) to be elected as the Company's

directors from 18th October 2019 to 31st December 2019. However, there was no nomination submitted to the Company.

The Nomination and Remuneration Committee's ("NRC") meeting No. 01-2020 dated 20th February 2020, excluding the directors who had special interest on this agenda, had considered the qualification of the nominated persons and recommended the Board of Directors to propose to the 2020 AGM to consider and approve the appointment of such four directors who retired by rotation to resume their directorship for another term. Details of each nominated person and definition of the Independent Director are provided to the shareholders with this Invitation (**Enclosure No. 2**).

For Mr. Karel Vinck, Dr. Chokchai Aksaranan, Mr. Vinai Vamvanij and Dr. Kurujit Nakornthap who are proposed to nominate as the independent directors for another term of office, are capable of expressing their opinions independently and strictly perform their duties in accordance with relevant laws, rules, requirements and regulations for the maximum benefits to all shareholders.

In this regard, there are 2 independent directors, namely Mr. Karel Vinck and Mr. Vinai Vamvanij who have held the position for more than 9 consecutive years, have performed their duties with full capacity with dedication, gave comments that are beneficial to the Company.

In addition, the Board of Directors at its meeting No. 05-2019 on 12th November 2019 has resolved to re-appoint 3 persons of the Audit Committee namely Mr. Vinai Vamvanij, Chairman of Audit Committee, Mr. Aswin Kongsiri, Audit Committee member and Mr. Karel Vinck, Audit Committee member, who were due to retire by rotation at 31st December 2019, as the Audit Committee of the Company for another term, 3 years (31st December 2019 – 31st December 2022) with the same duties and responsibilities.

Board of Directors' opinion: The Board of Directors' meeting No. 01-2020 dated 20th February 2020, excluding the director who had special interest on this agenda, has agreed with the NRC's recommendation proposing to the meeting of shareholders to consider and approve the appointment of directors who retired by rotation to resume their directorship for another term, namely: Mr. Karel Vinck, Dr. Chokchai Aksaranan, Mr. Vinai Vamvanij and Dr. Kurujit Nakornthap and acknowledge the re-appointment of the Audit Committee.

The four retiring directors are duly qualified and suitable for Company's businesses, without prohibited characteristics for appointment as directors in accordance with applicable laws. In addition, they possess knowledge, capabilities, expertise and experiences relating to the Company's businesses which would be beneficial to the Company.

Vote required: This matter requires affirmative resolution of a majority vote with the following rules and procedures:

- (1) One shareholder shall have one vote for each share;
- (2) Each shareholder shall exercise all the votes he/she has under (1) to appoint one or several person(s) to be director(s). provided that he/she cannot divide his/her votes to any person to any extent;
- (3) Persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have an additional casting vote.

To follow the Good Corporate Governance Principles, the Company provides opportunities for shareholders to vote on individual nominee by proposing the shareholders meeting to cast the vote on an individual basis.

6. To consider and approve no bonus payment to the directors for the Year 2019 and to approve the determination of the remuneration for the Board of Directors and the Subcommittees for the Year 2020

Facts and rationales: Article 26 of the Company’s Articles of Association provides that “Directors shall be entitled to the remuneration in the form of reward, fees for attending a meeting, gratuity, bonus or other benefit as the shareholders’ meeting considers. The remuneration may be fixed at a definite amount or prescribe by rule and fixed at a definite amount from time to time or taken effect until changes have occurred.” And Section 90 of the Public Limited Companies Act B.E. 2535 (1992) provides that “the Company shall not pay any money or asset to the directors unless it is a payment of remuneration as stipulated in the Company’s Articles of Association. In the event that the Articles of Association is not stipulated, the payment of remuneration shall be in accordance with the shareholders’ resolution with a vote of not less than two-thirds of the total number of votes of the shareholders present at the meeting”.

The NRC’s meeting No. 01-2020 dated 20th February 2020 has considered no bonus payment to the Directors for the year 2019 and the determination of the remuneration for Board of Directors and Sub-committees for the year 2020 by taking into account the appropriateness and the directors’ responsibilities, and linking the remuneration with the Company’s overall performance, as well as comparing with peers of similar size in the same business. Therefore, it is deemed appropriate to recommend the Board of Directors to propose to the 2020 AGM for approval at the same rate as previously approved in the 2019 Annual General Meeting of Shareholders.

The details are as follows:

1) Directors’ Bonus:

The Company will normally pay not exceeding 1% of the dividends distributed to the shareholders, to be divided among the Non-Executive Directors based on the pro rata basis.

From the Company’s Financial Statements for the year ended 31st December 2019, the Company recorded the net loss of 117.2 Million Baht. Therefore, NRC had recommended **no bonus payment** to directors for the year 2019. The Details are compared with the previous year as follows:

	<u>Year 2019</u>	<u>Year 2018</u>
Total Directors’ Bonus (Baht)	No payment	No payment

2) The Remuneration for the Board of Directors and the Subcommittees:

The Remuneration for the Board of Directors and the Subcommittees were approved by the 2019 Annual General Meeting of Shareholders held on 25th April 2019. The details were as follows:

2.1) The Board of Directors’ Remuneration

Remuneration	Executive Director	Non-Executive Director
1. Retaining Fee	-	200,000Baht/year/director
2. Meeting Fee	-	Chairman: 25,000 Baht/meeting Board member: 20,000 Baht/meeting
3. Bonus	-	1 % of the dividends distributed to the shareholders.

2.2) The Subcommittees' Remuneration

The Subcommittees *	Meeting Fee	Annual Fee
1. Audit Committee	-	200,000 Baht/year/director
2. Executive Committee	Chairman: 25,000 Baht/meeting Member: 20,000 Baht/meeting	-
3. Nomination & Remuneration Committee	Chairman: 25,000 Baht/meeting Member: 20,000 Baht/meeting	-
4. Risk Management Committee	Chairman: 25,000 Baht/meeting Member: 20,000 Baht/meeting	-

Note: * For Non-Executive Directors only.

3) Other Benefits: -None-

The Board of Directors has properly considered and determined the remuneration of the Board of Directors and the Subcommittees based on the information compared with the same industry in accordance with CG Code 2017.

The Annual Report 2019 which is distributed to the shareholders with this Invitation (**Enclosure No.1**) The scope of Authorities, Duties and Responsibilities of the Board of Directors and the Subcommittees are shown on pages 129 and 143-146 and the remuneration information on pages 140-141.

Board of Directors' opinion: The Board of Directors has agreed with the NRC to propose to the 2020 Annual General Meeting of Shareholders to consider and approve no bonus payment to Directors for the year 2019 and to approve the determination of the remuneration for the Board of Directors and Sub-Committee the year 2020 at the same rate as previously approved in the 2019 Annual General Meeting of Shareholders as abovementioned.

Vote required: Not less than two-thirds (2/3) of the total number of votes of the shareholders who are present at the meeting and eligible to vote. In this regard, any director who is also a shareholder of the Company has no right to vote.

7. To consider the appointment of the Company's auditors for the Year 2020 and approve the audit's fees

Facts and rationales: Article 34(5) of the Company's Articles of Association stipulated that the Annual General Meeting shall "Appointing the auditor and fixing his remuneration." And Section 120 of the Public Limited Companies Act B.E. 2535 (1992) provides that "the Annual General Meeting shall appoint an auditor and fix the auditing fee for the company every year. In appointing an auditor, the former auditor can be re-appointed."

As the Audit Committee has elected Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the auditor of the Company for 3 years (2017-2019) because of its high standard and expertise with reasonable fee. Therefore, it had been appointed in the 2017-2019 Annual General Meetings of Shareholders respectively.

For the year 2020, the Audit Committee's meeting No. 01-2020 dated 20th February 2020 has considered qualifications of the auditors based on their high working standard, expertise, performance record and reasonable proposed auditor fee. The Audit Committee expressed their opinions to the Board of Directors to appoint the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the auditors of the Company for the year 2020.

Details of such auditors are as follows:

1. **Mr. Wonlop Vilaivaravit** Certified Public Accountant No. 6797, having been Company's auditor for 3 years (since 2017), who is a certified signatory of the 2017 - 2019 financial statements of the Company and has been proposed by the Audit Committee to be a certified signatory of the 2020 financial statements of the Company that duly performed as the auditor; or
2. **Mr. Chavala Tienpasertkij** Certified Public Accountant No. 4301, having been Company's auditor for 3 years (since 2017), who has never signed the financial statements of the Company; or
3. **Ms. Wilasinee Krishnamra** Certified Public Accountant No. 7098 who has never been Company's auditor and never signed the financial statements of the Company; or
4. **Ms. Kornthong Luangvilai** Certified Public Accountant No. 7210 who has never been Company's auditor and never signed the financial statements of the Company.

Any one of them being authorized to conduct the audit and express an opinion on the Financial Statements of the Company. In the absence of the above-named auditors, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited is authorized to identify one other Certified Public Accountant within Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to carry out the work.

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited and the nominated auditors have no relationship or conflict of interest with the Company, the Managerial Persons of the Company, Majority Shareholders or Related Persons of the said persons. Details of the auditors are attached herewith (**Enclosure No. 3**).

The 2020 audit fee **is lower** than the 2019 audit fee (actual expenses). As such the proposed fees comprise the following:

Description	Year 2020	Year 2019 ¹⁾
Audit Fee		
- Padaeng Industry Pcl.	750,000	800,000
- Subsidiaries & Consolidation	1,430,000	1,570,000
Non-Audit fee		
- Auditing of financial Statement prepared under other guidelines	None	None
- Professional work	None	None
- Consultant	None	None
	2,180,000	2,370,000
Other		
- BOI ³⁾	330,00	330,00
- Out-of-pocket expenses	- Actual Paid -	- Actual Paid -
Total Audit Cost	2,510,000	2,700,000 ²⁾

Remarks:

- 1) Actual expenses.
- 2) The actual audit fees for the year 2019 was equal to the shareholders' approval in the 2019 Annual General Meeting of Shareholders.
- 3) BOI is the audit for a special report to the BOI according to the conditions under the investment promotional certificate i.e. PDI Mae Ramat Co. Ltd., ATC Enviro Co. Ltd. and P.P. Solar (Nong-No) Co. Ltd. (80,000 Baht, 200,000 Baht and 50,000 Baht respectively).

Board of Directors' opinion: The Board of Directors' meeting No. 01-2020 dated 20th February 2020 has considered the appointment of the auditors and determination of the 2020 Audit Fee as approved by the Audit Committee and deemed it appropriate to propose to the meeting of shareholders to consider and approve the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the Company's auditors and determination of the 2020 audit fee as per the opinions of the Audit Committee above mentioned.

If there are any Subsidiaries & Consolidation increased or decreased or if there is the Company's business re-structuring, it might cause the Audit fee changed (whether increased or decreased). In this regard, the meeting is requested to approve that the Company shall have its own discretion to perform in accordance with the existing criteria and on suitable-price basis.

Vote required: A majority vote of the shareholders who are present at the meeting and eligible to vote.

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

Board of Directors' opinion: The meeting should not consider any other matters proposed at the meeting. This is to comply with the Corporate Governance Code for Listed Companies 2017 and the Annual General Shareholders Meeting Assessment Project that the meeting should consider only the issues which shareholders have been informed in advance for fairness to all shareholders.

Instead, the Company will provide opportunities to the shareholders to raise their questions related to the agenda of the meeting.

The Company has set a Record Date on Wednesday 27th May 2020 to determine the shareholders who are entitled to attend the 2020 Annual General Meeting of Shareholders.

You are cordially invited to attend the 2020 Annual General Meeting of Shareholders which will be held on Tuesday 23rd June 2020, at 14.30 hrs. at Ballroom, 4th Floor, Bliston Suwan Park View Bangkok Hotel, 9 Soi Tonson, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand. The registration will start from 13:00 hours and close the registration immediately at the last agenda was finished with the request for a resolution of the meeting only. Please be noted that the Company needs to apply social distancing to all meeting areas. This will significantly reduce the number of seats available to be approximately 50 seats. While the Company seeks to keep its meeting short and concise to diminish the length of time that gathering of many people in the same place for a long time is not permitted in accordance with the relevant regulations.

Due to the ongoing outbreak of COVID-19 in this year, the Company has a deep concern and great care about safety and well-being of the shareholders and all participants. In this regard, **the Company needs to request the cooperation of the shareholders to consider appointing the Company's Independent Director to vote on your behalf instead of attending in person.** You can appoint proxies to vote on your behalf by giving a clear vote instruction for each agenda item (**Form B**). In this regard, please complete and duly execute the proxy to assign any one of Independent Director as a proxy holder. The completed and executed proxy should be submitted together with the required documents to Board Secretary Department, Padaeng Industry Public Company Limited, CTI Tower, 26-27 Floor, 191/18-25 Ratchadapisek Road, Khlong Toei, Bangkok 10110, Thailand. We would appreciate your kind cooperation to have your proxy and required documents delivered to us before 22nd June 2020.

In addition, you may authorize any one of the following Independent Directors **who not having any special interest** in the election of Directors (The shareholders can be able to vote on every agenda in advance in the Proxy B as **Enclosure No. 8**) to serve as your proxy to attend the meeting:

1. Mr. Aswin Kongsiri, 74 Years old, Address No. 191/18-25 Ratchadapisek Road, Khlong Toei, Bangkok 10110.
2. Mr. Vinai Vamvanij, 79 Years old, Address No. 191/18-25 Ratchadapisek Road, Khlong Toei, Bangkok 10110.
3. Dr. Kurujit Nakornthap, 64 Years old, Address No. 191/18-25 Ratchadapisek Road, Khlong Toei, Bangkok 10110.

Shareholders who wish to attend the meeting by themselves are requested to follow the instruction below.

1. Please indicate your wish to attend the meeting in advance and submit to the Company by 9th June 2020 via email: Comsec@padaeng.co.th). Please also be informed that there will be only about 50 seats in the meeting room. When the seats are fully occupied, no more participants will be allowed to enter into the meeting venue.

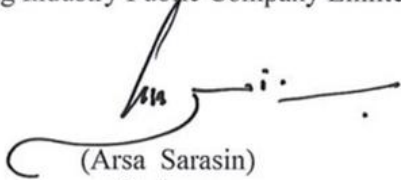
2. Those attendees who have recently visited or returned from any disease infected zones as notified by the Ministry of Public Health, including those who have had close contact with those who have visited or returned from any disease infected zones, or being found of having risky symptoms such as fever, cough, sore throat, sneezing, runny nose, will not be allowed to attend the meeting. The Company would ask for your cooperation to strictly follow the recommendations from medical personnel at the health screening point. Please also note that concealment of health information or traveling record could be considered as the violation of the Communicable Diseases Act B.E. 2558.

3. The Company would like to request your cooperation in strictly following the measures and protocols set forth in the Precautionary Measures and Guidelines for attending the 2020 AGM, regarding the outbreak of Coronavirus 2019 (“COVID-19”) (**Enclosure No. 5**) for the safety and well-being of all meeting attendees and the general public.

If there are many attendees or they arrive at the same time, there may be delay in screening and registration for the meeting. The Company hereby apologizes for any such inconvenience that may arise.

The Company truly appreciate your understanding and look forward to your continued cooperation.

Yours truly,
Padaeng Industry Public Company Limited



(Arsa Sarasin)
Chairman

Board Secretary Department
Tel. 0 2695 9499 Ext. 9335, 9414
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Note:

The Company is in the process of requesting permission to hold a general meeting of shareholders from relevant authorities. Subject to the official's consideration, some details might be adjusted as deemed appropriate.