



**Invitation to  
The 2021 Annual General Meeting of Shareholders**

**Padaeng Industry Public Company Limited**

**Monday, April 26, 2021 at 14:30 hours**

**The Four Seasons Grand Ballroom, L Floor (Lobby),  
Four Seasons Hotel Bangkok at Chao Phraya River,  
300/1 Charoen Krung Rd, Khwaeng Yan Nawa,  
Khet Sathon, Bangkok 10120 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-020/2021

March 30, 2021

Subject: Invitation to the 2021 Annual General Meeting of Shareholders

To: The Shareholders

- Enclosures:**
1. Annual Report and Sustainability Report for the Year 2020 (QR Code format)
  2. Details of the Auditor
  3. The Biography of Directors recommended for re-election and definition of Independent Director
  4. Map of the Meeting Location
  5. Documents required prior to attending the meeting, Proxy, Registration and Voting
  6. Company's Articles of Association relating to the General Shareholders' Meeting
  7. Precautionary Measures and Guidelines for attending the 2021 AGM, regarding the outbreak of Coronavirus 2019 (COVID-19)
  8. Proxy Form A, Form B and Form C

The Meeting of the Board of Directors of Padaeng Industry Public Company Limited (the “**Company**”) resolved to convene the 2021 Annual General Meeting of Shareholders (“**2021 AGM**”) on Monday, April 26, 2021 at 14:30 hours, The Four Seasons Grand Ballroom, L Floor (Lobby), Four Seasons Hotel Bangkok at Chao Phraya River, 300/1 Charoen Krung Rd, Khwaeng Yan Nawa, Khet Sathon, Bangkok 10120 Thailand. The Company has announced the schedule and agenda of the 2021 AGM on the websites of the Company ([www.padaeng.com](http://www.padaeng.com)) and the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)) since February 23, 2021 onwards.

In compliance with the Principle of Good Corporate Governance, the Company posted the Notice and Enclosures of 2021 AGM in advance on its website since March 30, 2021 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 and to nominate qualified candidate(s) to be elected as the Company's directors of the 2021 AGM for the Board's consideration in advance by announcing the criteria of such proposal on the Company's website during November 4, 2020 to December 31, 2020. However, there was no suggested agenda items and there was no candidate(s) proposed to the Company. Therefore, the Board of Directors sets for 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 2020**

**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. The details as appeared in the Annual Report and Sustainability Report for the Year 2020 (“**the Annual Report 2020**”) which is distributed to the shareholders with this Invitation (QR Code) **Enclosure No.1**

**Board of Directors' opinion:** It is considered appropriate to report the Company's performance in the year 2020 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 December 31, 2020**

**Facts and rationales:** According to Article 34(2) of the Company's Articles of Association and the Section 112 of the Public Limited Companies Act B.E. 2535 (1992), 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 December 31, 2020 which have been reviewed by the Audit Committee and audited by the Company's Certified Public Accountant.

For the year ended December 31, 2020, the Company announces net profit of 80.44 million Baht, an increased by 86.2 million Baht compared to a net loss of 5.76 million from previous year.

The details are shown in the Annual Report 2020 (QR Code) **Enclosure No.1**. The summary of the significant figures are as follows:

The Consolidated Financial Statements

END OF THE YEAR		2020	2019			2018
			CONTINUING OPERATIONS	DISCONTINUED OPERATION	TOTAL	
Total Revenues	(Million Baht)	557.88	434.14	690.86	1,125.01	5,027.05
Gross Profit	(Million Baht)	182.88	183.57	(4.25)	179.31	295.54
Net Profit (loss)	(Million Baht)	80.44	(115.66)	109.89	(5.76)	(41.76)
Net Profit (Loss) per Share	(Baht)	0.36	(0.51)	0.49	(0.02)	(0.18)
Net Profit (Loss) per Total Revenue	%	14.42	(26.64)	15.91	(0.51)	(0.83)
Total Asset	(Million Baht)	7,293.31			7,514.30	7,018.91
Total Liabilities	(Million Baht)	2,511.52			2,809.71	2,315.67
Total Shareholders' Equity	(Million Baht)	4,781.79			4,704.59	4,703.24
Return on Assets	%	1.09			(0.08)	(0.58)
Return on Equity	%	1.70			(0.12)	(0.85)
Return on Capital Employed	%	8.07			3.45	1.02
Debt to Equity Ratio	(Times)	0.53			0.60	0.49
Net debt to EBITDA Ratio	(Times)	3.67			5.59	2.13
Debt Service Coverage Ratio	(Times)	2.97			2.32	2.39
Debt to Equity Ratio	(Times)	2.53			1.58	1.23
Interest Bearing Debt Matured in 1 year to Total Interest Bearing Debt	(Times)	0.07			0.07	0.12
Loan from Financial Institution to Total Debt Ratio	(Times)	0.39			0.40	0.55
Book Value per Share	(Baht)	21.16			20.82	20.81
Dividend per Share	(Baht)	-			-	-

**Board of Directors' opinion:** It is considered appropriate for the meeting of shareholders to consider and approve the Financial Statements for the year ended December 31, 2020, 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 the omission of the dividend payment for the Year 2020**

**Facts and rationales:** According to Article 34(3), 39 and 40 of the Company's Articles of Association and the Section 115 and 116 of the Public Limited Companies Act B.E. 2535 (1992) and, 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 Separate Financial Statements for the Year ended December 31, 2020, the Company recorded the net loss of 38.53 Million Baht. As such the Board of Directors is of the opinion that no dividend payment for the Year 2020.

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

Details of Dividend Payment/ Omission of dividend payment	Year 2020	Year 2019
1. Net profit (loss) for the year (unit: million Baht)	(38.53)	(117.16)
2. Shares (paid-up) (unit: shares)	226,000,100	226,000,100
3. Dividend Payment per share	<b>Proposed No Dividend</b>	None
4. Total Dividend payment	<b>Proposed No Dividend</b>	None
5. Proportion of Dividend from Net Profit (%)	-	-

**Board of Directors' opinion:** It is considered appropriate for the meeting of shareholders to consider and approve no dividend payment for the Year 2020.

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

**5. To consider and approve the determination of the remuneration for the Board of Directors and the Subcommittees for the Year 2021 and approve the omission of the bonus payment to the directors for the Year 2020**

**Facts and rationales:** Article 26 of the Company's Articles of Association 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 and 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.

**1) The Remuneration for the Board of Directors and the Subcommittees for the year 2021:**

The Nomination and Remuneration Committee (NRC) meeting No. 01-2021 dated February 23, 2021 has considered the determination of the remuneration for the Board of Directors and the Subcommittees for the Year 2021 by taking into account the appropriateness of existing remuneration which was approved by the 2020 Annual General Meeting of Shareholders together with the directors' responsibilities and 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 2021 Annual General Meeting of Shareholders for approval on **the Remuneration** for the Board of Directors and the Subcommittees for the year 2021 **at the same rate** as previously approved by the 2020 Annual General Meeting of Shareholders held on June 23, 2020 whereby there was no other benefits. The details were as follows:

Board of Directors and Sub-Committees	Type of Remuneration*					
	1) Retainer Fee		2) Meeting Fee		3) Bonus	
	Chairman	Member	Chairman	Member	Chairman	Member
1. Board of Directors	200,000 Baht/Year/Director	200,000 Baht/Year/Director	25,000 Baht/Meeting	20,000 Baht/Meeting	1% of dividends distributed to the shareholders	
2. Audit Committee	200,000 Baht/Year/Director	200,000 Baht/Year/Director	None	None	None	None
3. Executive Committee	None	None	25,000 Baht/Meeting	20,000 Baht/Meeting	None	None
4. Nomination and Remuneration Committee	None	None	25,000 Baht/Meeting	20,000 Baht/Meeting	None	None
5. Risk Management Committee	None	None	25,000 Baht/Meeting	20,000 Baht/Meeting	None	None

\*For Non-Executive Directors only

**2) Directors' Bonus for the year 2020:**

According to the Company's policy, 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.

Referring to Agenda item No. 4 - To consider and approve the omission of the dividend payment for the Year 2020, From the Separate Financial Statements for the Year ended December 31, 2020, the Company recorded the net loss of 38.53 Million Baht. As such the Board of Directors is of

the opinion that no dividend payment for the Year 2020. Therefore, the NRC had recommended **no bonus payment to directors for the year 2020.**

	<b>Year 2020</b>	Year 2019
Directors' Bonus payment	<b>Proposed no bonus</b>	No bonus

**3) Other Benefits:**

-None-

	<b>Year 2021</b>	Year 2020
Other benefits	<b>None</b>	None

**Board of Directors' opinion:** 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.

According to the Annual Report 2020 (QR Code) **Enclosure No.1**, the scope of Authorities, Duties and Responsibilities of the Board of Directors and the Subcommittees are shown on pages 63-66 and the remuneration information on pages 73-75.

The Board of Directors has agreed with the NRC to propose to the 2021 Annual General Meeting of Shareholders to consider and approve the determination of the remuneration for the Board of Directors and Sub-Committee the year 2021 at the same rate as previously approved in the 2020 Annual General Meeting of Shareholders and to approve the omission of the bonus payment to Directors for the year 2020.

**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.

**6. To consider the appointment of the auditor and the determination of the Audit fee for the Year 2021**

**Facts and rationales:** Article 34(5) of the Company's Articles of Association and Section 120 of the Public Limited Companies Act B.E. 2535 (1992) stipulated 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.

For the year 2021, the Audit Committee's meeting held on February 23, 2021 has considered and reviewed the appointment of the auditor of the Company. The key factors were considered e.g. qualification, professional standard, expertise, reputation and reasonable proposed audit fee.

After the due consideration, EY Office Limited has proposed the reasonable audit fee which is lower than the last year. Furthermore, EY Office Limited also known as the world class audit firm as same as the former auditor of the Company. Therefore, in order to manage and optimize the Company's operating expenses to be in line with its business strategy, the Audit Committee expressed their opinions to the Board of Directors to change the auditor from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited by appointing EY Office Limited to be the Company's auditor for the year 2021. By requiring one of the following auditors being the auditor on the Company's Financial Statements:

Name-Surname of auditor	CPA No.	Notes
1. Mrs. Ponnard Paocharoen	5238	Never been the Company's auditor and never signed the financial statement of the Company
2. Ms. Vissuta Jariyathanakorn	3853	Never been the Company's auditor and never signed the financial statement of the Company
3. Ms. Manee Rattanabunnakit	5313	Never been the Company's auditor and never signed the financial statement of the Company
4. Ms. Sineenart Jirachaikhuankhan	6287	Never been the Company's auditor and never signed the financial statement of the Company

In the event those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the company's financial statements in their place.

The proposed 2021 audit fee is 2,430,000 Baht which lower than the 2020 audit fee. As such the proposed fees comprise of the following:

Unit: Baht

Description	Year 2021	Year 2020
<b>Auditor</b>	<b>EY Office Limited</b>	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
<b>Audit Fee</b>		
- Padaeng Industry PCL	<b>700,000</b>	750,000
- Subsidiaries & Consolidation <sup>1)</sup>	<b>1,730,000</b>	1,430,000
<b>Non-Audit fee</b>		
- Auditing of financial Statement prepared under other guidelines	<b>None</b>	None
- Professional work	<b>None</b>	None
- Consultant	<b>None</b>	None
<b>Total Audit fee</b>	<b>2,430,000</b>	2,180,000
<b>Other</b>		
- BOI <sup>2)</sup>	<b>None</b>	330,000
- Out-of-pocket expenses	<b>Actual</b>	Actual
<b>Total Audit Cost</b>	<b>2,430,000</b>	2,510,000 <sup>3)</sup>

Remarks:

- Year 2021, there are 2 subsidiary companies increased due to the assets acquisition transaction (acquired 2 hotels) and there are 3 subsidiary companies decreased due to the assets disposition (PDI Mae Ramat Co. Ltd., ATC Enviro Co. Ltd. and P.P. Solar (Nong-No) Co. Ltd.)
- For the year 2020, 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. However, in 2021, the Company has entered the assets disposition transaction (3 subsidiary companies).
- The actual audit fees for the year 2020 was equal to the shareholders' approval in the 2020 Annual General Meeting of Shareholders.

EY Office 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. 2**

**Board of Directors' opinion:** It is considered appropriate for the meeting of shareholders to consider and approve the change of the auditor from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited by appointing EY Office Limited to be the Company's auditor for the Year 2021. By requiring one of the following auditors being the auditor on the Company's Financial Statements:

Name-Surname of auditor	CPA No.	Notes
1. Mrs. Poonard Paucharoen	5238	Never been the Company's auditor and never signed the financial statement of the Company
2. Ms. Vissuta Jariyathanakorn	3853	Never been the Company's auditor and never signed the financial statement of the Company
3. Ms. Manee Rattanabunnakit	5313	Never been the Company's auditor and never signed the financial statement of the Company
4. Ms. Sineenart Jirachaikhuankhan	6287	Never been the Company's auditor and never signed the financial statement of the Company

In addition, it is considered appropriate for the meeting of shareholders to consider and approve the audit fee of Baht 2,430,000.

In the event those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the company's financial statements in their place.

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

**7. To consider and approve the appointment of directors to replace the ones who are due to retire by rotation**

**Facts and rationales:** According to the Article 21 and 34(4) of the Company's Articles of Association and the Section 71 of the Public Limited Companies Act B.E. 2535 (1992), 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 4 directors who retire by rotation at the 2021 Annual General Meeting of Shareholders are as follows:

- |                               |  |
|-------------------------------|--|
| 1. Mr. Sadawut Taechaubol     | Director, Executive Committee Chairman and Nomination and Remuneration Committee Member      |
| 2. Mr. Wuttipong Jittungsakul | Director   |
| 3. Mr. Tommy Taechaubol       | Director, Managing Director, Executive Committee Member and Risk Management Committee Member |
| 4. Ms. Prapa Puranachote      | Director and 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 November 4, 2020 to December 31, 2020. However, there was no candidate(s) proposed to the Company.



Therefore, the Nomination and Remuneration Committee's ("NRC") meeting No. 01-2021 dated February 23, 2021, excluding the directors who had special interest on this agenda, had considered the qualification of the nominated persons (4 directors) and the names under the IOD Chartered Directors. NRC recommended the Board of Directors to propose to the 2021 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. 3**

**Board of Directors' opinion:** The Board of Directors, excluding the director who had special interest on this agenda, has agreed with the NRC's recommendation to propose to the 2021 Annual General Meeting of Shareholders to consider and approve the appointment of 4 directors who retire by rotation to resume their directorship for another term. The details are as follows:

- |                               |  |
|-------------------------------|--|
| 1. Mr. Sadawut Taechaubol     | Director, Executive Committee Chairman and Nomination and Remuneration Committee Member      |
| 2. Mr. Wuttipong Jittungsakul | Director   |
| 3. Mr. Tommy Taechaubol       | Director, Managing Director, Executive Committee Member and Risk Management Committee Member |
| 4. Ms. Prapa Puranachote      | Director and Executive Committee Member  |

The selection of the directors of the Company are well considered by the Board of Directors in accordance with the Nomination and Appointment of the Board Nomination Criteria, 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 of the shareholders who are present at the meeting and eligible to 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.

## **8. Other topics for consideration (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 shareholders to raise their questions related to the agenda of the meeting.

**The Company has set a Record Date on Tuesday March 16, 2021 to determine the shareholders who are eligible to attend and vote at the 2021 Annual General Meeting of Shareholders.**

You are cordially invited to attend the 2021 Annual General Meeting of Shareholders which will be held on Monday April 26, 2021 at 14:30 hrs. at the Four Seasons Grand Ballroom, L Floor (Lobby), Four Seasons Hotel Bangkok at Chao Phraya River, 300/1 Charoen Krung Rd, Khwaeng Yan Nawa, Khet Sathon, Bangkok 10120 Thailand. Map of the Meeting Location is set out in **Enclosure No. 4**

The registration will start 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. Documents required prior to attending the meeting, Proxy, Registration and Voting are set out in **Enclosure No. 5** and the Company's Articles of Association relating to Shareholders' Meeting are set out in **Enclosure No. 6**

Due to the ongoing outbreak of Coronavirus 2019 (“COVID-19”), 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 2021 Annual General Meeting of Shareholders, regarding the outbreak of COVID-19 **Enclosure No. 7** for the safety and well-being of all meeting attendees and the general public.

If you wish to appoint a person to attend and vote at the Meeting on your behalf, please complete and duly execute only one of the two Proxy Forms (Form A or Form B) attached in **Enclosure No. 8** or alternatively you may download only one of three Proxy Forms: Form A, Form B or Form C (Form C is only for foreign investors who authorize the custodian in Thailand to keep and safeguard their shares) from Company's website ([www.padaeng.com](http://www.padaeng.com)).

In addition, you may authorize any one of the following Independent Directors (who not having any special interest in the election of Directors) to serve as your proxy to attend the meeting:

1. Dr. Chokchai Aksaranan, 78 Years old, Address No. 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110.
2. Dr. Kurujit Nakornthap, 65 Years old, Address No. 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110.
3. Mr. Vinai Vamvanij, 80 Years old, Address No. 191/18-25 Ratchadaphisek Road, Khlong Toei, Bangkok 10110.

You can appoint proxies to vote on your behalf by giving a clear vote instruction for each agenda item (Form B) attached in **Enclosure No. 8**.

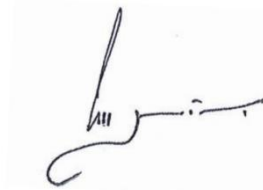
In this regard, please complete and duly execute the proxy to assign any one of Independent Director as a proxy holder. We would appreciate your kind cooperation to have your proxy and required documents described in **Enclosure No. 5** delivered to us before the meeting (by Friday April 23, 2021).

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  
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