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March 16<sup>th</sup>, 2018

**Subject:** Invitation to attend the 2018 Annual General Meeting of Shareholders

**To:** Shareholders

- Enclosure:**
1. Copy of minutes of 2017 Annual General Meeting of Shareholders (Enclosure No.1)
  2. CD of Annual Report for the year 2017 which has balance sheets and statements of income for the year 2017. (Enclosure No.2)
  3. Nomination guidelines and Method to nominate directors. (Enclosure No.3)
  4. Curricula vitae of directors that has been proposed to appoint as directors. (Enclosure No.4)
  5. Guidelines and director compensation for the year 2018. (Enclosure No.5)
  6. Information and compensation of external auditor for the year 2018. (Enclosure No.6)
  7. Comparison Table for Amendment to the PAP Articles of Association (Enclosure No.7)
  8. Comparison Table for Amendment to the Company's business objective and Memorandum of Association No.3. (Objectives) (Enclosure No.8)
  9. Definition of the Company's Independent directors and names of independent directors to serve as proxy for shareholders. (Enclosure No.9)
  10. Conditions to attend the Shareholders' Meeting. (Enclosure No.10)
  11. The Company's Articles of Association concerning the Shareholders' Meeting. (Enclosure No.11)
  12. Proxy Form A, Form B, Form C
  13. Map of Crowne Plaza Bangkok Lumpini Park Hotel (Enclosure No.12)

The Board of Directors of Pacific Pipe Public Company Limited or PAP has resolved to hold the 2018 Annual General Meeting of Shareholders on Friday, April 27<sup>th</sup>, 2018 at 02.00 p.m., at Crowne Room 1-3, 21<sup>st</sup> Floor, Crowne Plaza Bangkok Lumpini Park Hotel, No.952, Rama IV Road, Bangkok 10500 with the following agendas;

**Agenda 1** To consider and certify the Minutes of 2017 Annual General Meeting of Shareholders

**Objective and Reason:** The 2017 Annual General Meeting of Shareholders held on Friday, April 21<sup>st</sup>, 2017 were recorded the minutes and sent to The Stock Exchange of Thailand and Ministry of Commerce within 14 days as the law defined and also posted on company's website. The copy of minutes is shown in Enclosure No.1.

**The Board's Opinion:** The 2017 Annual General Meeting of Shareholders was recorded accurately. The Board of Directors recommended the meeting to approve the 2017 Annual General Meeting of Shareholders held on April 21<sup>st</sup>, 2017.



**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholders who attend the meeting and vote.

**Agenda 2** To acknowledge the Board of Directors' report on the Company results of the Operations of the year 2017

**Objective and Reason:** The company was summary the report about the Company results of the operations of the year which is shown in 2017 CD Annual report on page 73 – 75 which is sent to the shareholders with these notice to acknowledge.

**The Board's Opinion:** The Board of Directors recommended the meeting to acknowledge the Board of Directors' report about the Company results of the operations of the year 2017.

**Voting:** This agenda does not vote because it is the report to acknowledge.

**Agenda 3** To consider and approve of balance sheets and statement of income of the Company and subsidiaries for the year ended December 31<sup>st</sup>, 2017.

**Objective and Reason:** In compliance with the Public Limited Companies Act, the Company shall prepare a balance sheet and statement of income at the end of the fiscal year of the company and must be audited and certified by the Company's auditor before submission to the shareholders for approval. The balance sheets and statement of income of the Company and subsidiaries are shown in 2017 CD Annual report on page 76 – 113.

**The Board's Opinion:** The Board of Directors recommended the meeting to approve the balance sheets and statement of income of the Company and subsidiaries for the year ended December 31<sup>st</sup>, 2017 which is shown in Enclosure No.2 and be audited and certified by the Company's auditor EY Office Company Limited.

**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholder who attend the meeting and vote.

**Agenda 4** To consider and approve the dividend payment

**Objective and Reason:** The Company has the dividend policy to pay the shareholders at the rate of no less than 40 percent of the net profit after withholding reserves according to the law. Nonetheless, such dividend payment can be changed, depending on the Company's performance, financial status and investment planning of the Company. Then, recommend to shareholder approval except the payment is the interim dividend, the Board of Director has authorized to approve and acknowledge to the shareholders in the next Annual General Meeting.



Pacific Pipe Public Company Limited had net profit as listed on the 2017 Separate financial statements in the amount of 325.68 million baht. The Board of Directors considered paying dividend to shareholders at the rate 0.39 Baht per share from net profit of separate financial statement and from retained earnings or 80% of net profit.

Comparison of the dividend payment of fiscal year 2015 – 2017 is as follows:

Items		2015	2016	2017
1. Net Profit (Loss)	(million baht)	(76.48)	512.78	325.68
2. Share	(million shares)	660	660	660
3. Dividend	(baht/share)	-	0.99	0.39
4. Proportion of dividend of net profit	(%)	-	126.92	80

**The Board's Opinion:** The Board of Directors recommend the meeting to approve the dividend payment from the separate financial statements and from retained earnings of Pacific Pipe Public Company Limited at 0.39 Baht per share to the shareholders entitled to attend the 2017 Annual General Meeting, receive the dividend and whose names were listed in the record date in March 9<sup>th</sup>, 2018 and the date of dividend payment is in May 16<sup>th</sup>, 2018.

Whereas, all rights to receive dividends is uncertain until approved by the 2018 AGM.

**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholders who attend the meeting and vote.

**Agenda 5** To consider and approve the appointment of directors to replace the retiring directors by rotation

**Objective and Reason:** 1. According to the Company's Articles "no.13". One third of directors are requested to resign at every Annual Shareholder's Meeting. In the event that the number of directors cannot be clearly dividend into one-third, the closet number of directors to one-third is required to resign. A draw will be held to identify directors required to resign from their positions in the first and second year following Pacific Pipe becoming a SET-listed company. After that, directors who have remained in the post for the longest period of time will be required to resign. However, directors required to resign due to expiration of their term remain eligible for re-appointment. The directors who are retired by rotation in this year are:

- |                 |               |                      |
|-----------------|---------------|----------------------|
| 1. Mr.Somchai   | Lekapojpanich | Executive Director   |
| 2. Mr.Kriengkri | Rukkulchon    | Independent Director |
| 3. Ms.Piyanus   | Chaikajornwat | Independent Director |

2. Due to there are 3 members of the Remuneration Nomination and Corporate Committee and the director in number 2 and 3 are members in this committee so they are person who



having conflict of interest in the matter. The Consideration of an appointment of directors to replace the retiring directors by rotation is made by the Board of Director directly.

3. The Board of Director considered for maximum benefit of the Company, the existing Board composition together with qualification, capacity, required knowledge (Skill Matrix), abilities and experiences into account. After consideration from their experience and performance, considered proposing Mr.Somchai Lekapojpanich, Mr.Kriengkri Rukkulchon, Ms.Piyanus Chaikajornwat as the company directors for another term and the director in items number 2 and 3 are independent director. The nomination method and curricula vitae of the four directors are provided as Enclosure No.3 and No.4.

4. The company announced on company's website to give the Shareholders an opportunity to propose the agendas and qualified nominees to appoint as directors of the Company from November 15<sup>th</sup>, 2017 to December 30<sup>th</sup>, 2017 but there is no one proposes agendas and nominees.

**The Board's Opinion:** The Board of Directors, excluding the directors having conflict of interest in the matter recommended the meeting to appoint the four directors namely;

- |                 |               |                      |
|-----------------|---------------|----------------------|
| 1. Mr.Somchai   | Lekapojpanich | Executive Director   |
| 2. Mr.Kriengkri | Rukkulchon    | Independent Director |
| 3. Ms.Piyanus   | Chaikajornwat | Independent Director |

In this regard, the Board of Director considered that the persons in items no. 2 and 3 are proposed to be independent directors since their qualifications conform to the Stock Exchange of Thailand and the Company definition of Independent Directors and they can provide opinions independently, of which details are shown in the enclosed document no.9

**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholder who attend the meeting and vote. The election of directors shall cast the vote individually.

**Agenda 6** To consider the directors' remuneration for year 2018

**Objective and Reason:** The Remuneration Nomination and Corporate Committee considered the 2018 remuneration of directors in the total of 7,000,000 Baht based on duties, responsibilities and also considered size of business, the Company's performance and rate of directors' remuneration which had same type of business in listed company. The details of 2018 directors' remuneration are provided as Enclosure No.5.

**The Board's Opinion:** The Board of Director agreed with the remuneration guidelines recommended by the Remuneration Nomination and Corporate Committee and recommended the meeting to approve the directors' remuneration for year 2018 in the total of 7,000,000 Baht.



**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholder who attend the meeting and vote.

**Agenda 7** To consider the appointment of the auditors and the auditor's fee for year 2018

**Objective and Reason:** The Board of Director agreed with the Audit Committee to consider and select EY Office Company Limited to be the auditor of the Company and its subsidiaries for the years 2018 because EY Office Company Limited has high professional standards, with expertise in auditing and good performance. In addition, EY Office Company Limited charges an appropriate audit fee, based on a comparison of fees for similar quantities of work charged by other auditing firms at the same professional level.

The proposed auditing firm and auditors have no relationship or conflict of interest with the Company or the managerial staff of the Company or majority shareholders, or person related to the said person. Thus EY Office Company Limited has an independent audit and gives the opinions for the Company's financial statement. The details are provided as Enclosure No.6.

**The Board's Opinion:** The Board agrees with the Audit Committee to select EY Office Company Limited to be the auditing firm and recommends the 2018 Annual General Meeting of Shareholders to consider and approve the appointment of the auditors and audit fee as follows:

- 1) Ms. Watoo Kayankannawee Certified Public Accountant No. 5423, or  
(Sign on the financial statements of the company in year 2017)
- 2) Ms. Supanee Tariyanantaku Certified Public Accountant No. 4498, or  
(Never sign on the financial statements of the company)
- 3) Mr. Preecha Arunnara Certified Public Accountant No. 5800  
(Never sign on the financial statements of the company)

As the Company and subsidiaries' auditors for the accounting period in 2018 and the auditing fee is 1,770,000 Baht. One of the above has the authority to certify the auditors' report. In the case that auditors as in the above list cannot work, EY Office Company Limited has a power to appoint other auditors be an auditor who can authorize to certify the auditors' report instead. However, should there be extraordinary auditing, excluding quarterly auditing and ordinary annual auditing, the Board will be responsible for considering and approving special remuneration on case-by-case basis.

**Voting:** The laws prescribe that this agenda must be approved by majority vote of shareholder who attend the meeting and vote.


**Agenda 8**

To consider the amendment of the Company's articles of Association No.24

**Objective and Reason:**

The proposed amendment to the Company's Articles of Association is to be in line with Section 100 of the Public Limited Companies Act B.E.2535 (1992), which is amended according to the Order of the Head of the National Council for Peace and Order No. 21/2560 Re : Additional Amendment to the Law for Business Facilitation.

The details of the proposed amendment to Article 24 of the Company's Articles of Association are shown in the enclosed document no.7

**The Board's Opinion:**

The Board found it appropriate for the Meeting to approve amendment to Article 24 of the Company's Articles of Association to be in line with Section 100 of the Public Limited Companies Act B.E.2535 (1992), which is amended according to the Order of the Head of the National Council for Peace and Order No. 21/2560 as mentioned.

**Voting:**

This agenda shall be determined by a vote of not less than three-fourths (3/4) of the total number of votes of the shareholders attending the meeting.

**Agenda 9**

To consider the amendment of the Company's Business Objective No.27 and Memorandum of Association No.3 (Objective)

**Objective and Reason:**

1. The proposed amendment of the Company's Business Objective No.27.

**The old Company's Business Objective**

"Provides tour Operators including business related to all kinds of tours."

**The revision business objective of the Company**

"Provides in research and technological development and innovation, include providing all types of research to government agencies, private Sector and own company"

To support business operations in the field of provide research, technology development and innovation. The details of the proposed the amendment of the Company's Business Objective No.27 are shown in the enclosed document no.8

2. The amendment of memorandum of Association No.3 (Objective). To comply with the amendment of the Company's objectives as follows;

No	The old Company's Business Objective	The revision business objective of the Company
3	The Company's Business Objective are ..46..Objectives which is as follows; "Provides tour Operators including business related to all kinds of tours."	The Company's Business Objective are ..46.. Objectives which is as follows; "Provides in research and technological development and innovation, include providing all types of research to government agencies, private Sector and own company"



The Board's Opinion: The Board found it appropriate for the Meeting to approve amendment of the Company's Business Objective No.27 and Memorandum of Association No.3 (Objective).

Voting: This agenda shall be determined by a vote of not less than three-fourths (3/4) of the total number of votes of the shareholders attending the meeting.

Agenda 10 To consider any other business (if any)

The Company had given shareholders an opportunity to propose the agenda items for the 2018 Annual General Meeting of Shareholders and nominate qualified person(s) for election of directors through the Company's website ([www.pacificpipe.co.th](http://www.pacificpipe.co.th)) and the SET Community Portal (SCP) from November 15<sup>th</sup>, 2017 to December 30<sup>th</sup>, 2017; however, there was neither proposal of agenda item nor qualified person for election of directors.

We greatly appreciate your attendance at the date, time and place as specified. In case shareholders cannot attend the meeting, please give a proxy to a person to attend and vote on your behalf by using one of Proxy Form. The shareholder and proxy must show the documents that confirm the right to attend the meeting according to conditions to attend the shareholders' meeting.

Yours sincerely

..... - Signed by - .....

(Mrs.Saowanee Kamolbutr)

Chairman