



# CHEMEMAN PUBLIC COMPANY LIMITED

บริษัท เคมีแมน จำกัด (มหาชน)

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4 April 2022

Subject: Invitation to the Annual General Meeting of Shareholders for the year 2022

To: Shareholders of Chememan Public Company Limited

Attachment: (in the form of URL and QR Code)

1. 2021 Annual Registration Statement / Annual Report (Form 56-1 One Report), including Statement of Financial Positions and Statement of Comprehensive Income for the year ended 31 December 2021 (For Agenda 1 and 2)
2. Profiles and Work Experience of the Auditors (For Agenda 4)
3. Profiles of the Directors Retiring by Rotation and being Proposed for Re-election (For Agenda 5)
4. Profiles of Independent Directors to Serve as Proxy of the Shareholders and Qualifications of Independent Directors
5. Company's Articles of Association in relation to the Shareholders' Meeting
6. Clarifications on registration, casting of votes, counting of votes and announcing of votes for the 2022 Annual General Meeting of Shareholders
7. Proxy Form A, B and C as specified by the Department of Business Development, Ministry of Commerce
8. Guideline for Shareholders for Attending the 2022 Annual General Meeting of Shareholders in Respect of the Outbreak of the Coronavirus Disease 2019 (COVID-19)
9. Privacy Notice for the 2022 Annual General Meeting of Shareholders
10. Map of the meeting venue

The Board of Directors of Chememan Public Company Limited (the "Company") deemed appropriate to hold the 2022 Annual General Meeting of Shareholders on Thursday 28 April 2022 at 10:00 am at Grand Ballroom, Grande Centre Point Terminal 21 Hotel, located at No. 2, Sukhumvit Soi 19 (Wattana), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110, to consider matters according to the following agendas.

**Agenda 1 To acknowledge the Company's operational results for the year 2021**

**Objectives and Rationale**

The Company has summarized the operational results and significant events for the year 2021 which are as shown in 2021 Annual Registration Statement / Annual Report (Form 56-1 One Report) in Attachment 1.

**Opinion of the Board of Directors**

The Board of Directors deemed appropriate to propose the Annual General Meeting of Shareholders to acknowledge the operational results report for the year 2021. The Company has summarized the operational results and significant events for the year 2021 as shown in the 2021 Annual Registration Statement / Annual Report (Form 56-1 One Report).

**Votes Required**

As this agenda is for acknowledgement, no voting shall be required.

**Agenda 2 To consider and approve the Company's Statement of Financial Position and Statement of Comprehensive Income for the year ended 31 December 2021, and Auditor's Report**

**Objectives and Rationale**

According to Section 112 of the Public Limited Company Act B.E. 2535 (and its amendment) and Article 55 of the Company's Articles of Association, the Company shall prepare the statement of financial position and statement of comprehensive income at the end of the accounting year of the Company which have been audited by a certified public accountant and approved by the Audit Committee and the Board of Directors before submitting them to the Annual General Meeting of Shareholders for consideration and approval. Details of the statement of financial position, statement of comprehensive income, and auditor's report are as shown in the 2021 Annual Registration Statement / Annual Report (Form 56-1 One Report) in Attachment 1. The summary of the important information from the consolidated financial statements in comparison with the previous year is as follows:

Consolidated Financial Statements	Year 2021 (Million Baht)	Year 2020 (Million Baht)
Total assets	7,022.38	6,103.34
Total liabilities	4,729.95	4,007.00
Total shareholders' equity	2,292.43	2,096.34
Total revenues	3,148.81	2,282.67
Profit attributable to equity holders of the Company	98.32	(119.61)
Earnings per share – profit attributable to equity holders of the Company (Baht per share)	0.1024	(0.1246)

**Opinion of the Board of Directors**

The Board of Directors deemed appropriate to propose the Annual General Meeting of Shareholders to consider and approve the statement of financial position and statement of comprehensive income for the year

ended 31 December 2021 and the auditor's report which have been audited by Mr. Pitinan Lilamethwat, the certified public accountant No. 11133 of PKF Audit (Thailand) Limited and approved by the Audit Committee and the Board of Directors.

#### **Votes Required**

This agenda shall be approved by a majority vote of shareholders present at the Meeting and cast their votes in accordance with the Article 42 of the Company's Articles of Association.

**Agenda 3 To consider and approve the allocation of profit as statutory reserve and the omission of dividend payment for the year 2021**

#### **Objectives and Rationale**

According to Section 115 and 116 of the Public Limited Company Act B.E. 2535 (and its amendment) and Article 50, 51 and 52 of Company's Articles of Association, dividends shall be paid out of profits, and if the Company continues to have accumulated loss, no dividends shall be distributed. The Board of Directors may occasionally approve the interim dividend payment to shareholders when the Company has enough profits to do so. Once such dividend is paid, it shall be reported to the shareholders at the next Meeting of Shareholders. In this regard, the payment of dividend shall be approved by the shareholders and the Company shall allocate not less than 5 percent of its annual net profit less the accumulated loss brought forward (if any) to a reserve fund until this fund attains an amount of at least 10 percent of the registered capital.

#### **Dividend Payment**

The Company has a dividend policy to pay shareholders dividends of at least 40 percent of the consolidated net profit after deduction of corporate income tax and all reserves required by law or rules and regulations of the Company, taking into consideration the Company's cashflow, operating results, financial structure, investment plans, terms and conditions of various contracts that bind the Company, necessity, suitability for the future and consistency of the dividend payments.

In 2021, the Company has net profit from consolidated financial statement amounting of Baht 92,333,508. Even though, the Board of Directors meeting No. 1/2022 agreed on proposing to the 2022 Annual General Meeting of Shareholders to consider and approve the omission of dividend payment for the year 2021 due to the need to reserve cash for business operations, loan repayment and investment according to its business plan.

Details of dividend payment compared with last year

<b>Consolidated Financial Statements</b>	<b>2020</b>	<b>2019</b>
Net profit (loss) (Million Baht)	92.33	(136.75)
No. of paid-up shares (Million Shares)	960	960
Basic earnings per share (Baht/Share)	0.1024	(0.12)
Dividend per share (Baht/Share)	-	-
Dividend payment ((Million Baht)	-	-
Dividend payout ratio (percent)		
Based on net profit after deduction of corporate income tax and all kinds of reserves	N/A	N/A

**Statutory Reserve**

At present, the Company has registered capital of Baht 1,000,000 and statutory reserve of Baht 65,140,000 (accounted for 6.51% of registered capital. In addition, the Company presented 2021 net profit from separate financial statement of Baht 170,138,456. Thus, the Company proposed to allocate the net profit from the 2021 operation as statutory reserve in the amount of Baht 10,000,000 which is equal to 5.88% of the net profit of the year 2021. After the allocation of the statutory reserve, the total statutory reserve of the Company will be Baht 75,140,000 or 7.51% of the registered capital.

**Opinion of the Board of Directors**

The Board of Directors deemed appropriate to propose the Annual General Meeting of Shareholders to consider and approve the allocation of net profit as a statutory reserve and the omission of dividend payment for the year 2021 due to the need to reserve cash for business operations, loan repayment and investment according to its business plan.

**Votes Required**

This agenda shall be approved by a majority vote of shareholders present at the Meeting and cast their votes in accordance with the Article 42 of the Company's Articles of Association.

**Agenda 4 To consider and approve the appointment of auditors and to fix the audit fee for the year 2022**

**Objectives and Rationale**

According to Section 120 of the Public Limited Company Act B.E. 2535 (and its amendment) and Article 58 of Company's Articles of Association, the Annual General Meeting of Shareholders shall appoint an auditor and determine the audit fee for the auditor. In addition, the Notification of the Capital Market Supervisory Board stipulates that the Company shall arrange for the rotation of the auditors if the original auditors have performed the duty of reviewing or auditing and expressing opinions on the Company's financial statements for 7 accounting years, whether consecutive or not. New auditors under the same audit firm of the original auditors can be appointed.

## Audit Committee's Opinion

The Audit Committee considered and selected auditors for the year 2022 by evaluating the quantity of work, service standard of the office, skill, knowledge, capability, experience in auditing, independence of the auditors and team, and appropriateness of the audit fee. As a result, the Audit Committee deemed appropriate to propose the shareholders to approve the appointment of auditors with the following details:

1. Appointment of the auditors from PKF Audit (Thailand) Limited to be the auditors of the Company for the year 2022. The list of auditors shall be as follows:

- Mr. Pitinan Lilamethwat                      Certified Public Accountant No. 11133                      or
- Mr. Nathphol Srichakhot                      Certified Public Accountant No. 12038                      or
- Mr. Gawinpob Pridi                              Certified Public Accountant No. 9680                      or

In the event that the aforementioned auditors are unable to perform their duties, PKF Audit (Thailand) Limited shall designate any of its auditors to be the auditor of the Company. Any one of the auditors shall audit and express opinions on the financial statements of the Company.

In this regard, the qualifications of these 3 auditors are in accordance with the Notification of the SEC Office. They have no relationship and/or interest with the Company or its subsidiaries or executives or major shareholders or any persons related to such individual in a manner that will affect the independent duty performance. This appointment shall be the fourth consecutive fiscal year from the year of 2019 – 2021. The profile and work experience of each auditor are as shown in Attachment 2.

2. Endorse to fix the annual audit fee for the year 2022, including the audit Fee for report submitted to the Office of the Board of Investment of Thailand, in the amount totaling to Baht 2,050,000, exclusive of VAT and out of pocket expenses which shall incurred on an actual basis.

Audit Fee for the financial statements of the year 2022, comparing with that of the year 2021 and 2020 as shown in the below table.

Audit Fee (Baht) (Excluding VAT)	Year 2021	Year 2021	Year 2020
Audit Firm	PKF Audit (Thailand) Limited	PKF Audit (Thailand) Limited	PKF Audit (Thailand) Limited
1. Audit Fee for Company's Annual Separated and Consolidated Financial Statements	1,060,000	1,060,000	990,000
2. Audit Fee for Company's Quarterly Separated and Consolidated Financial Statements	840,000	840,000	810,000
3. Audit Fee for Report submitted to the Office of the Board of Investment of Thailand	150,000	150,000	150,000

Audit Fee (Baht) (Excluding VAT)	Year 2021	Year 2021	Year 2020
4. Audit Fee for Data Transfer due to the Change of Accounting System (one-time)			-
<b>Total Annual Audit Fee</b>	<b>2,050,000</b>	<b>2,050,000</b>	<b>1,950,000</b>
5. Actual miscellaneous expenses incurred during operations, such as transportation fee, expenses for photocopying documents, etc.	Based on actual payment	Based on actual payment	Based on actual payment (amounting to 33,438 Baht)

3. Endorse to propose the Annual General Meeting of Shareholders to consider and approve the appointment of auditors and to fix the audit fee for the year 2022 which includes the audit Fee for report submitted to the Office of the Board of Investment of Thailand.
4. Propose the Annual General Meeting of Shareholders to acknowledge that the auditors of the subsidiaries are not from the same audit firm as the auditors of the Company. The Board will ensure that the subsidiaries will be able to complete the audit report in a timely manner.

#### Opinion of the Board of Directors

The Board of Directors agreed with the proposal of the Audit Committee to propose the Annual General Meeting of Shareholders to consider and approve the appointment of auditors from PKF Audit (Thailand) Limited to be the auditors of the Company for the year 2022 and the fixing of the audit fee including the audit fee for report submitted to the Office of the Board of Investment of Thailand for the year 2022 in the total amount of Baht 2,050,000 (Two million fifty thousand Baht) which are exclusive of VAT and Out of Pocket Expenses which shall incurred on an actual basis.

In addition, the Board deemed appropriate to propose the Annual General Meeting of Shareholders to acknowledge that the auditors of the subsidiaries are not from the same audit firm as the auditors of the Company. The Board will ensure that the subsidiaries will be able to complete the audit report in a timely manner.

#### Votes Required

This agenda shall be approved by a majority vote of shareholders present at the Meeting and cast their votes in accordance with the Article 42 of the Company's Articles of Association.

**Agenda 5 To consider and elect directors to replace the directors who are retired by rotation**

#### Objectives and Rationale

According to Section 71 of the Public Limited Company Act B.E. 2535 (and its amendment) and Article 18 of Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of directors shall retire from the office. If the number of directors is not a multiple of three, the number nearest to one-third

shall retire from the office. Director retiring from the office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent years, the directors who has held the office the longest shall retire. In this regard, the directors retiring from office by rotation may be re-elected. At this 2021 Annual General Meeting of Shareholders, there are 3 directors who are due to retire by rotation whose names are as follows:

1. Mr. Chai Srivikorn                      Director
2. Mr. Suthep Uacherdkul                Director
3. Mr. Pornprom Karnchanachari      Independent Director and Member of Audit Committee

To be in accordance with the good corporate governance and to encourage the participation of shareholders, the Company has offered the opportunity for the shareholders to nominate any qualified candidates to be elected as the directors of the Company from 1 October 2021 to 15 January 2022. Details were published on the website of the Company and news disclosure channel of the Stock Exchange of Thailand. However, no shareholder has nominated any candidates to be elected as the directors of the Company.

#### **Opinion of the Board of Directors**

The Board of Directors, excluding the directors with interests, considered with due care, prudent, and thoroughness and deemed appropriate to propose the 2022 Annual General Meeting of Shareholders to consider and appoint 3 directors who are due to retire from office by rotation, being Mr. Chai Srivikorn, Mr. Suthep Uacherdkul, and Mr. Pornprom Karnchanachari, to resume the office for another term as the Board have concluded that such individuals are knowledgeable, capable, experienced and are qualified in accordance with the Public Limited Company Act B.E. 2535 and related Notifications of the Capital Market Supervisory Board, which will benefit the business operations of the Company. The profiles of the directors who are due to retire from office by rotation and being proposed to resume the office for another term are as shown in Attachment 3.

For the independent director, the Board has considered and opined that the independent director could express its opinions independently and in accordance with related rules.

#### **Votes Required**

This agenda shall be approved by a majority vote of shareholders present at the Meeting and cast their votes in accordance with the Article 42 of the Company's Articles of Association. The voting will be on individual basis.

**Agenda 6            To consider and approve the remuneration of the Board of Directors for the year 2022**

#### **Objectives and Rationale**

According to Section 90 of the Public Limited Company Act B.E. 2535 (and its amendment) and Article 33 of Company's Articles of Association, directors are entitled to receive remuneration in the form of salary, reward, meeting allowance, gratuity, bonus, or other benefits which the amount may be fixed or laid down as a rule from time to time or until further change by the Shareholders' Meeting. In this regard, employees and workers elected to be a director shall be entitled to receive remuneration and benefits as the employee or worker of the Company. The remuneration of directors has been no change since 2016. Hence, in order to reflect scope of

responsibility of the directors, the Company's operating results and business size, the remuneration is proposed to increase by 10% as follow:

- 1) Monthly remuneration

Chairman	Baht 19,800 per month
Director	Baht 16,500 per month
- 2) Board of Directors' Meeting Attendance Fee

Chairman	Baht 19,800 per meeting
Director	Baht 16,500 per meeting
- 3) Audit Committee's Meeting Attendance Fee

Chairman of Audit Committee	Baht 15,840 per meeting
Member of Audit Committee	Baht 13,200 per meeting

#### Opinion of the Board of Directors

The Board of Directors deemed appropriate to propose the 2022 Annual General Meeting of Shareholders to consider and approve the remuneration of directors for the year 2022, consisting of monthly remuneration and meeting attendance fees without any other benefits, in the rate of 10% increase from the rate which was approved by the Annual General Meeting of Shareholders for the year 2021. There has been no change in the rate since 2016, so the rate shall be increased to be appropriate with the scope of responsibility of the directors, the Company's operating results and business size. the Company has paid the remuneration of directors to the Board of Directors and the Audit Committee in the amount of Baht 2,715,600. The details are as shown in the Section of Corporate Governance Performance Report in the 2021 Annual Registration Statement / Annual Report (Form 56-1 One Report).

#### Votes Required

This agenda shall be approved by a vote of no less than two-thirds (2/3) of the total number of votes of shareholders present at the Meeting in accordance with the Section 90 of the Public Limited Company Act B.E. 2535 (and its amendment).

**Agenda 7**            **To consider other matters (if any)**

#### Objectives and Rationale

According to Section 105 of the Public Limited Company Act B.E. 2535 (and its amendment), when the General Meeting of Shareholders completely considered the agendas specified in the notice of Meeting, the shareholders holding shares amounting to not less than one-third of the total number of shares sold may request the General Meeting of Shareholders to consider other matters in addition to those specified in the notice of Meeting.



### Opinion of the Board of Directors

The Board of Directors deemed appropriate to open this agenda so that shareholders would be able to inquire and/or express opinions on any matters without resolution. However, if the shareholders would like to propose any matters for consideration and resolution, it shall be in accordance with the rules and conditions of Section 105 of the Public Limited Company Act B.E. 2535 (and its amendment).

The Company would like to invite all shareholders to attend the 2022 Annual General Meeting of Shareholders held at Grand Ballroom, Grande Centre Point Terminal 21 Hotel, located at No. 2, Sukhumvit Soi 19 (Wattana), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110 in accordance with the date and time mentioned above. The Company shall open up the registration from 08.00 hrs. onward. If the shareholder is unable to attend the Meeting, the shareholder may grant a proxy by filing out the information and countersign its signature in the Proxy Form attached to this invitation letter or shareholders can download the Proxy Form from the Company's website at [www.chememan.com](http://www.chememan.com) by selecting only one of the specified forms. Shareholders are also able to appoint the independent director of the Company, as listed and detailed in Attachment 4, as proxy to attend the Meeting and cast the vote on behalf of shareholders. The Company would appreciate your kind cooperation to submit the Proxy Form to the Company within 20 April 2022 to the email: [IR@chememan.com](mailto:IR@chememan.com) or to the following address:

Company Secretary  
Chememan Public Company Limited  
195/11-12, Lake Rajada Office Complex 2,  
10<sup>th</sup>-11<sup>th</sup> Floor, Rajadapisek Road,  
Klongtoey, Bangkok 10110

In this regard, the Company asks that the shareholder or proxy study the registration procedures and prepare documents as detailed in the Clarifications on registration, casting of votes, counting of votes and announcing of votes for the 2022 Annual General Meeting of Shareholders as per Attachment 6 and the Guideline for Attending the 2022 Annual General Meeting of Shareholders and proxy as per Attachment 8 to register for the Meeting.

All shareholders are cordially invited to attend the Meeting in accordance with the date, time and venue specified above.

Yours sincerely,

Chememan Public Company Limited



(M.L. Chandchutha Chandratat)

Chairman of the Board of Directors

Note: No tokens to be given at the Annual General Meeting of Shareholders