

Invitation to 2016
Ordinary Shareholders' Meeting No. 1/2016



บริษัท เอ็ม เอฟ อี ซี จำกัด (มหาชน)

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The Company would like to inform the suspension of gifts memorial. For shareholders in these times.

Invitation to 2016 Ordinary Shareholders' Meeting

No. 1/2016

MFEC Public Company Limited

On 25th April 2016, 10.30 a.m.

At the meeting Room, 39th Floor

123 SunTower B, Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok

The Company would like to inform the suspension of gifts memorial. For shareholders in these times.

As for a proxy, please bring along completed Proxy Form for convenience in registration.

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April 8th, 2016

Subject: Invitation to the Annual General Meeting of Shareholders No. 1/2016

Attn. : Shareholders

MFEC Public Company Limited (MFEC) had a resolution to call for the Annual General Meeting of Shareholders No. 1/2016 at 10:30 hours on Monday, April 25th, 2016 at the Conference Room, 39th Floor, Sun Tower B, No. 123, Vibhavadi-Rangsit Road, Chompon Subdistrict, Chatuchak District, Bangkok 10900. The registration will start from 9:30 hours onward. Details of the meeting agenda are described below.

Agenda 1 Adopt the Minutes of the AGM No. 1/2015

Background and Rationale: The AGM No. 1/2015 was held on April 21st, 2015 and its minutes was submitted to the Stock Exchange of Thailand and Ministry of Commerce within the schedule required by the laws. The minutes was also publicly disseminated in the company's website. A copy of the minutes was depicted in Attachment 1.

Board of Directors' Opinion: The Board agreed to propose the AGM to adopt the minutes of the AGM No. 1/2015 dated April 21st, 2015. The minutes was accurately recorded.

Agenda 2 The Board reported the company's operational performance for the year of 2015.

Background and Rationale: To abide by the Articles of Association No. 29 and 34, the Board presented the company's operational performance for the year of 2015. Its details were described in the Annual Report 2015 and financial summary as appeared in Attachment 2.

Board of Directors' Opinion: The Board agreed to present the AGM the company's operational performance for the year of 2015 for acknowledgement.

Agenda 3 Review and approve the balance sheet and profit/loss statement ending December 31st, 2015.

Background and Rationale: To be in compliance with Public Limited Companies Act and Articles of Association No. 33 and 34, the Board agreed to have the balance sheet and profit/loss statement ending December 31st, 2015 be presented to the AGM for approval. The financial statements were depicted in the Annual Report 2015 and financial summary inspected by the Audit Committee and audited by the licensed auditors. Details were described in Annual Report 2015 and financial summary as appeared in Attachment 2.

Board of Directors' Opinion: The Board agreed to present the AGM the balance sheet and profit/loss statement ending December 31st, 2015 inspected by the Audit Committee and audited by the licensed auditors for approval.

Agenda 4 Review and approve the appropriation of retained earnings for dividend payment to the shareholders.

Background and Rationale: In 2015, the company recorded net operating profit after corporate income tax at 196.53 million baht and unappropriated retained earnings at the 2015 year-end at 423.00 million baht. Its cash liquidity was adequate. The company, therefore, was able to make dividend payment to its shareholders following the Public Limited Companies Act and the Articles of Association No. 36. The Article prohibits the company to set aside other type of money, but profit, for dividend and prohibits the company to pay dividend if it registers accumulated loss. In addition, according to the Public Limited Companies and the Articles of Association No. 37, the company is required to set aside no less than 5% of its annual net profit as its provision less accumulated loss (if any) until the provision increases to no less than 10% of its registered capital. In 2015, the company had total provision at the rate required by the law, it, thus, will not set aside additional provision.

Following the company's dividend payment policy, the company is required to make dividend payment at a rate of no less than 50% of its net profit with past records in Attachment 3.

Board of Directors' Opinion: The company agreed to allocate its 2015 operating profit and make dividend payment as described below.

- o No allocation for provision, given the company's total provision at the rate required by the law.
- o Pay dividend set aside from retained earnings to the shareholders at a rate of 0.33 baht (Thirty Satang) or 74% of net profit in 2015. The record date is scheduled on May 9th, 2016. The closing date, according to Section 225 of the Securities and Exchange Act, is set on May 10th, 2016. The dividend payment will be made on May 23rd, 2016. Dividend will be paid from retained earnings less 20% corporate income tax.

The Board reviewed the planned dividend payment and agreed that the said dividend rate was appropriate and in line with the company's dividend payment policy, compared to the dividend rate in the previous year.

Agenda 5 Review and approve interrelated transaction and liquidation of assets through sales of ordinary shares and waiver of rights to purchase new shares of Promptnow Company Limited (subsidiary).

Background and Rationale: In regard to its major shareholder TIS Inc., holding 77,983,675 shares or 17.67% of MFEC's paid-up and registered capital, and TISI (Thailand) Limited (collectively referred as "TIS Group") intended to hold shares in Promptnow Limited (Promptnow) through purchase of 110,400 Promptnow shares from its existing shareholders including MFEC and capital increase shares combined at 1,467 baht per share.

- o MFEC, a major shareholder in Promptnow, currently held 60% of its registered capital and intended to liquidate its 53,200 ordinary shares in Promptnow for 78,044,400 baht. In addition, MFEC waived its rights to subscribe 20,400 out of 34,000 capital increase shares in Promptnow at a par value of 100 baht per share. Its offer price was set at 1,467 baht per share. Promptnow's existing shareholders also aimed to waive their subscription rights of its capital increase shares proportionally. Therefore, Promptnow could allocate 34,000 capital increase shares left from MFEC and the existing shareholders' waives to TIS Group. TIS Group would purchase all of these shares at 1,467 baht per share, the same offer price it would pay for MFEC and Promptnow's existing shareholders.
- o Sales of the company's holding in Promptnow and wave of subscription rights for 73,600 capital increase shares in Promptnow were regarded as asset liquidation and waive of rights involving a listed company's assets following the Capital Market Supervisory Board's Announcement Tor. Jor. 20/2008 on criteria for significant transactions regarding asset acquisition or liquidation and the Stock Exchange of Thailand's Board of Governors Bor. Jor./Por21-01 on information disclosure and execution of a listed company for asset acquisition or liquidation, B.E. 2547 ("Announcement on Acquisition or Liquidation"). The size of a transaction, according to the criteria for total value of the highest return, was valued below 15% of total assets as appeared in the company's consolidated financial statements. The company, thus, was not required to prepare a report and make information disclosure to the Stock Exchange of Thailand (SET) following the Announcement on Acquisition or Liquidation.
- o In addition, the transaction between the company and TIS Group and that between the former's subsidiary Promptnow and TIS Group were regarded as interrelated transactions.
- o Sizes of the interrelated transactions were considered from 53,200 shares the company offered for TIS Group and 34,000 shares Promptnow offered for the group after its existing shareholders' right waiving at 78,044,400 baht and 49,878,000 baht, respectively. As of December 31st, 2015, Promptnow had short-term borrowings and accrued interest with the company at 4,033,425 baht. Therefore, net value of the transactions plus the short-term borrowings and interest totaled 131,955,825 baht.
- o Such interrelated transactions followed the Capital Market Supervisory Board's Announcement Tor. Jor. 21/2008 on criteria for interrelated transactions and the Stock Exchange of Thailand's Board of Governors' Announcement Bor. Jor./Por. 22-01 on information disclosure and execution of a listed company in interrelated transactions, B.E. 2546 ("Announcement on

Interrelated Transactions"). Total value of the transactions was set from net tangible assets of the company. The transaction size was at 10.18% of the company's net tangible assets or more than 20 million baht or more than 3% of the company's net tangible assets.

- o Therefore, according to the Announcement on Interrelated Transactions, the company had a duty to request the Board of Directors' approval for disclosure of information to the SET, and the AGM's approval for execution of the transactions and appointment of independent financial advisors to make comments for the transactions. Such requires three-fourths of total shareholders' eligible votes in attendance and the stakeholders were excluded.

Detailed information involving asset liquidation in the account record, interrelated transactions and independent financial advisors' opinions were described in Attachment 4.

Board of Directors' Opinion: The Board (excluding Mr. Kiyotaka Nakamura, the Director who was at stake, given his position as the management executive of a company in TIS Group) prudently reviewed the transactions. The Board agreed to propose the AGM the interrelated transactions and asset liquidation through sales of ordinary shares, waive of share subscription rights in Promptnow Company Limited, and contracts and related document for approval. The company remained its investment policy in Promptnow and continued as one among major shareholders in Promptnow. The company's stake in Promptnow after the transactions would be 20% of the latter's paid-up and registered capital, which would prompt the latter to become the company's associate company.

After reviewing the business synergy that could arise from TIS Group's planned holding in Promptnow, and TIS Group's offer price for share purchase and subscription, the Board opined that such transactions were appropriate and brought the maximum benefit for the company and its shareholders. TIS Inc. was a leading IT firm from Japan. Such transactions would bring about business cooperation with a partner who had capability and specialization that could promote the existing businesses' capabilities and extend new businesses of Promptnow. This could lead to the latter's strength and stability, enhancement of competitiveness through technological development, increase of channels for expansion of customer base. These transactions would enlarge the company's opportunity to gain from Promptnow's growing businesses and provide sustainable returns to the shareholders in the long term. Although TIS Inc. was a juristic person that may have conflict from holding in Promptnow at more than 10%, such shareholding structure followed the company's optimal benefits as mentioned before.

Agenda 6 Review and appoint one (1) Independent Director.

Background and Rationale: According to the Articles of Association No. 11, the Board of Directors consisted of at least five members. No less than half of them must have residence in the Kingdom of Thailand. The Board's members must contain qualifications as required by the law. They were prohibited to operate, partner with or become directors of other juristic persons that had similar conditions and operated businesses in competition with the company's business operations. There remained an exception for notification to a shareholders' meeting before appointment. Based on the regulations on corporate governance, at least one-third of the Board's members must be independent directors.

Currently, the Board consisted of eight members (four executive members, one non-executive member and three independent directors). The candidate's profile and information were depicted in Attachment 5.

Board of Directors' Opinion: The Board agreed to propose the appointment of Associate Professor Dr. Kamales Santivejkul as an independent director. The Board comprised nine directors. This was to have a proper structure of the Board for efficiently overseeing and supervising business operations at all sides.

Agenda 7 Review and appoint new Directors in replacement of those who retired and designation of remuneration for the committees for the year of 2016.

Background and Rationale: According to the Articles of Association No. 13, every AGM must see one-third of the Board's members be retired. If the number of the Board's members could not be separated into three parts, the number of directors retired must be close to one-third. This year, two following directors were retired from their position.

1. Mr. Sirisak Thirawattanangkul Executive Director
2. Mr. Kiyotaka Nakamura Non-Executive Director

The company provided opportunity for shareholders to nominate candidates with proper qualifications and no prohibited characteristics for the election of the Board's members. However, there were none of any shareholders nominating candidates. Therefore, after reviewing qualifications, appropriateness as directed in the process and self assessment results of their performance, the Board agreed to reelected both directors to resume their positions for one more term. The nominated directors were detailed in Attachment 6.

The remuneration rates for committee members should be proper for their duties and responsibilities, while being in line with and close to the rates provided in the industry at the same level. Annual review must be made following the Articles of Association No. 14. In 2016, the Board approved and proposed to maintain the remuneration rates for its members, Audit Committee and Risk Management Committee from the previous year. It also proposed to have the remuneration rates for the Nomination Committee/Remuneration Committee which would be established in 2016. Details appeared in Attachment 6.

Board of Directors' Opinion: The Board excluding the directors at stake agreed to propose the AGM to elect both directors whose term ended as the company's directors for one more term. This was because both of them were totally qualified without any prohibited characteristics in the Public Limited Companies Act. In addition, they contained knowledge and experience that promoted the company's benefits. The Board agreed to maintain the remuneration rates for the Board of Directors, Audit Committee and Risk Management Committee. Meanwhile, the remuneration rates for the Nomination Committee and Remuneration Committee were proposed after comparing the rates with those of listed companies in the similar industry following the Stock Exchange of Thailand's 2014 data.

Agenda 8 Review and approve the appointment of auditors and their remuneration for the year of 2016.

Background and Rationale: To abide by the Public Limited Companies Act and the Articles of Association No. 29, the AGM was required to appoint auditors and their remuneration every year. In 2016, the Audit Committee's Meeting assessed work quality and reviewed appropriateness of the auditors' performance with their independence and qualifications as required. It agreed to propose appointment of three auditors from Dhamniti Auditing Company Limited: Mr. Thanawut Piboonsawat, Auditor License No. 6699; Mr. Sulalit Ardsawang, Auditor License No. 7517; and Mr. Peeradet Pongsathiensak, Auditor License No. 4752 as the company's auditors for the year of 2016.

The 2016 audit fee was also agreed with the same rate of last year at 1,270,000 baht. The said rate was appropriate after being compared with the rates of other auditing firms as detailed in Attachment 8.

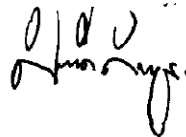
Board of Directors' Opinion: The Board agreed to propose the AGM to appoint three auditors of Dhamniti Auditing Company Limited as the company's auditors for the year and to designate the audit fees and remuneration for 2016.

Agenda 9 Other issues (if any)

This is for your acknowledgement. All shareholders are kindly invited to attend the AGM 2016 at the above-mentioned schedule and venue. The company will set the record date for the AGM No. 1/2016 on March 29th, 2016 and the closing date, according to Section 225 of the Securities and Exchange Act, on March 30th, 2016. Any shareholders who cannot attend the AGM, please kindly appoint your proxies to take part in the meeting. The independent directors or other persons can be authorized as your proxies to participate in the meeting. The proxy form must be delivered to the company prior to the meeting.

Yours faithfully

On behalf of MFEC Public Company Limited



(Mr. Sirisak Thirawattanangkul)

Chairman, Board of Directors

- Remark :**
1. If any shareholders require Annual Report 2015 in a hard copy, please contact 0 2664 5999 ext. 2713, 5331, 5881
 2. The shareholders can find information of the AGM No.1/2016 and its document at the company's website www.mfec.co.th from April 11th, 2016 onward.

Company Secretary

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