



# **NOTICE OF THE 2024 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**MK Restaurant Group Public Company Limited**

**Friday 26<sup>th</sup>, April 2024 at 14.00 hours**


**through an Electronic Meeting**

**(E-AGM)**

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March 22, 2024

Subject Invitation to attend the 2024 Annual General Meeting of Shareholders

To Shareholders of MK Restaurant Group Public Company Limited

Enclosures:

1. Annual Report (Form 56-1 One Report) for the year 2023 in the form of QR Code
2. Profiles of the retiring directors who are being nominated for re-election
3. Information Memorandum on the connected transaction and the acquisition of assets from Global Asset Development Co., Ltd. (Supporting document for agenda 4)
4. The Company's Articles of Association in respect of the rules and procedures governing the Meeting of Shareholders
5. Proxy Forms (A & B)
6. Profiles of the independent directors who are designated to act as proxies for shareholders
7. Definition of independent directors
8. Documents required for attending the E-AGM
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NOTICE IS HEREBY GIVEN that in accordance with the resolution of the Board of Directors' Meeting No.1/2024 held on February 23, 2024, the 2024 Annual General Meeting of Shareholders of the Company will be held on Friday of April 26, 2024 at 14.00 hours via an electronic meeting platform (E-AGM) only to consider the following agenda:

**Agenda 1 To acknowledge the Report of the Board of Directors for the year 2023**

**Background Information:** The report on the performance of the Company for the year ended December 31, 2023 is presented in the Company's 2023 Annual Report, a copy of which is enclosed herewith as Enclosure 1.

**Board's Opinion:** The Meeting should acknowledge the 2023 Annual Report as presented by the Board of Directors.

**Required Vote:** This agenda is for acknowledgement and does not require voting.

**Agenda 2 To consider and approve the financial statements for the year ended December 31, 2023**

**Background Information:** In order to comply with Section 112 of the Public Limited Companies Act B.E. 2535, the Board has arranged to have the financial statements for the year ended December 31, 2023 properly prepared and submitted to the 2024 Annual General Meeting of Shareholders for approval. Details of the Company's financial statements for the year ended December 31, 2023 are presented in the 2023 Annual Report as per Enclosure 1.

**Board's Opinion:** The Meeting should approve the Company's financial statements for the year ended December 31, 2023 which have been duly audited and certified by the Company's auditors of EY Office Limited and were also reviewed by the Audit Committee.

**Required Vote:** The majority vote of shareholders who attend the meeting and cast their votes.

**Agenda 3 To consider and approve the appropriation of profit and dividend payment for the year 2023**

**Background Information:** It is the Company's policy to pay dividends to shareholders at least 50 percent of its consolidated net profit after appropriation for legal reserve. However, such dividend payout ratio may be adjusted subject to the Company's operating result, financial position, liquidity and the need for funds to support future business expansions of the Company and its subsidiaries. In 2023, the Company recorded a consolidated net profit of Baht 1,682 million and is eligible to pay dividend according to Section 115 of the Public Limited Companies Act B.E. 2535 which stated that dividend shall not be paid other than out of profits. Based on the operating result for the year 2023, strong financial position, high liquidity, and adequate funds available for future business expansions, the Meeting of the Board of Directors on February 23, 2024 resolved to propose to the 2024 Annual General Meeting of Shareholders for approval of a dividend payment of Baht 1.60 per share for the year 2023. The total dividend payment will amount to Baht 1,473.39 million representing a dividend payout ratio of 88 percent of the consolidated net profit of the Company which is in line with the Company's dividend policy as mentioned above. A comparison of the dividend payment to the preceding year is as follows:

Details of dividend payment	Year 2023	Year 2022
1. Profit for the year on consolidated financial statements (million Baht)	1,682	1,439
2. Dividend (Baht/share)	1.60 Comprising of (1) Interim dividend 0.60 Baht/share (2) Final dividend 1.00 Baht/share	1.40 Comprising of (1) Interim dividend 0.50 Baht/share (2) Final dividend 0.90 Baht/share
3. Dividend payout ratio	88%	90%

**Board's Opinion:** The Meeting should approve the dividend payment for the year 2023 at the rate of Baht 1.60 per share or Baht 1,473.39 million in total. As an interim dividend of Baht 0.60 per share totaling Baht 552.51 million was paid by the Company on September 8, 2023, the final dividend of Baht 1.00 per share totaling Baht 920.88 million, subject to the approval of the shareholders, will be paid on May 24, 2024.

Such dividend payments are paid from the Company's net profit and retained earnings which are subject to the corporate income tax of 20%. Shareholders who are natural persons are entitled to claim tax credit which equals to the dividend received times ¼.

In this regard, the Company sets the date for determining the names of shareholders who shall be entitled to receive the dividend (Record Date) on May 10, 2024.

**Required Vote:** The majority vote of shareholders who attend the meeting and cast their votes.

**Agenda 4 To approve the connected transaction and the acquisition of assets from Global Asset Development Co., Ltd. which has common directors and shareholders**

**Background Information:** The Board of Directors has resolved to approve the purchase of lands with area 131 rai 3 ngan 26.50 square wa from Global Asset Development Co., Ltd. (GAD), which has common directors and shareholders. Currently, the Company has leased the lands to use as a central kitchen for food production and M-Senko Logistics Co., Ltd., (MSL), the Company's joint venture, has also leased the lands to use as a warehouse and distribution center. The transaction is considered as the Company's asset acquisition in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 and the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions deemed as Acquisition or Disposition of Assets (the Notifications on Acquisition or Disposal of Assets). Such transaction is also considered as the connected transaction under the Notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules on Connected Transaction and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (the Notification on Connected Transaction). Details of such transaction is presented in Information Memorandum on the connected transaction and the acquisition of assets as per Enclosure 3.

In this regard, the Board of Directors' meeting of the Company has resolved to approve the appointment of the independent financial advisor, Pioneer Advisory Company Limited, which is in the list of financial advisors approved by Office of the SEC to provide opinion for such transactions. A copy of which is enclosed herewith as Enclosure 13.

**Board's Opinion:** The Board of Directors (excluding the directors having conflict of interest) has an opinion that such transaction is appropriate in term of the transaction value and beneficial to the Company because such lands are the location of the Company's central kitchen, warehouse and distribution center which are the key infrastructure of the Company to operate the business. It will also reduce the rent burden and avoid the risk in the event that the rent contract expires and the lessor may not renew the contract in the future. Furthermore, the Company has engaged 2 independent appraisers approved by the Office of the SEC in accordance with the announcement of the Office of SEC to evaluate the land prices. The price for entering the transaction is lower than the appraisal value assessed by 2 independent appraisers which is considered beneficial to the Company. In addition, the Company has strong financial position, high liquidity and enough working capital to buy such assets without affecting the Company's liquidity to operate the business.

**Required Vote:** A vote of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote.

## **Agenda 5 To elect directors in place of those retiring by rotation**

**Background Information:** Article 18 of the Company's Articles of Association stipulates that at every annual general meeting of shareholders, one third of the directors shall vacate in proportion. The director who has held office longest shall vacate and a director who vacates office may be re-elected. In this 2024 Annual General Meeting of Shareholders, three directors are due to retire by rotation, namely:

1. Mr. Annop Tanlamai Independent Director and Chairman of Audit Committee
2. Mr. Somchai Pipitvijitkorn Director and Member of Corporate Governance, Sustainability, Nominating and Compensation Committee
3. Mrs. Vilai Chattanrassamee Independent Director, Member of Audit Committee and Member of Corporate Governance, Sustainability, Nominating and Compensation Committee

The Company has provided an opportunity for the shareholders to nominate qualified persons to be elected as directors of the Company during September 26, 2023 – December 29, 2023. However, no shareholder nominated any person for consideration as candidate for directorship.

In respect of the nomination of qualified persons to replace the directors retiring by rotation, the Corporate Governance, Sustainability, Nominating and Compensation Committee recommended that the retiring directors namely, Mr. Annop Tanlamai, Mr. Somchai Pipitvijitkorn and Mrs. Vilai Chattanrassamee, be reappointed as the directors of the Company for another term because they meet the required qualifications of the Company, attended Board meetings regularly, and were able to provide constructive and useful recommendations to the meetings.

**Board's Opinion:** Based on the recommendations of the Corporate Governance, Sustainability, Nominating and Compensation Committee, the Board of Directors, excluding the directors having conflict of interest, recommend that the three retiring directors namely, Mr. Annop Tanlamai, Mr. Somchai Pipitvijitkorn and Mrs. Vilai Chattanrassamee, be re-appointed as the directors of the Company for another term as per the procedures set by the Company and having the appropriate qualifications and suitability for the Company's businesses. Profiles of the nominated candidates and the definition of independent directors are presented in Enclosure 2 and 7 respectively.

In this regard, Mr. Annop Tanlamai and Mrs. Vilai Chattanrassamee hold position as independent directors for more than 9 years; however, both of them have knowledge, experience and expertise in various areas as required by the Company and they have well understanding in the Company's business and are able to provide valuable recommendations to the Company. Therefore, they are qualified to continue to be independent directors.

In addition, the Board considered and concluded that the independent director could provide opinions independently and has the qualifications in accordance with relevant regulations concerning the independent director.

**Required Vote:** The majority vote of shareholders who attend the meeting and cast their votes.

**Agenda 6 To consider and approve the remuneration of directors**

**Background Information:** Section 90 of the Public Limited Companies Act B.E. 2535 stipulates that “in case where the Articles of Association of the Company is not stipulated, the payment of remuneration shall be in accordance with the resolution of the Meeting of Shareholders”. The Board of Directors assigned the Corporate Governance, Sustainability, Nominating and Compensation Committee to consider the directors’ remunerations in accordance with the following principles and guidelines: (1) The remuneration of directors should commensurate with the duties and responsibilities of each director. In addition, the remuneration of directors should be comparable to that of other companies with good corporate governance and having similar size. (2) The compensation which is paid to directors in accordance with the annual performance of the Company, such as directors’ annual bonus, should be linked to the payment of dividends to shareholders. (3) Executives of the Company who also serve as directors of the Company shall not be paid any additional compensation in their capacity as the directors of the Company, and (4) Remuneration of directors should be reviewed annually to ensure that it remains appropriate.

After careful deliberation, the Corporate Governance, Sustainability, Nominating and Compensation Committee recommended that the directors’ remuneration for the year 2024 and the directors’ annual bonus for the year 2023 be as follows:

1. The current remunerations for the Company directors and the members of the sub-committees are still appropriate and, thus, should not be changed.
2. The annual bonus for the Company’s directors for the year 2023 should vary proportionally to the change of the annual dividend for the year 2023.

**Board’s Opinion:** Based on the recommendations of the Corporate Governance, Sustainability, Nominating and Compensation Committee, the Board of Directors is of the opinion that the 2024 Annual General Meeting of Shareholders should approve the directors’ remuneration for the year 2024 and the directors’ annual bonus for the year 2023 as follows:

Directors’ bonus

Position	For the year 2023	For the year 2022	Change from Y2022
Chairman of the Board	747,200 Baht	653,800 Baht	93,400 Baht
Director	497,600 Baht	435,400 Baht	62,200 Baht

Monthly retaining fee

Position	Y2024	Y2023	Change from Y2023
Chairman of the Board	37,500 Baht	37,500 Baht	-
Director	25,000 Baht	25,000 Baht	-

Attendance fee for members of the Audit Committee

Position	Y2024	Y2023	Change from Y2023
Chairman	27,000 Baht	27,000 Baht	-
Director	18,000 Baht	18,000 Baht	-

Attendance fee for members of the Board's sub-committees

Position	Y2024	Y2023	Change from Y2023
Chairman	22,500 Baht	22,500 Baht	-
Director	15,000 Baht	15,000 Baht	-

*Note: Directors who are executives of the Company are not entitled to receive any compensation in their capacity as the directors of the Company.*

Other benefits

-None-

**Required Vote:** A vote of not less than two-thirds of the total number of votes of the shareholders attending the meeting.

**Agenda 7 To appoint the auditor and fix the audit fee for the year 2024**

**Background Information:** According to the Public Limited Companies Act, the Annual General Meeting of Shareholders shall appoint an auditor and determine the auditing fee of the company every year. Thus, the 2024 Annual General Meeting of Shareholders of the Company is required to appoint the auditor and determine the audit fee of the Company for the year 2024. In selecting the appropriate auditors with reasonable audit fee to be appointed as the auditors of the Company for the year 2024, the Audit Committee has recommended that Mr. Wichart Lokatekrawee (Certified Public Accountant registration No.4451) and/or Ms. Siriwan Surathepin (Certified Public Accountant registration No.4604) and/or Ms. Satida Ratananurak (Certified Public Accountant registration No.4753) of EY Office Limited be appointed as the auditors of the Company and its subsidiaries for the year 2024. The audit fee as quoted by the auditor for the audit services of the Company for the year 2024 is Baht 2,490,000, unchanged compared to the year 2023.

The audit fee mentioned above does not include the non-audit fee. In 2023, the non-audit fee for the Company and its subsidiaries was Baht 360,000 including the witness for asset destruction and the verification service according to the BOI criteria. In 2024, the non-audit fee will be considered based on the type and quantity of services.

*Note: Mr. Wichart Lokatekrawee has conducted and expressed opinion about the financial statements of the Company for the year 2018-2023 or 6 years in total.*

In addition, all of the aforementioned auditors have the required qualifications in respect of the rotating of the auditor as stipulated in the Notification of the Securities and Exchange Commission because none of them has conducted the review or audit and expressed an opinion on the financial statements of the Company for the last 7 consecutive years. Furthermore, neither the audit firm of EY Office Limited nor the aforementioned auditors have



any relationship or conflict of interest with the Company or its subsidiaries or executives or major shareholders or persons related to such parties.

**Board's Opinion:** The Board has concurred with the recommendations of the Audit Committee that the 2024 Annual General Meeting of Shareholders should appoint the auditors mentioned above as the auditors of the Company and its subsidiaries for the year 2024 and further that the Meeting should approve the proposed audit fee for the Company of Baht 2,490,000 for the year 2024.

**Required Vote:** The majority vote of shareholders who attend the meeting and cast their votes.

**Agenda 8 Other businesses (if any)**

The Company had invited the shareholders to propose the agenda for the Meeting in advance from September 26, 2023 to December 29, 2023. However, there was no shareholder to propose the agenda for the Meeting.

You are cordially invited to attend the 2024 Annual General Meeting of Shareholders on the date and time as mentioned above via electronic meeting platform.

Your Faithfully



(Mr. Rit Thirakomen)  
Chief Executive Officer