



บริษัท เสริมสุข จำกัด (มหาชน)

No. SorNorYor.1001/280/2560

December 27, 2017

Subject: Invitation to the 2018 Annual General Meeting of Shareholders

Attention: Shareholders

Sermsuk Public Company Limited

- Attachments:
1. A copy of the Minutes of the 2017 Annual General Meeting of Shareholders dated on 23 January 2017
  2. The 2017 Annual Report that stated to financial Statements of Sermsuk Public Company Limited for the year ending September 30, 2017 (in CD-ROM format)
  3. Profiles of the persons nominated to hold office as directors
  4. Proxy Form A, B and C
  5. Documentation or evidence of shareholding or proxies of the shareholders entitled to attend the shareholders meeting.
  6. Profiles of the independent directors available to be appointed as proxies
  7. A copy of the Articles of Association of Sermsuk Public Company Limited in relation to Shareholders Meetings
  8. A map of the meeting venue at The Athenee Hotel Bangkok, a Luxury Collection Hotel.

By this letter, Sermsuk Public Company Limited (the “**Company**”), hereby informs you that the Board of Directors of the Company has resolved to convene the 2018 Annual General Meeting of Shareholders on Tuesday, January 30, 2018 at 09.30 hrs., at “Athenee Crystal Hall B.”, The Athenee Hotel Bangkok, the Luxury Collection Hotel, 3<sup>rd</sup> Floor Athenee Tower, No. 61 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok, to consider the following agenda items:

**Agenda Item 1: To consider and adopt the Minutes of the 2017 Annual General Meeting of Shareholders convened on January 23, 2017**

Facts and Rationale: The corporate secretary (the “**Secretary**”) has prepared the Minutes of the 2017 Annual General Meeting of Shareholders which was convened on January 23, 2017. After due consideration, the Board of Directors was of the view that the Minutes were correctly and accurately recorded in accordance with the resolutions of the 2017 Annual General Meeting of Shareholders, and that the Company has delivered the copy of such Minutes to the Stock Exchange of Thailand within the period of 14 days from the date of the meeting and Department of Business Development as required by law as detailed in Attachment 1.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the shareholders meeting adopt the Minutes of the 2017 Annual General Meeting of Shareholders.



Remark: The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and entitled to vote.

**Agenda Item 2: To consider and acknowledge the operational results for the year ending September 30, 2017**

Facts and Rationale: The Company has prepared and submitted the report to the Board of Directors on the operational results for the year ending September 30, 2017 presenting the operational results of the Company during the year 2017 as detailed in the 2017 Annual Report enclosed as Attachment 2.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2018 Annual General Meeting of the Shareholders acknowledge the operational results for the year ending September 30, 2017.

Remark: This agenda item is only for acknowledgement. Therefore, no voting is required.

**Agenda Item 3: To consider and approve the Financial Statements for the year ended September 30, 2017**

Facts and Rationale: The Company has prepared the Financial Statements for the year ended September 30, 2017 which have been audited by the certified public accountant of KPMG Phoomchai Audit Ltd. (“KPMG”), reviewed by the Audit Committee, and approved by the Board of Directors, as detailed in the 2017 Annual Report enclosed as Attachment 2.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the shareholders meeting approve the Financial Statements for the year ended September 30, 2017 which have been audited by the certified public accountant of KPMG, reviewed by the Audit Committee, and approved by the Board of Directors, as detailed in the 2017 Annual Report enclosed as Attachment 2.

Remark: The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and entitled to vote.

**Agenda Item 4: To consider and approve the appointment of the auditor and determine the audit fee for the year 2018**

Facts and Rationale: The Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) provides that, the 2018 Annual General Meeting of the Shareholders shall appoint an auditor and determine the audit fee of the company every year.

In appointing the auditor and determining the audit fee for this year of 2018, the Audit Committee has proposed the qualification, history and performance of the auditors and the audit fee rate to the Board of Directors in order to propose that

the shareholders meeting approve the audit firm of the year 2018 for the year ending September 30, 2018 as follows:

- (1) Miss Nittaya Chetchotiros, Certified Public Accountant No. 4439  
(affixed her signature in the Financial Statements from 2007 to 2011 and 2017); or
- (2) Miss Sureerat Thongarunsang, Certified Public Accountant No. 4409  
(affixed her signature in the Financial Statements in 2017); or
- (3) Mr. Ekasit Chudhammasatid, Certified Public Accountant No. 4195  
(affixed his signature in the Financial Statements in 2017); or
- (4) Miss Napaporn Sathitthammaporn, Certified Public Accountant No. 7494  
(affixed her signature in the Financial Statements from 2016 to 2017).

Anyone amongst the said auditors from KPMG Poomchai Audit Ltd. shall be appointed to perform an audit and provide an opinion on the Financial Statements. In addition, it is proposed that the shareholders meeting approve the determination of the audit fee for the year 2018 in connection with the preparation of the Separated Financial Statement and the Consolidated Financial Statements, at THB 1,582,000.

Details of the comparison between the audit fee for the year 2018 (year ending September 30, 2018) and 2017 (twelve-month period ending September 30, 2017):

(Unit: THB)

| Description                                  | 2018<br>12 months<br>(Proposed year) | 2017<br>12 months   | Increase<br>(Decrease) by |
|--|--------------------------------------|---|---------------------------|
| Auditing of the annual Financial Statements  | 994,000                              | 970,000   | 24,000                    |
| Reviewing the quarterly Financial Statements | 588,000                              | 588,000<br>(three<br>quarters,<br>THB 196,000<br>per quarter) | -                         |
| Other service fees                           | Nil                                  | Nil   | -                         |
| Total  | 1,582,000                            | 1,558,000   | 24,000                    |

The four auditors have neither a relationship with nor interests in the Company, its subsidiaries, executives, major shareholders, or its connected persons. As such, in auditing and providing an opinion on the financial statements, the auditors have demonstrated their independence. Furthermore, the above-named

certified public accountants have not audited the accounts of the Company for a consecutive period of five fiscal years.

In addition, it is proposed that KPMG, including its related persons or businesses, be appointed as the auditor of the subsidiaries of the Company for the year 2018.

Opinion of the Board of Directors: As proposed by the Audit Committee, the Board of Directors deemed it appropriate to propose that the 2018 Annual General Meeting of the Shareholders approve the appointment of: Miss Nittaya Chetchotiros, Certified Public Accountant No. 4439; or Miss Sureerat Thongarunsang, Certified Public Accountant No. 4409; or Mr. Ekasit Chudhammasatid, Certified Public Accountant No. 4195; or Miss Napaporn Sathitthammaporn, Certified Public Accountant No. 7494 of KPMG as the auditor for the year 2018 by having any one of the four persons audit and provide an opinion on the Financial Statements of the Company. In addition, the Board of Directors deemed it appropriate to propose that the shareholders meeting approve the determination of the audit fee for the year 2018 at THB 1,582,000.

Remark: The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and entitled to vote.

#### **Agenda Item 5:**

#### **To consider and approve no allocation of profits and no dividend payment**

Facts and Rationale: Section 115 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto), and Article 38 of the Articles of Association, provide that no dividends shall be paid other than out of profits. The dividends shall be paid equally according to the number of shares. In addition, subject to Section 116 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto), the Company has to allocate no less than five percent of the annual profits as reserve funds, less the accumulated losses brought forward (if any), until the statutory reserve reaches an amount of not less than ten percent of the registered capital. The Company is not required to allocate its net profit as a legal reserve as the reserve has reached the amount required by law.

The Company's policy is to distribute dividends at the rate of no less than 40 percent of the net profits of each fiscal year of Separated Financial Statements after deducting the legal reserves and accumulated losses carried forward (if any). The dividend payment of the Company will be subject to the Company's cash flow, investment plan, conditions and terms of agreements to which the Company is committed, as well as the necessity and appropriateness in the future.

In 2017, the Company incurred net loss under the Separated Financial Statements of THB 322.04 million thus could not make dividend payment.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2018 Annual General Meeting of the Shareholders approve not to allocate the profits derived from the 2017 business

operation as the Company's legal reserve has reached the amount required by law, and not to make dividend payments as the Company has incurred loss in the Separated Financial Statements.

Remark: The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and entitled to vote.

**Agenda Item 6: To consider and approve the remuneration of directors for the year 2018**

Facts and Rationale: In this regard, the Compensation Committee has conducted a survey on the remuneration of the Board of Directors and subcommittees for the year 2018 by taking into account the responsibilities and performance of the Board of Directors and Subcommittee in comparison with the rate applicable to other companies in the same industry which are similar in size and with a similar nature of business, as well as the survey results of the directors' remuneration provided by the Thai Institute of Directors (IOD). Consequently, the Compensation Committee was of the view that it is appropriate to the Board of Directors to propose the 2018 Annual General Meeting of Shareholders to approve that there will be no bonus payment for the directors from the 2017 operational results as the Company has incurred net loss in accordance with the Separated Financial Statement, as well as approve the remuneration of the Board of Directors and subcommittees at the same rate as approved by the 2017 Annual General Meeting of Shareholders which was convened on January 23, 2017.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2018 Annual General Meeting of Shareholders approve as follows:

- To approve that there will be no bonus payment for the directors from the 2017 operational results as the Company has incurred net loss in accordance with the Separated Financial Statement;
- To approve the remuneration of the Board of Directors and subcommittees at the same rate as approved by the 2017 Annual General Meeting of Shareholders which was held on January 23, 2017, as follows:

| Directors and director in the Subcommittees  | 2018 (Proposed Year) |                               | 2017 (Preceding Year) |                               |
|--|----------------------|-------------------------------|-----------------------|-------------------------------|
|  | Annual               | Meeting Allowance per meeting | Annual                | Meeting Allowance per meeting |
| 1. Board of Directors  |                      |                               |                       |                               |
| • Chairman   | 240,000              | 40,000                        | 240,000               | 40,000                        |
| • Chief Executive Officer  | -                    | -                             | 240,000               | 40,000                        |
| • Vice Chairman  | 180,000              | 30,000                        | 180,000               | 30,000                        |
| • Other directors  | 120,000              | 20,000                        | 120,000               | 20,000                        |
| 2. Executive Committee   |                      |                               |                       |                               |
| • Chairman   | 80,000               | 25,000                        | 80,000                | 25,000                        |
| • Vice Chairman  | 60,000               | 20,000                        | 60,000                | 20,000                        |
| • Other members  | 40,000               | 15,000                        | 40,000                | 15,000                        |
| 3. Subcommittees   |                      |                               |                       |                               |
| 3.1 Audit Committee  |                      |                               |                       |                               |
| • Chairman   | 160,000              | 50,000                        | 160,000               | 50,000                        |
| • Other members  | 80,000               | 25,000                        | 80,000                | 25,000                        |
| 3.2 Nomination and Corporate Governance Committee  |                      |                               |                       |                               |
| • Chairman   | 80,000               | 25,000                        | 80,000                | 25,000                        |
| • Other members  | 40,000               | 15,000                        | 40,000                | 15,000                        |
| 3.3 Risk Management Committee  |                      |                               |                       |                               |
| • Chairman   | 80,000               | 25,000                        | 80,000                | 25,000                        |
| • Vice Chairman  | 60,000               | 20,000                        | 60,000                | 20,000                        |
| • Other members  | 40,000               | 15,000                        | 40,000                | 15,000                        |
| 3.4 Remuneration Committee   |                      |                               |                       |                               |
| • Chairman   | 80,000               | 25,000                        | 80,000                | 25,000                        |
| • Other members  | 40,000               | 15,000                        | 40,000                | 15,000                        |
| 4. Bonus   | -                    |                               | -                     |                               |
| 5. Other remunerations and benefits in addition to the annual remuneration and meeting allowance | Nil                  |                               | Nil                   |                               |

Remark: On February 9, 2017, the company's organization structure has been restructured. Therefore, the Chief Executive Officer position has been cancelled.

Remark: The resolution on this agenda item shall be passed by votes of no less than two-thirds of the total votes cast by the shareholders attending the Meeting and casting their votes.

**Agenda Item 7:****To consider and approve the appointment of directors in replacement of those who are due to retire by rotation**

Facts and Rationale: Article 14 of the Articles of Association provide that, at every annual general meeting of shareholders, one-third of the total number of directors shall vacate in proportion. If the number of directors is not a multiple of three, directors in a number closest to one-third shall vacate, whereby the directors retiring by rotation may be reelected.

At the 2018 Annual General Meeting of Shareholders of the Company, there will be five directors who are due to retire by rotation, namely, as follows:

- |    |                              |                       |
|----|------------------------------|-----------------------|
| 1) | Mrs. Siripen Sitasuwan       | Independent Director; |
| 2) | Mr. Pramoad Phornprapha      | Independent Director; |
| 3) | Mr. Rangsan Thammaneeewong   | Director;             |
| 4) | Mr. Sithichai Chaikriangkrai | Director; and         |
| 5) | Mr. Michael Chye Hin Fah     | Director              |

In this regard, the Nominating and Corporate Governance Committee and the Board of Directors (by a majority vote, excluding the directors who retire by rotation) have screened the nominated directors via the selection process to ensure that they possess appropriate qualifications and are suitable for appointment as directors of the Company, it is appropriate to propose that the Shareholders Meeting consider and approve the reelection of these five directors. Mrs. Siripen Sitasuwan, an independent director whose term of independent director are 4 years and 5 months as at January 2018, and Mr. Pramoad Phornprapha, an independent director whose term of independent director are 2 years and 4 months as at January 2018. (From the date of his term as an independent director from 19 April 2012 to 13 August 2013 and 23 January 2017 to January 2018). The Board of Directors deemed that the nominated directors are able to give opinions independently and in accordance with the relevant criteria.

The details on the profiles of the directors who are due to retire by rotation and that have been proposed by the Board of Directors for reelection as directors for another term and the person nominated to hold the position of director are set out in Attachment 3.

Opinion of the Board of Directors: The Board of Directors (by a majority vote, excluding the directors who retire by rotation) deemed it appropriate to propose that the shareholders meeting appoint the five directors who are due to retire by rotation, namely as follows:

- |    |                              |                       |
|----|------------------------------|-----------------------|
| 1) | Mrs. Siripen Sitasuwan       | Independent Director; |
| 2) | Mr. Pramoad Phornprapha      | Independent Director; |
| 3) | Mr. Rangsan Thammaneeewong   | Director;             |
| 4) | Mr. Sithichai Chaikriangkrai | Director; and         |
| 5) | Mr. Michael Chye Hin Fah     | Director              |

In this regard, the appointed directors under this Agenda Item shall receive the remuneration at the rate which has been approved by the shareholders meeting in the aforementioned Agenda Item 6 of this meeting.

Remark: The resolution on this agenda item shall be passed by a majority vote of the shareholders attending the meeting and entitled to vote.

**Agenda Item 8:**

**Other matters (if any)**

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to give the shareholders the opportunity to propose matters to the meeting apart from those which the Board of Directors specified in the invitation calling this meeting, provided that such proposal on the other matters must be made under the procedure of and in compliance with the law.

In this regard, November 30, 2017 is scheduled as the date to record the names of shareholders entitled to attend the 2018 Annual General Meeting of Shareholders (Record Date).

In order to ensure a smooth and orderly registration process for the 2018 Annual General Meeting of Shareholders, the shareholders and proxies can register for the Meeting from 8.00 hrs. on the date of the Meeting. Given that the Company will use a barcode system for the registration and vote counting process of the Meeting, the shareholders and proxies are requested to bring the registration form as set out in Enclosure 4 and other supporting documents as required in Enclosure 5 on the date of the Meeting.

In the event that a shareholder is unable to attend the Meeting in person and wishes to appoint a proxy to attend the Meeting and cast votes on his or her behalf, such shareholder is requested to execute either Proxy Form A or Proxy Form B; foreign shareholders who have appointed a custodian are requested to execute Proxy Form C, as set out in Enclosure 4. In addition, in order to protect the rights and interests of the shareholders in the event that a shareholder is unable to attend the Meeting and wishes to appoint one of the Company's independent directors as his or her proxy to attend the Meeting and cast votes on his or her behalf as set out in Enclosure 6. The completed and executed proxy form must be submitted to the Company Secretary before the meeting. In this regard, the Proxy Form and supporting documents can be submitted via mail addressed to the Corporate Secretary Office, 90 CW Tower, 31st Floor, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310, by Friday, January 26, 2018.

The Company has posted the Notice calling the Meeting and Enclosures on the Company's website ([www.sermasukplc.com](http://www.sermasukplc.com)). Therefore, the shareholders of Sermasuk Public Company Limited are cordially invited to attend the Meeting on the abovementioned date, and at the specified time and venue. In order to facilitate the shareholders' travel to the venue of the Meeting, the Company has prepared a map of the venue and methods of transportation together with the Notice calling this Meeting as set out in Enclosure 8.



In addition, the Company has prepared the 2017 Annual Report and the Statement of Financial Statements for the year ending September 30, 2017 in CD-ROM format and delivered it to the shareholders. Nevertheless, in the case that any shareholder wishes to obtain a hard copy of the 2017 Annual Report presenting the financial statements for the year ended September 30, 2017, he/she can contact the Public Relations Department, Sermasuk Public Company Limited, 90 CW Tower, 31st Floor, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok, Tel. 02-783-9000.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'S. Bulsook', with a stylized flourish at the end.

(Mr. Somchai Bulsook)

Chairman