



บริษัท เสริมสุข จำกัด (มหาชน)

No. HO. / 122 / 2016

December 27, 2016

- Subject: Invitation to the 2017 Annual General Meeting of Shareholders
- Attention: Shareholders
- Attachments:
1. A copy of the Minutes of the 2016 Annual General Meeting of Shareholders convened on Tuesday, April 26, 2016
  2. The 2016 Annual Report and the Statement of Financial Position and the Profit and Loss Statement for the nine-month period ending September 30, 2016 (in CD-ROM format)
  3. Profiles of the persons nominated to hold office as directors
  4. A Proxy Form
  5. A map of the meeting venue at Plaza Athénée Royal Méridien Hotel
  6. A copy of the Articles of Association of Sermsuk Public Company Limited, Chapter 5 on Shareholders Meetings
  7. Profiles of the independent directors available to be appointed as proxies
  8. List of documentation or evidence of shareholding or proxies of the shareholders entitled to attend the shareholders meeting

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 2017 Annual General Meeting of Shareholders on Monday, January 23, 2017 at 09.30 hrs., at “Grand Hall”, Plaza Athénée Royal Méridien Hotel, 2<sup>nd</sup> Floor, 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 2016 Annual General Meeting of Shareholders convened on April 26, 2016**

Facts and Rationale: The corporate secretary (the “**Secretary**”) has prepared the Minutes of the 2016 Annual General Meeting of Shareholders which was convened on April 26, 2016. 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 2016 Annual General Meeting of Shareholders, and that the Company has delivered the copy of such Minutes to the Stock Exchange of Thailand (the “**Stock Exchange**”) within the period of 14 days from the date of the meeting as required by law as detailed in Attachment 1. The Board of Directors deemed it appropriate to propose that the 2017 Annual



General Meeting of Shareholders consider and adopt the Minutes of the 2016 Annual General Meeting of Shareholders.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the shareholders meeting adopt the Minutes of the 2016 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 acknowledge the operational results for the nine-month period ending September 30, 2016**

Facts and Rationale: The Company has prepared and submitted the report to the Board of Directors on the operational results for the nine-month period ending September 30, 2016 presenting the operational results of the Company during the year 2016 as detailed in the 2016 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 acknowledge the operational results for the nine-month period ending September 30, 2016.

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

**Agenda Item 3: To consider and approve the Statement of Financial Position and the Profit and Loss Statement for the nine-month period ending September 30, 2016**

Facts and Rationale: The Company has prepared the Statement of Financial Position and the Profit and Loss Statement for the nine-month period ending September 30, 2016 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 2016 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 Statement of Financial Position and the Profit and Loss Statement for the nine-month period ending September 30, 2016 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 2016 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 2017**

Facts and Rationale: Section 120 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) provides that, the shareholder meeting 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 2017, the Audit Committee has proposed the names of the auditors and the audit fee rate to the Board of Directors in order to propose that the shareholders meeting approve the appointment of KPMG as the audit firm of the Company. In this regard, it was proposed that the following certified public accountant from KPMG be appointed as the auditors of the Company:

- (1) Miss Nittaya Chetchotiros, Certified Public Accountant No. 4439 (affixed her signature in the Financial Statements from 2007 to 2011); or
- (2) Miss Sureerat Thongarunsang, Certified Public Accountant No. 4409 (this person has never affixed her signature in the Financial Statements); or
- (3) Mr. Ekasit Chudhammasatid, Certified Public Accountant No. 4195 (this person has never affixed her signature in the Financial Statements ); or
- (4) Miss Napaporn Sathitthammaporn, Certified Public Accountant No. 7494 (affixed her signature in the Financial Statements in 2016).

Anyone amongst the said auditors 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 2017 in connection with the preparation of the Separated Financial Statement and the Consolidated Financial Statements, at THB 1,558,000.

Details of the comparison between the audit fee for the year 2016 (nine-month period ending September 30, 2016) and 2017 (twelve-month period ending September 30, 2017):

(Unit: THB)

Description	2017 12 months (Proposed year)	2016 9 months	Increase (Decrease) by
Auditing of the annual Financial Statements	<b>970,000</b>	957,000	13,000
Reviewing the quarterly Financial Statements	<b>588,000</b> (three quarters, THB 196,000 per quarter)	378,000 (two quarters, THB 189,000 per quarter)	21,000 (Increased in each quarter as of THB 7,000)
Other service fees	-	-	-
Total	<b>1,558,000</b>	1,335,000	223,000

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 2017.

Opinion of the Board of Directors: As proposed by the Audit Committee, the Board of Directors deemed it appropriate to propose that the shareholders meeting 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 2017 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 2017 at THB 1,558,000.

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 payments**

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. In 2016 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 the Consolidated 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 2016, the Company incurred net loss under the Separated Financial Statements of THB 91.22 million thus could not make dividend payments

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the shareholders meeting approve not to allocate the profits derived from the 2016 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**

Facts and Rationale: the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) provides that, the determination of remuneration of directors shall be in accordance with the resolution of the shareholder meeting. In this regard, the Compensation Committee has conducted a survey on the remuneration of the Board of Directors and subcommittees for the year 2017 by taking into account the responsibilities and performance of the Board of Directors and a 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 2017 Annual General Meeting of Shareholders to approve that there will be no bonus payment for the directors from the 2016 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 2016 Annual General Meeting of Shareholders which was convened on April 26, 2016.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2017 Annual General Meeting of Shareholders approve as follows:

- To approve that there will be no bonus payment for the directors from the 2016 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 2016 Annual General Meeting of Shareholders which was held on April 26, 2016, as follows:

Board of Directors and Subcommittees	2017 (Proposed Year)		2016 (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	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	-		-	

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 place of those who are due to retire by rotation**

Facts and Rationale: Section 71 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) and 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 2017 Annual General Meeting of Shareholders of the Company, there will be five directors who are due to retire by rotation, as follows:

- 1) Prof. Rawat Chamchalerm Independent Director;
- 2) Mr. Photipong Lamsam Independent Director;
- 3) Mr. Sakchai Thanaboonchai Director;
- 4) Prof. Dr. Khunying Suchada Kiranandana Independent Director;
- 5) Mr. Vivek Chhabra Director.

In this regard, Mr. Photipong Lamsam has no intention to continue his directorship. The Nominating and Corporate Governance Committee, therefore, sought a person who possesses the appropriate characteristics and is fully-qualified to hold the position of director in place of Mr. Photipong Lamsam, and proposed that the Board of Directors' Meeting approve the appointment of Mrs. Tongjai Thanachanan to hold the position of director in place of Mr. Photipong Lamsam, and propose the matter to the shareholder meeting for its further consideration.

Since four of the directors who are due to retire by rotation, and Mrs. Tongjai Thanachanan, possess knowledge, ability, and experience which will be advantageous to the Company's business operations, and given that the Nominating and Corporate Governance Committee and the Board of Directors 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 (1) the re-election of these four directors, namely, 1. Prof. Rawat Chamchalerm, 2. Mr. Sakchai Thanaboonchai, 3. Prof. Dr. Khunying Suchada Kiranandana, and 4. Mr. Vivek Chhabra; and (2) the appointment of Mrs. Tongjai Thanachanan to hold the position of director in place of Mr. Photipong Lamsam.

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 in place of Mr. Photipong Lamsam are set out in Attachment 3.

Opinion of the Board of Directors: The Board of Directors (by a majority vote, without counting the votes cast by the directors who are due to retire by rotation) deemed it appropriate to propose that the shareholders meeting appoint (1) the four directors who are due to retire by rotation, namely, 1. Prof. Rawat Chamchalerm, 2. Mr. Sakchai Thanaboonchai, 3. Prof. Dr. Khunying Suchada Kiranandana, and 4. Mr. Vivek Chhabra to act as directors of the Company for another term, and (2) the person nominated to hold the position of a director in place of Mr. Photipong Lamsam, as follows:

- 1) Prof. Rawat Chamchalerm Independent Director;
- 2) Mr. Sakchai Thanaboonchai Director;
- 3) Prof. Dr. Khunying Suchada Kiranandana Independent Director;
- 4) Mr. Vivek Chhabra Director;
- 5) Mrs. Tongjai Thanachanan (in place of Mr. Photipong Lamsam) 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.

Since Mr. Photipong Lamsam has no intention to continue his directorship, after his resignation is effective, Mr. Pramoad Phornprapha will not be a connected person by the lawful registration as a son-in-law of Mr. Photipong Lamsam. As a result, Mr. Pramoad Phornprapha will be qualified to act as an independent director of the Company, as he possesses qualifications in accordance with Clause 17 of Notification No. TorChor. 39/2559, and the Board of Directors Meeting, convened on 16 November 2016, resolved to approve the change of the position of Mr. Pramoad Phornprapha from a director to an independent director after the 2017 Annual General Meeting of Shareholders, at which time Mr. Photipong Lamsam will reach his term and has no intention to continue his directorship.

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, 2016 is scheduled as the date to record the names of shareholders entitled to attend the 2017 Annual General Meeting of Shareholders (Record Date), and December 1, 2016 is scheduled as the date to close the share register book to list the names of shareholders (Closing Date) in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 (1992).

The shareholders are cordially invited to attend the meeting on the date, at the time, and venue mentioned in this notice. For the shareholders who wish to attend the Meeting in person, please bring the enclosed Proxy Form with the printed barcode (Attachment 4) together with your identification card, government official identification card, or driver's license to evidence your entitlement to attend the meeting.



In the event that the shareholders wish to appoint a person to attend the meeting and cast votes on his/her behalf or wish to appoint any one of the available independent directors whose name appears in Attachment 7 to act as his/her proxy, please complete and duly execute the enclosed Proxy Form B enclosed hereto as Attachment 4, and affix the stamp duty as required by law. The completed and executed proxy form must be submitted to the Chairman of the Meeting or 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, Muang Thai-Phatra Complex, Tower 1, 27<sup>th</sup> Floor, No. 252/35-36 Ratchadaphisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok 10310, by January 18, 2017. The list of documentation or evidence of shareholding or proxy of the shareholders entitled to attend the shareholders meeting are set out as Attachment 8.

In addition, the Company has prepared the 2016 Annual Report and the Statement of Financial Position, and the Profit and Loss Statement for the nine-month period ending September 30, 2016 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 2016 Annual Report and the Statement of Financial Position and the Profit and Loss Statement for the nine-month period ending September 30, 2016, he/she can contact the Public Relations Department, Sermasuk Public Company Limited, Muang Thai-Phatra Complex, Tower 1, 27<sup>th</sup> Floor, No. 252/35-36 Ratchadaphisek Road, Huay Kwang Sub-district, Huay Kwang District, Bangkok 10310, Tel. 0-2693-2255-65.

Sincerely yours,



(Mr. Photipong Lamsam)

Chairman