



บริษัท เสริมสุข จำกัด (มหาชน)

No. SorNorYor. 1001 / 324 / 2562

25 December 2019

Subject: Invitation to the 2020 Annual General Meeting of Shareholders

Attention: Shareholders
Sermasuk Public Company Limited (“Company”)

- Enclosures:
1. Copy of the Minutes of the 2019 Annual General Meeting of Shareholders convened on 8 January 2019;
 2. Copy of 2019 Annual Report and Copy of the Financial Statements of the Company for the year ended 30 September 2019 in QR Code format;
 3. Profile and working experience of candidates nominated for election as directors;
 4. Proxy form (Form A, Form B, and Form C);
 5. Documents of proxy documents indicating shareholders’ rights to attend the shareholders’ meeting;
 6. Profile of independent directors for appointment as proxy (in case proxy is granted);
 7. Copy of the Articles of Association of the Company with respect to the shareholders’ meeting;
 8. QR Code Downloading Procedures for copy of 2019 Annual Report;
 9. Map of the meeting venue.

The Board of Directors of the Company resolved to convene the 2020 Annual General Meeting of Shareholders on Thursday, 30 January 2020 at 9:30 hrs., at Athenee Crystal Hall B, (Level 3, Athenee Tower), The Athenee Hotel, a Luxury Collection Hotel, Bangkok, Athenee, 61 Wireless Road, Lumpini, Pathumwan, Bangkok, to consider the following agenda items:

Agenda Item 1: To consider and adopt the Minutes of the 2019 Annual General Meeting of Shareholders convened on 8 January 2019

Facts and Rationale: The Company Secretary had prepared the Minutes of the 2019 Annual General Meeting of Shareholders which was convened on 8 January 2019, and that the Company has delivered the copy of such Minutes to the Stock Exchange of Thailand within the 14 day period from the date of the meeting and the Department of Business Development as required by law, detail as set out in the Minutes of the 2019 Annual General Meeting of Shareholders, Enclosure 1.

Opinion of the Board of Directors: The Minutes were correctly and accurately recorded in accordance with the resolutions of the 2019 Annual General Meeting of Shareholders, thus, the Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders adopts the Minutes of the 2019 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 business operation for the year ended 30 September 2019

Facts and Rationale: The Board of Directors prepared the report in relation to the business operation for the year ended 30 September 2019 representing the business operation of the Company during the year 2019, detail as set out in the 2019 Annual Report, Enclosure 2.

Opinion of the Board of Directors: The Board of Directors took the view that such business operation report is correct and sufficient, and deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders acknowledges the Company's business operation for the year ended 30 September 2019.

Remark: This agenda item is only for acknowledgement; therefore, no casting of vote is required.

Agenda Item 3: To consider and approve the Financial Statements for the year ended 30 September 2019

Facts and Rationale: The Company prepared the Financial Statements for the year ended 30 September 2019 audited by the certified public accountant, KPMG Phoomchai Audit Ltd., being reviewed by the Audit Committee who viewed that the Company's Financial Statements are correct, and approved by the Board of Directors, detail as set out in the 2019 Annual Report, Enclosure 2.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders approves the Financial Statements for the year ended 30 September 2019 audited by the certified public accountant, being reviewed by the Audit Committee, and approved by the Board of Directors.

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 2020

Facts and Rationale: In order to comply with the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto) which provides that, the Annual General Meeting of Shareholders is required to appoint auditor(s) and determine the audit fee of the company annually.

Opinion of the Audit Committee: The Audit Committee considered the qualification, history, performance of each auditor, audit continuity and efficiency, including appropriateness of the audit fee for the year 2020, and proposed to the Board of Directors to consider and agreed to the appointment of the auditor and the determination of the audit fee for the year 2020. Thus, the Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders considers and approves the appointment of the auditor for auditing the Company's financial statements for the year (ended 30 September 2020), details are as below:

- 1) Miss Sureerat Thongarunsang, Certified Public Accountant No. 4409 (affixed her signature in the Company's financial statements from 2017 to 2019); or
- 2) Mr. Ekkasit Chuthamsatid, Certified Public Accountant No. 4195 (never affix his signature in the Company's financial statements); or
- 3) Miss Kanokorn Phooriphanyawanit, Certified Public Accountant No. 10512 (never affix her signature in the Company's financial statements).

Anyone amongst the said auditors from KPMG Poomchai Audit Ltd. shall be appointed as an auditor to provide an opinion on the Company's financial statements. In addition, Board of Directors proposed that the 2020 Annual General Meeting of Shareholders approves the determination of the audit fee for the year 2020, ended 30 September 2020 in connection with the preparation of the separate financial statements and the consolidated financial statements, at THB 1,700,000. Details on the comparison of the audit fee for year 2019 (year ended 30 September 2019) and year 2020 (year ended 30 September 2020) are as below:

(Unit: THB)

| Description | 2020 (Proposed year) | 2019 | Increase (Decrease) by |
|--|-------------------------|-----------|------------------------------|
| Auditing the annual financial statements | 1,100,000 | 1,050,000 | 50,000 |
| Reviewing the quarter financial statements | 600,000 | 588,000 | 12,000 |
| Other service fees (non-audit fee) | - | - | - |
| Total | 1,700,000 | 1,638,000 | 62,000 |

In this regard, the three auditors neither have 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 exceeding the period prescribed under relevant notifications.

In addition, it is proposed that KPMG Poomchai Audit Ltd., including its related persons or businesses, be appointed as the auditor of the subsidiaries of the Company for the year 2020.

Opinion of the Board of Directors: As proposed by the Audit Committee, the Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders approves the appointment of: Miss Sureerat Thongarunsang, Certified Public Accountant No. 4409; or Mr. Ekkasit Chuthamsatid, Certified Public Accountant No. 4195; or Miss Kanokorn Phooriphanyawanit, Certified Public Accountant No. 10512 of KPMG Poomchai Audit Ltd. as the Company's auditors for the year 2020 by having any one of the three persons to audit and provide an opinion on the Financial Statements of the Company and the determination of the audit fee for the year 2020 amounting to THB 1,700,000.

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 as legal reserve and approve dividend payment from the operational results for the year ended 30 September 2019

Facts and Rationale: Section 115 of the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto), and Article 38 of the Company's 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 is required to allocate no less than five percent of the annual net profits, less the accumulated losses brought forward (if any), as reserve funds, until the statutory reserve reaches an amount of not less than ten percent of the registered capital. Notwithstanding, the Company is not required to allocate its net profits 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), provided that dividend payment will be subject to the Company's cash flow, investment plan, conditions and terms of agreements to which the Company is bound, as well as the necessity and appropriateness in the future.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders approves not to allocate the profits derived from the 2019 business operation and to make dividend payment. The details of which are as follows:

- no allocation of the profits derived from the 2019 business operation as the Company's legal reserve has reached the amount required by law; and
- dividend payment from the operating results for the year ended 30 September 2019 at the rate of THB 0.25 per share, which is equivalent to 15.31 percent of the net profit of the operating results for the year ended 30 September 2019 after deducting accumulated losses carried forward approximately totaling THB 66,475,121 by determining the date to record the names of shareholders entitled to receive the dividend (Record Date) on Friday, 6 December 2019 and the dividend payment date is scheduled on Friday, 28 February 2020.

The Board of Directors deemed such rate of dividend payment is appropriate. However, it is not align with the Company's dividend payment policy as the Company would like to reserve funds to support future investments and to use as working capital in the Company. For the past years, the Company could not make dividend payment as the Company incurred net loss under the separate financial statements. However, the right to receive the dividend remains uncertain and is subject to an approval of the 2020 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 6: To consider and approve the remuneration of the directors for the year 2020

Facts and Rationale: The Compensation Committee conducted a survey on the remuneration of the Board of Directors and subcommittees for the year 2020 by taking into account the responsibilities and performance of the Board of Directors and each subcommittee, business expansion, and business operation of the Company comparing to the applicable rates of other companies in the same industry which are similar in size and nature of business along with the survey results of the directors' remuneration provided by the Thai Institute of Directors (IOD). As a result, the Compensation Committee deemed appropriate that the Board of Directors propose the 2020 Annual General Meeting of Shareholders to approve that there will be no bonus payment for the directors from the 2019 business operation and to approve the remuneration of the Board of Directors and subcommittees for the year 2020 at the same rate as approved by the 2019 Annual General Meeting of Shareholders which was convened on 8 January 2019.

Opinion of the Board of Directors: The Board of Directors deemed it appropriate to propose that the 2020 Annual General Meeting of Shareholders for approval as below:

- To approve that there will be no bonus payment for the directors;
- To approve the remuneration of the Board of Directors and subcommittees for the year 2020 at the same rate as approved by the 2019 Annual General Meeting of Shareholders which was held on 8 January 2019, as below:

| Directors and director in the Subcommittees | 2020 (Proposed Year) | | 2019 (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 |
| • Vice Chairman | 180,000 | 30,000 | 180,000 | 30,000 |
| • 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 |
| • Members | 40,000 | 15,000 | 40,000 | 15,000 |
| 3. Subcommittees | | | | |
| 3.1 Audit Committee | | | | |
| • Chairman | 160,000 | 50,000 | 160,000 | 50,000 |
| • Members | 80,000 | 25,000 | 80,000 | 25,000 |
| 3.2 Corporate Governance Committee* | | | | |
| • Chairman | 80,000 | 25,000 | 80,000 | 25,000 |
| • Members | 40,000 | 15,000 | 40,000 | 15,000 |
| 3.3 Sustainability and Risk Management Committee | | | | |
| • Chairman | 80,000 | 25,000 | 80,000 | 25,000 |
| • Members | 40,000 | 15,000 | 40,000 | 15,000 |
| 3.4 Nomination and Remuneration Committee* | | | | |
| • Chairman | 80,000 | 25,000 | 80,000 | 25,000 |
| • 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 |

*The Board of Directors meeting no. 1/2019-2020 held on 20 November 2019 resolved to approve the amendment of the subcommittees name as follows:

- to amend the subcommittee name from Nominating and Corporate Governance Committee to “Corporate Governance Committee”
- to amend the subcommittee name from Remuneration Committee to “Nomination and Remuneration Committee”

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.

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 Company's Articles of Association provides that, at every annual general meeting of shareholders, one-third of the total number of directors who hold the office longest 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 2020 Annual General Meeting of Shareholders of the Company, there will be five directors who are due to retire by rotation, as below:

- | | |
|---|------------------------|
| 1) Prof. Dr. Khunying Suchada Kiranandana | Independent Director |
| 2) Prof. Rawat Chamchalerm | Independent Director |
| 3) Mr. Sakchai Thanaboonchai | Director |
| 4) Mrs. Tongjai Thanachanan | Director |
| 5) Mr. Lester Tan Teck Chuan | Director and President |

The Nominating and Corporate Governance Committee and the Board of Directors (by a majority vote, excluding the directors who retire by this rotation) considered and screened qualifications, experience and expertise of the directors who are due to retire by rotation, and viewed that these five directors are equipped with knowledge, expertise and experience for the Company's business operation, thus, it is appropriate to propose that the 2020 Annual General Meeting of Shareholders considers and approves the reelection of these five directors. Prof. Dr. Khunying Suchada Kiranandana, an independent director whose term of independent director are 14 years and 11 months and Prof. Rawat Chamchalerm, an independent director whose term of independent director are 11 years and 9 months. The Board of Directors deemed that the nominated directors are able to give opinions independently and in compliance with the relevant criteria.

The details on the profiles, education, working experience of the directors who are due to retire by rotation and have been proposed for reelection as directors for another term are set out in Enclosure 3.

In this regard, the Company had provided the opportunity to the shareholders to propose the list of persons for consideration to be elected as directors of the Company at the 2020 Annual General Meeting of Shareholders via the Company's website from 18 October 2019 to 19 November 2020 according to the principle of good corporate governance for listed companies; however, there was no shareholder proposing the list of persons for consideration to be elected as directors of the Company.

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 2020 Annual General Meeting of Shareholders considers and approves for the five directors who are due to retire by rotation to be reelected as directors for another term, namely as below:

- | | |
|---|------------------------|
| 1) Prof. Dr. Khunying Suchada Kiranandana | Independent Director |
| 2) Prof. Rawat Chamchalerm | Independent Director |
| 3) Mr. Sakchai Thanaboonchai | Director |
| 4) Mrs. Tongjai Thanachanan | Director |
| 5) Mr. Lester Tan Teck Chuan | Director and President |

The appointed directors under this Agenda Item shall receive the remuneration at the rate as set out in 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 businesses (if any)

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

The Company had provided the shareholders an opportunity to propose an agenda in advance for the 2020 Annual General Meeting of Shareholders via the Company's website from 18 October 2019 to 19 November 2019 according to the principle of good corporate governance for listed companies; however, there was no shareholder proposing an agenda to be considered at the 2020 Annual General Meeting of Shareholders.

In this regard, Friday, 6 December 2019 was scheduled as the date to record the names of shareholders entitled to attend the 2020 Annual General Meeting of Shareholders (Record Date).

In order to ensure a smooth and orderly registration process for the 2020 Annual General Meeting of Shareholders, the shareholders and proxies are able to register for the Meeting from 08:00 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 set out in Enclosure 4 and other supporting documents as required as set out 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 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. Foreign shareholders who have appointed a custodian are requested to execute Proxy Form C, as set out in Enclosure 4. The completed and executed proxy form must be submitted to the Company Secretary before the Meeting at registration point or submit the Proxy Form and supporting documents via mail addressed to the Company Secretary Office, Sermsuk Public Company Limited, 90 CW Tower, 31st Floor, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310, by 24 January 2020.

The Company has posted the Notice calling the Meeting and Enclosures on the Company's website (www.sermsukplc.com). Therefore, the shareholders of Sermsuk 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 9.

In addition, the Company has prepared the 2019 Annual Report presenting the Financial Statements of the Company for the year ended 30 September 2019 in QR Code format. In this regard, the Company also attached the QR Code Downloading Procedures for the 2019 Annual Report as set out in Enclosure 8. In the case that any shareholder wishes to obtain a hard copy of the 2019 Annual Report and copy of the financial statements of the Company for the year ended 30 September 2019, he or she can contact the office of the Company Secretary, Sermsuk Public Company Limited, 90 CW Tower, 31st Floor, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok, 10310. Tel. 02-783-9000.

Sincerely yours,



(Mr. Somchai Bulsook)
Chairman