

Ref. No.H.O.1001/180/2013

March 29, 2013

Re: Invitation to the Annual General Meeting of Shareholders 2013

To: Shareholders

- Enclosures:
1. A copy of the Minutes of the Annual General Meeting of Shareholders No. 1/2012 held on April 19, 2012
  2. The Annual Report of the Board of Directors and the Financial Statement as of 31 December 2012 (in CD-ROM format)
  3. Name List and Biography of Directors nominated to be elected as Directors to replace those Directors retiring by rotation
  4. A Proxy Form
  5. Map of the meeting venue - The Swissotel Le Concorde
  6. A copy of the Articles of Association of Serm Suk Public Company Limited, Chapter 5, Re: Shareholders' Meeting

By this letter, Serm Suk Public Company Limited (the “**Company**”), would like to inform you that the Board of Directors of the Company has resolved that the Annual General Meeting of Shareholders 2013 be held on Monday April 29, 2013 at 10:00 a.m. at the Swissotel Le Concorde, “Salon A Room”, 2<sup>nd</sup> Floor, No.204 Rachadaphisek Road, Huay Kwang, Bangkok 10310 to consider the following agenda items:

**Agenda Item 1 To consider adopting the Minutes of the Annual General Meeting of Shareholders No. 1/2012 held on April 19, 2012**

Objective and Reason: The Company held the Annual General Meeting of Shareholders No. 1/2012 on April 19, 2012. A copy of the Minutes is enclosed in Enclosure 1.

Board of Directors' opinion: It is appropriate for the shareholders to adopt the Minutes of the Annual General Meeting of Shareholders No. 1/2012 on April 19, 2012.

**Agenda Item 2 To acknowledge the Board of Directors' Report on Year 2012 Operations**

Objective and Reason: The Report on Year 2012 Operations is shown in the Annual Report, as enclosed in Enclosure 2, which is sent to the shareholders along with this invitation letter.

Board of Directors' opinion: It is appropriate to report the year 2012 operations to the Meeting of Shareholders for acknowledgement.

**Agenda Item 3 To consider and approve the Financial Statement for the fiscal year ended December 31, 2012**

Objective and Reason: The Financial Statement for the fiscal year ended 31 December 2012 as shown in the Annual Report in Enclosure 2 have been audited by the Certified Public Accountants, KPMG Phoomchai Audit Ltd., reviewed by the Audit Committee and approved by the Board of Directors.

Board of Directors' opinion: It is appropriate for the shareholders to approve the Financial Statement for the fiscal year ended 31 December 2012 which have been audited by the Certified Public Accountants, KPMG Phoomchai Audit Ltd., reviewed by the Audit Committee and approved by the Board of Directors.

**Agenda Item 4 To consider and approve the appropriation of some appropriated retained earnings in the general reserve to unappropriated retained earnings**

Objective and Reason: The previous Meetings of Shareholders approved the Company to appropriate its net profit to be Appropriated Retained Earnings in the General Reserve, which is not a legal reserve, for the purpose of business expansion. At present, the Company has sufficient financial liquidity for expansion of business without the need of use of such reserve. The Company, therefore, intends to appropriate the Appropriated Retained Earnings in the General Reserve in the amount of Baht 304,000,000 to be Unappropriated Retained Earnings for the purpose of dividend payment to be made to its shareholders.

Board of Directors' Opinion: It is considered appropriate for the Meeting of Shareholders to approve the appropriation of Appropriated Retained Earnings in the General Reserve in the amount of Baht 304,000,000 to be Unappropriated Retained Earnings for the purpose of further dividend payment to be paid to the shareholders of the Company.

**Agenda Item 5 To consider and approve the profit appropriation and declaration of dividend payment**

Objective and Reason: The Company had a net profit of Baht 361,274,296 in 2012, and had no accumulated loss. As a result, the Company can consider paying dividends to the shareholders pursuant to Section 115 of the Public Limited Companies Act B.E. 2535 (as amended) (the “**Public Limited Company**”), and Clause 38 of the Company’s Articles of Association, which states that no dividend shall be paid other than out of profits. The dividend shall be paid equally according to the number of shares. In addition, under Section 116 of the Public Limited Companies Act, the Company has to allocate not less than 5 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 10 percent of the registered capital. In 2011, the Company did not allocate its net profit as statutory reserve because the reserve had reached the amount required by law.

The Company has a policy to pay dividend of not less than 40 percent of net profits of the Company in each accounting period after an allocation of statutory reserve as required by law and accumulated losses (if any). However, the dividend payment will depend on cash flow, investment plan, terms and conditions of any contracts by which the Company is bound, as well as any needs and other appropriate reasons in the future.

Board of Directors' Opinion: It is considered appropriate for the Meeting of Shareholders to approve the appropriation of profit from 2012 operating results as well as dividend payment as follows:

- No appropriation of profit from 2012 operating results shall be the legal reserve because the Company's legal reserve has reached the amount required by law.
- Dividend payment from 2012 operating results to be payable to the ordinary shareholders at the rate of Baht 2.50 per share accounting for 184.0 percent of the 2012 net profit. The payment shall be made out of (1) profits from 2012 operating results at the rate of Baht 1.36 per share, and (2) Unappropriated Retained Earnings as proposed for consideration and approval in the agenda item no. 4 to be appropriated from Appropriated Retained Earnings in the General Reserve at the rate of Baht 1.14 per share.
- The Company will schedule the record date on May 9, 2013, to determine the names of shareholder who shall have the right to receive dividend, and to compile the list of shareholders pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (the "**Securities and Exchange Act**") by closing the share register book and suspension of share transfer on May 10, 2013. The dividend payment shall be made on May 23, 2013.

The above Dividend payment ratio is in accordance with the dividend payment policy of the Company, and was deemed appropriate by the Board of Directors. Last year, the Company obtained an approval from the Meeting of Shareholders to pay dividend at the rate of Baht 0.75 per share which was 75.3 percent of the 2011 net profit.

**Agenda Item 6 To consider and approve the remuneration of the Board members**

Objective and Reason: The remuneration of the Board members proposed for the Shareholders' Meeting approval has been carefully considered by the Compensation Committee and the Board of Directors with regard to the Company's yearly operation and the factors affecting the operation. The proposed remuneration is considered to be based on what is appropriate and reflects the performances and responsibilities of the Board of Directors.

Board of Directors' opinion: The Board of Directors is of the opinion that the payment of the Directors' remuneration shall be as follow:

- The payment of the Directors' remuneration should be made in the amount of Baht 23 million. The said amount has already been expensed in the Company's profit and loss statement in 2012.
- The compensation of the Board of Directors and the Sub-Committee shall be retained at the rate approved by the shareholders in the Annual General Meeting of Shareholders No. 1/2012 held on April 19, 2012. The compensation of the Board of Directors and the Sub-Committee are as follows:

	Annual fee	Meeting Allowance
<u>Board of Directors</u> Position: - Chairman - Vice Chairman - Chief Executive Officer - Member	240,000 Baht 180,000 Baht 240,000 Baht 120,000 Baht	40,000 Baht/meeting 30,000 Baht/meeting 40,000 Baht/meeting 20,000 Baht/meeting
<u>Audit Committee</u> Position: - Chairman - Member	160,000 Baht 80,000 Baht	50,000 Baht/meeting 25,000 Baht/meeting
<u>Nominating and Corporate Governance Committee</u> Position: - Chairman - Member	80,000 Baht 40,000 Baht	25,000 Baht/meeting 15,000 Baht/meeting
<u>Compensation Committee</u> Position: - Chairman - Member	80,000 Baht 40,000 Baht	25,000 Baht/meeting 15,000 Baht/meeting
<u>Risk Management Committee</u> Position: - Chairman - Vice Chairman - Member	80,000 Baht 60,000 Baht 40,000 Baht	25,000 Baht/meeting 20,000 Baht/meeting 15,000 Baht/meeting
<u>Executive Committee</u> Position: - Chairman - Vice Chairman - Member	80,000 Baht 60,000 Baht 40,000 Baht	25,000 Baht/meeting 20,000 Baht/meeting 15,000 Baht/meeting

**Agenda Item 7 To consider and approve the appointment of directors in replacement of those retiring by rotation**

Objective and Reason: According to Article 14 of the Company's Articles of Association, one-third of the Directors must retire at the Annual General Meeting of Shareholders. The Directors who retire by rotation this year are as follows;

- |                                   |          |
|-----------------------------------|----------|
| (1) Mr. Suchin Wanglee            | Director |
| (2) Mr. Somchai Bulsook           | Director |
| (3) Mr. Thapana Sirivadhanabhakdi | Director |
| (4) Mr. Chotiphat Bijananda       | Director |
| (5) Mr. Dhitivute Bulsook         | Director |

Board of Directors' opinion: The Board of Directors (by a majority vote and exclusive of the Directors who have to retire by rotation this time) had considered the qualifications, experiences, and the performance of the Directors who would have to retire by rotation, and are of the view that those Directors should be re-elected for another term, namely;

- |                                   |          |
|-----------------------------------|----------|
| (1) Mr. Suchin Wanglee            | Director |
| (2) Mr. Somchai Bulsook           | Director |
| (3) Mr. Thapana Sirivadhanabhakdi | Director |

- (4) Mr. Chotiphat Bijananda Director  
(5) Mr. Dhitivute Bulsook Director  
(The biographies of the Directors are shown in Enclosure 3).

The compensation for the newly appointed directors would be at the rate approved by the Shareholders in Agenda Item 6 of this meeting.

**Agenda Item 8 To consider and approve the appointment of the auditor and determine the auditor's remuneration for fiscal year 2013**

Objective and Reason: The Audit Committee has considered the appointment of the auditor for the year 2013 and has proposed to the Board of Directors for consideration and to propose to the Shareholders' Meeting to appoint Mr. Nirand Lilamethwat, Certified Public Accountant No. 2316 or Mrs. Wilai Buranakittisopon, Certified Public Accountant No. 3920 or Mr. Bunyarit Thanormcharoen, Certified Public Accountant No. 7900 of KPMG Phoomchai Audit Limited as the Company's auditors, and determine the auditor's remuneration for fiscal year 2013 at Baht 1,370,000 as the same fee of the fiscal year 2012. The proposed auditors have been appointed as the auditors for the Company since 2007, this year being the seventh year, and have performed their audit work with a satisfactory performance. The proposed auditors are not auditors of the associate company and do not have any relation or interest in or with the Company, the subsidiary companies, the associate company, the management, the major shareholders, or their related persons.

Board of Directors' opinion: It is appropriate for the shareholders to approve the appointment of Mr. Nirand Lilamethwat, Certified Public Accountant No. 2316 or Mrs. Wilai Buranakittisopon, Certified Public Accountant No. 3920 or Mr. Bunyarit Thanormcharoen, Certified Public Accountant No. 7900 of KPMG Phoomchai Audit Limited to be the Company's auditors, and determine the auditor's remuneration for year 2013 at Baht 1,370,000.

**Agenda Item 9 Other business (if any)**

Board of Directors' opinion: The Board of Directors is of the opinion that the shareholders should have an opportunity to propose matters to the meeting other than the agenda as specified by the Board of Directors in this notice, provided that such proposal on other matters must be made in accordance with the law.

The Company has approved the date of determining the names of shareholder who shall have the right to attend the Annual General Meeting of Shareholders 2013 on March 12, 2013 (Record Date) and to compile the list of shareholders pursuant to Section 225 of the Securities and Exchange Act by closing the share register book on March 13, 2013

You are invited to attend the Meeting at the date, time and place mentioned above. For the shareholders who wish to attend the Meeting, please bring the enclosed proxy form with printed barcode (Enclosure 4) together with your identification card, or government official identification card or driving license to evidence your right to attend the Meeting.

If you wish to appoint a person to attend and vote at the meeting on your behalf, please complete and duly execute the enclosed proxy-Form B and affix the stamp duty as required by law. The completed and executed proxy must be deposited with the Chairman of the Meeting or the Company Secretary prior to the proxy entering the meeting. The proxy shall bring the following documents to evidence his/her right to attend the Meeting:

- (1) In the case that the grantor is a natural person (individual), a copy of the identification card, or government official identification card or driving license of the grantor, certified true and correct by the grantor, shall be presented.
- (2) In the case that the grantor is a juristic person, a copy of the certification document of the grantor, certified true and correct by an authorized person(s) of such juristic person and a copy of the identification card, or government official identification card or driving license of the authorized person(s) of such juristic person, certified true and correct by such authorized persons shall be presented.

The proxy shall also present his/her own identification card, or government official identification card or driving license.

The Stock Exchange of Thailand currently allows listed companies to prepare annual reports in the CD-ROM format as an alternative. Therefore, the Company has prepared the 2012 Annual Report in CD-ROM and sent it to the shareholders. Nevertheless, any shareholder wishing to obtain a hard copy of the 2012 Annual Report, can contact the Public Relations Department, Sermsook Public Company Limited, Muang Thai-Phatra Complex, Building 1, 27th Floor, 252/35- 36 Rachadaphisek Road, Huay Kwang, Bangkok 10310 Tel. 0-2693-3333.

Sincerely yours,



(Photipong Lamsam)

Chairman