



## **Notice Convening**

**Annual General Meeting of Shareholders 2019**

**CHEWATHAI PUBLIC COMPANY LIMITED**

**CHEWATHAI PLC**  

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**BUILD A LIFE**

**Tuesday 2<sup>nd</sup> April 2019 Time 14.00 hrs.**

**At Karawek meeting room, 3rd floor, Golden Tulip Sovereign Hotel Bangkok,  
92 Soi Seangcham, Rama 9 Road, Huay Kwang, Bangkok, Thailand.**



Chewathai Public Company Limited

1168/80 Lumpini Tower, Floor 27, Unit D, Rama 4 Road, Thungmahamek Sub-district,  
Sathon District, Bangkok

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1 March 2019

Subject: Invitation to Ordinary Shareholders' Meeting of 2019

To: Shareholders of Chewathai Public Company Limited

- Enclosure:
1. Minutes of ordinary shareholders' meeting of 2018
  2. Report on overall operation of 2018
  3. Name list and background of directors nominated to replace directors vacating office by rotation
  4. Background of independent directors nominated by the Company as shareholder's proxy
  5. Background and work experience of auditors
  6. Articles of Association specifically relating to shareholders' meeting and voting
  7. Clarification on registration, proxy authorization, and necessary documents to be used at meeting date
  8. Proxy Form Type A and Type B
  9. Map of shareholders' meeting location
  10. Annual report of 2018 (QR Code)

Whereas the Board of Directors' meeting of CHEWATHAI PUBLIC COMPANY LIMITED ("the Company") no. 2/2562 has resolved to convene ordinary shareholders' meeting of 2019 on Tuesday, 2 April 2019 at 14.00 hrs. at Karawek Meeting Room, 3<sup>rd</sup> Floor, Golden Tulip Sovereign Hotel located at 92 Saengchaem Alley, Rama 9 Road, Bang Kapi Sub-district, Huaykwang District, Bangkok, having meeting agendas as follows:

**Agenda 1** Consideration in approving minutes of ordinary shareholders' meeting of 2018 held on 3 April 2018

Objective and Rationale: The Company had prepared minutes of ordinary shareholders' meeting of 2018 held on 3 April 2018, and the meeting had considered various

matters under the laws, and a copy of such meeting minutes had been sent by the Company to the Ministry of Commerce as prescribed by laws according to Enclosure 1 being delivered to the shareholders together with this meeting invitation for approval of the ordinary shareholders' meeting.

Board of Directors' Opinion: The Board considered that the minutes of ordinary shareholders' meeting of 2018 were correctly and completely recorded, and deemed appropriate to propose for approval of the ordinary shareholders' meeting.

Resolution: This agenda required resolution with majority votes of all shareholders attending the meeting and voting.

#### **Agenda 2 Consideration in acknowledging the Company's overall operation ended on 31 December 2018**

Objective and Rationale: The Company had summarized the Company's overall operation of 2018 according to Enclosure 2 and annual report of 2018 being delivered to the shareholders together with this meeting invitation according to Enclosure10 in form of a link with QR Code.

Board of Directors' Opinion: The Board resolved to propose for the ordinary shareholders' meeting to consider acknowledging the Company's overall operation of 2018 which had been considered as complete and adequate, having details as per the link with QR Code being delivered to the shareholders in advance together with this meeting invitation.

Resolution: This agenda was for meeting's acknowledgement, and no voting was therefore required.

#### **Agenda 3 Consideration in approving the Company's statement of financial position for accounting period ended 31 December 2018**

Objective and Rationale: For the conformity to Section 112 of Public Limited Companies Act, B.E. 2535 (A.D. 1992) (including additional amendment) and Article 39 of the Company's Articles of Association, the Board had prepared the statement of financial

position for accounting period ended 31 December 2018, whereby such statement of financial position for accounting period ended 31 December 2018 had been audited and approved by the Company's auditors, and reviewed by the Audit Committee, having significant contexts as follows:

Particulars according to consolidated financial statements	For accounting period ended (Million Baht)	
	31 December 2017	31 December 2018
Total assets	3,646	4,465
Total liabilities	2,537	2,624
Shareholders' equity	1,109	1,842
Total revenue	2,042	2,676
Profit ( loss) before income tax	201	334
Net profit (loss)	155	265
Net profit (loss) per share	0.21	0.24

Board of Directors' Opinion: The Board deemed appropriate to propose for the ordinary shareholders' meeting to consider approving the statement of financial position for accounting period ended 31 December 2018, which had been audited and approved by the Company's auditors, and reviewed by the Audit Committee.

Resolution: This agenda required resolution with majority votes of all shareholders attending the meeting and voting.

**Agenda 4** Consideration in approving the allocation of net profit of 2018 as legal reserve and dividend payment

Objective and Rationale: Pursuant to Section 116 of Public Limited Companies Act, B.E. 2535 (A.D. 1992) (including additional amendment) and Article 45 of the Company's Articles of Association, the Company required to allocate at least five percent of its annual net profit less accumulated loss brought forward (if

any) as reserve fund until the reserve fund will reach the amount not less than ten percent of registered capital. Furthermore, Section 115 of Public Limited Companies Act, B.E. 2535 (A.D. 1992) (including additional amendment) and Article 44 of the Company's Articles of Association prohibited the Company from allocating dividend from other monies besides from its profit, and prohibited dividend allocation when the Company had accumulated loss. In this regard, the Company's dividend payment policy prescribed for the Company to pay dividend from its separated financial statement at the rate not less than 40 of net profit after deduction of any tax, legal reserve and other reserve funds (if any), whereby the Company's Board will have power to consider paying dividend by taking various factors into consideration for maximum benefit of the shareholders, such as reserve fund for loan repayment, investment plan for business expansion, or cash flow support in case of any impact from changing market condition, for example.

In 2018, the Company had net profit of separated financial statement amounting to Baht 240,496,169 and accumulated profit amounting to Baht 224,390,069. The meeting was therefore proposed to consider allocating net profit of 2018 as legal reserve at 5 percent of net profit of the separated financial statement, representing the amount of Baht 12,024,808 or 0.94 percent of registered capital.

The meeting was also requested to approve dividend payment for overall operation of 2018 at the rate of Baht 0.085 per share, totaling Baht 108,377,311 or 45.06 percent of net profit of the separated financial statement according to the Company's dividend payment policy. In this regard, the Company had paid interim dividend at the rate of Baht 0.050 per share, amounting to Baht 63,751,334 and will pay year-end dividend as last dividend payment at the rate of Baht 0.035 per share, representing the amount of Baht 44,625,977 by having comparison of dividend payment as shown below.

Details on dividend payment	2017	2018
Accumulated profit of separated financial statement (Baht)	123,539,905	224,390,069
Net profit of separated financial statement (Baht)	125,318,478	240,496,169
Net profit of consolidated financial statement (Baht)	155,503,714	264,813,207
Number of ordinary shares being issued (share)	750,000,000	1,275,027,183
Dividend payment per share	0.085470	0.085
- Interim dividend (Baht per share)		0.050
- Year-end dividend (Baht per share)		0.035
Total dividend payment (Baht)	64,102,564.10	108,377,311
Rate of dividend payment per consolidated financial statement (%)	41.22	40.93
Rate of dividend payment per separated financial statement (%)	51.15	45.06
Earnings per share of consolidated financial statements (Baht)	0.21	0.24
Earnings per share of separated financial statement (Baht)	0.17	0.19

Board of Directors' Opinion: The Board deemed appropriate to propose for the ordinary shareholders' meeting to consider approving the allocation of net profit in 2018 amounting to Baht 12,024,808 as legal reserve, representing 0.94 percent of registered capital, and approving year-end dividend payment for overall operation of 2018 as last dividend payment at the rate of Baht 0.035 per share, representing the amount of Baht 44,625,977, plus paid interim dividend at the rate of Baht 0.05 per share, amounting to Baht 63,751,334, which added up to the rate of Baht 0.085 per share, and total dividend payment of Baht 108,377,311.

Such dividend payment was in accord with the Company's policy prescribing that dividend must be paid from separated financial statement at the rate not less than 40 percent of net profit after deduction of tax and legal reserve, by determining the Record Date for dividend entitlement on 11 April 2019 and dividend payment date on 29 April 2019.

In this regard, such entitlement was not definite since approval must be obtained from the ordinary shareholders' meeting.

Resolution: This agenda required resolution with majority votes of all shareholders attending the meeting and voting.

**Agenda 5 Consideration in approving the appointment of directors to replace directors vacating office by rotation**

Objective and Rationale: Pursuant to Section 71 of Public Limited Companies Act, B.E. 2535 (A.D. 1992) and Article 17 of the Company's Articles of Association, one third of directors must vacate office during each annual ordinary meeting. If the number of directors was not a multiple of three, the directors at the nearest number to a multiple of three must vacate office. The directors who will vacate office in the first and second years after the Company's incorporation will be decided by drawing of lots, and the directors serving the longest must vacate office in following years, provided that the directors vacating office may be re-elected.

During the ordinary shareholders' meeting of 2019, two directors as listed below will vacate office by rotation.

- (1) Mr. Chartchai Panichewa Chairman of Board of Directors
- (2) Mrs. Supaporn Burapakusolsri Independent director,  
Chairman of Audit Committee,  
Chairman of Risk Management  
Committee, Member of Nomination  
and Remuneration Committee,  
Member of Corporate Governance  
Committee

In this regard, the Nomination and Remuneration Committee had considered and opined that since both directors had suitable qualification, knowledge, ability and experience beneficial to the Company's business operation, it was deemed appropriated to propose for the ordinary shareholders' meeting of 2019 to consider re-appointing both directors for another office term.

The details on background, education, experience, shareholding proportion, and directorship in other companies, of the directors vacating office by rotation and being nominated as directors for another office term, having details as shown in *Enclosure 3*

For the nomination of directors, the Company had invited minority shareholders to nominate qualified persons as the Company's directors by publishing announcement through information system of the Stock Exchange of Thailand and on the Company's website from 10 November 2018 to 10 January 2019, and no shareholder had nominated any person.

Opinion of Nomination and Remuneration Committee

The Nomination and Remuneration Committee deemed appropriate to re-appoint Mr. Chartchai Panichewa and Mrs. Supaporn Burapakusolsri who vacated office by rotation, to resume the position for another office term, because they had knowledge, capability, good experience and work background, and full qualification pursuant to Public Limited Companies Act, B.E. 2535 (A.D. 1992).

Board of Directors' Opinion:

The Board of Directors, excluding directors with conflict of interest, agreed as suggested by the Nomination and Remuneration Committee to propose for the ordinary shareholders' meeting to approve the re-appointment of two directors vacating office by rotation, including (1) Mr. Chartchai Panichewa and (2) Mrs. Supaporn Burapakusolsri, for another office term because both directors were fully qualified and had no prohibited characteristics pursuant to Public Limited Companies Act.

Furthermore, the two directors had performed duties in a responsible, cautious and honest manner in accordance with the laws,



the Company's objectives and Articles of Association, as well as resolution of the ordinary shareholders' meeting, and Mrs. Supaporn Burapakusolsri Independent directors was able to express opinion independently and in accordance with related criteria.

Resolution

This agenda required resolution with majority votes of all shareholders attending the meeting and voting.

**Agenda 6 Consideration in approving the determination of remuneration and special benefit for the Board of Directors and subcommittees in 2019**

Objective and Rationale:

Pursuant to Section 90 of Public Limited Companies Act, B.E. 2535 (A.D. 1992) (including additional amendment), the Company was prohibited from offering money or other properties to the directors except for payment of remuneration under the Company's Articles of Association, and Article 22 of the Company's Articles of Association prescribed that the Company's directors will be entitled to remuneration from the Company in form of reward, meeting allowance, pension, bonus or other benefits as agreed and resolved by the ordinary shareholders' meeting. In this regard, the Board of Directors under the Nomination and Remuneration Committee's scrutiny, had considered determining remuneration and special benefit for the Board of Directors in 2019 by adhering to the procedures, i.e. considering remuneration based on business size and responsibility of the Board, and comparing with other companies listed in the Stock Exchange of Thailand having market capitalization similar to the Company as per the following details.

**Meeting allowance for subcommittees (in addition to remuneration of directors)**

Description	2018 (Baht / Meeting)	2019 (Baht / Meeting)
<b>Remuneration of Executive Board</b>		
- Chairman of Executive Board	70,000	100,000
- Member of Executive Board (being management)	60,000	60,000
- Member of Executive Board (not being management)	-	-
<b>Remuneration of Audit Committee</b>		
- Chairman of Audit Committee	40,000	40,000
- Member of Audit Committee	20,000	20,000
<b>Remuneration of Nomination and Remuneration Committee</b>		
- Chairman of Nomination and Remuneration Committee	40,000	40,000
- Member of Nomination and Remuneration Committee	20,000	20,000
<b>Remuneration of Corporate Governance Committee</b>		
- Chairman of Corporate Governance Committee	10,000	10,000
- Member of Corporate Governance Committee	5,000	5,000
<b>Remuneration of Risk Management Committee</b>		
- Chairman of Risk Management Committee	10,000	10,000
- Member of Risk Management Committee	5,000	5,000

In addition, the determination of special benefit on 2019 for the Board of Directors required approval from the ordinary shareholders' meeting under the Nomination and Remuneration Committee's scrutiny, by adhering to the procedures, i.e. considering remuneration based on business size and responsibility of the Board, and comparing with other companies listed in the Stock Exchange of Thailand having market capitalization similar to the Company as per the following details.

The Board deemed appropriate to pay bonus to the directors except managing director, at the amount not exceeding 1 percent of money equivalent to dividend payable, or not exceeding Baht 2,000,000 (Two Million Baht Only) by having the Chairman of the Board to allocate special benefit to the directors. The meeting was therefore proposed to consider and approve the determination of director remuneration for the year 2019, with details as proposed in all aspects.

**Board of Directors' Opinion:** The Board deemed appropriate to propose for the ordinary shareholders' meeting to approve the determination of remuneration and special benefit for directors in 2019 with details as proposed in all

aspects. In this regard the determination of remuneration and special benefit had been scrutinized by the Nomination and Remuneration Committee and approved by the Board of Directors' meeting.

Resolution:

This agenda required resolution with two thirds (2/3) of votes of all shareholders attending the meeting.

**Agenda 7 Consideration in approving the appointment of auditors and determination of auditing fee of 2019**

Objective and Rationale:

Pursuant to Section 120 of Public Limited Companies Act (including additional amendment) and Article 36 of the Company's Articles of Association, the ordinary shareholders' meeting must appoint the Company's auditors and determine audit fee each year, and former auditors may be re-elected.

In this regard, the Audit Committee had considered to select the auditors for the year 2019 and suggested the Board of Directors to propose for the ordinary shareholders' meeting to consider appointing 6 auditors as follows:

- 1) Mr. Sapon Permsiriwanlop Certified Accountant with License no. 3182 and/or
- 2) Miss Rungnapa Lertsuwankul Certified Accountant with License no. 3516 and/or
- 3) Miss Pimjai Manitkajornkit Certified Accountant with License no. 4521 and/or
- 4) Mr. Chayapon Supasettanon Certified Accountant with License no. 3972 and/or
- 5) Miss Rossaporn Det-arkhom Certified Accountant with License no. 5659 and/or
- 6) Miss Orawan Techawattanasirikul Certified Accountant with License no. 4807

from EY Co., Ltd. as the Company's auditors for the year 2019, and in the event that any of those auditors were unable to perform duty, EY Co., Ltd. was requested to provide other certified accounts to perform audit and express opinion towards the Company's financial statements in the capacity of those auditors. In addition, to ensure that the Company and its subsidiaries' financial statements will be audited under the same standards, the Company and its subsidiaries' must be under

supervision of EY Co., Ltd. as well. The auditors listed above had no relationship and/or interest with the Company/executives/major shareholders or any other entities related to these persons, and were therefore able to audit and express opinion towards the Company's financial statement independently, and audit fee of 2019 was determined at the amount not exceeding Baht 1,620,000 which was Baht 70,000 or 4.52 percent higher than audit fee of 2018, but there was no additional non-audit fee.

Audit Committee's

Opinion the Audit Committee had considered to select the Company's auditors and determined auditors' remuneration, and suggested the Board of Directors to request for approval in appointing 6 auditors as specified above from EY Co., Ltd. as the Company's auditors for the year 2019, and determining audit fee at the amount of Baht 1,620,000.

Board of Directors' Opinion:

The Board of Directors deemed appropriate to propose for the shareholders' meeting to appoint 6 auditors as specified above from EY Co., Ltd. as the Company's auditors for the year 2019, and determine audit fee at the amount not exceeding Baht 1,620,000 (One Million Six Hundred Twenty Thousand Baht Only) and in the event that any of those auditors could not perform duty, EY Co., Ltd. will provide other certified accounts to perform audit and express opinion towards the Company's financial statements in the capacity of those auditors.

Background and work experience of certified accountants nominated as the Company's auditors, having details as shown in Enclosure 5.

Resolution:

This agenda required resolution with majority votes of all shareholders attending the meeting and voting.

**Agenda 8      Consideration in approving the issuance of debentures within the limit of Baht 1,500 million**

Objective and Rationale:

The ordinary shareholders' meeting of 2017 held on 27 April 2017 had resolved to cancel original limit for the issuance of debentures, and approved the issuance of debentures within the limit of Baht 1,500 million. The ordinary shareholders' meeting of 2018 held on 3 April 2018 had

approved the issuance of additional debentures at the amount of Baht 1,500 million. The Company currently had total limit for the issuance of debentures not exceeding Baht 3,000 million.

The Company had issued debentures two times having details as listed below, and remaining limit for issuance of debentures was Baht 1,301.50 million.

- (1) Debenture issuance no. 1/2561 at the amount of Baht 498.50 million; date of maturity: 17 January 2020, and
- (2) Debenture issuance no.2/2561 at the amount of Baht 1,200 million; date of maturity: 7 September 2020

In this regard, the Company's Board had considered and resolved to propose for the ordinary shareholders' meeting to approve the issuance of debentures within the limit of Baht 1,500 million. After obtaining approval from the ordinary shareholders' meeting, the Company will have total limit for issuance of debentures exceeding Baht 4,500 million, and the Company's current limit for the issuance of debentures (after deducting the amount of debentures issued by the Company and the debentures had not been redeemed) was at the amount of Baht 2,801.50 million.

#### Basic information on debentures

Objective:	To boost liquidity and/or use as investment fund for business expansion and/or working capital, or other objectives as the Board of Directors deemed appropriate.
Type:	All types of bearer or non-bearer debentures, senior or subordinated, with or without holder's representative, with or without guarantee, depending on market condition during each issuance and offer of debentures as appropriate, and other related factors.
Currency:	Baht and/or other currencies at the exchange rate ruling during each issuance and offer of debentures
Total value:	Not exceeding Baht 1,500 million or other equivalent currencies; the Company will be able to issue and offer additional debentures and/or issue and offer debentures to replace original debentures being redeemed within such limit, provided that debentures being issued anytime must not exceed such limit.
Validity:	Not exceeding 5 years from each issuance date of debentures

**Offering:** To be offered to domestic and/or foreign investors, people in general and/or institutional investors and/or major investors and/or specific investors and/or any persons, by offering all or part of the debentures at one time or several times, and/or on Revolving Basis, as announced by the Securities and Exchange Commission and/or Capital Market Supervisory Board and/or other rules and regulations and/or other laws applicable at the time of issuance and offer of debentures.

**Interest rate:** Depending on fixed-income market at the time of issuance and offer of debentures

**Early redemption:** Debenture holder may or may be not entitled to redeem debentures prior to their maturity, and the Company may or may be not entitled to redeem debentures prior to their maturity, or buy back those debentures, depending on the terms and conditions on the issuance and offer of debentures.

**Authority:** The Board of Directors and/or any person assigned by the Board of Directors and/or managing director will have power to determine criteria, conditions and other details relating to the issuance and offer of debentures as deemed appropriate under the laws, such as title, category, nominal value, offer price per unit, interest rate, appointment of holder's representative, number to be offered each time, total value, maturity, principal repayment method, category of guarantee, offering details, redemption term, including registration of debentures as securities listed in the Stock Exchange of Thailand and/or Thai Bond Market Association and/or other secondary markets, obtain permission, disclose information, perform other execution with related agencies, appoint advisors or persons involving the issuance and offer of debentures, enter into agreement, sign and/or amend any related contracts, and perform other execution relating to the issuance and offer of debentures as necessary and appropriate.

**Board of Directors' Opinion:** The Board of Directors deemed appropriate to propose for the ordinary shareholders' meeting to approve the issuance and offer of additional debentures within the limit of Baht 1,500 million, having details as specified above

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**Resolution**

This agenda required resolution with three fourths (3/4) of votes of all shareholders attending the meeting and being entitled to vote.

**Agenda 9 Other consideration (if any)**

Since the Company has given opportunity for shareholders to suggest matters for the Board of Directors to include as meeting agendas in the ordinary shareholders' meeting of 2019 and nominate persons with suitable qualification for the Board of Directors to appoint as directors and propose for approval of ordinary shareholders' meeting, the Company has published such information on its website ( [www.chewathai.com](http://www.chewathai.com)) and through electronic system of the Stock Exchange of Thailand from 10 November 2018 to 10 January 2019, and no shareholder has suggested meeting agenda, submitted question or nominated any persons with suitable qualification for appointment as directors according to the criteria as specified by the Company.

The Company determines 1 March 2019 as the Record Date for shareholders being entitled to attend and vote in the ordinary shareholders' meeting of 2019.

The shareholders are invited to attend the ordinary shareholders' meeting of 2019 on Tuesday, 2 April 2019 at 14.00 hrs. at Karawek Meeting Room, 3<sup>rd</sup> Floor, Golden Tulip Sovereign Hotel located at 92 Saeng Chaem Alley, Rama 9 Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok, according to the map provided in Enclosure 9, whereby the shareholders are able to register for meeting attendance from 13.00 hrs. onward.

In the event that the shareholders are unable to attend the meeting in person, or are desirous to authorize other persons to attend the meeting and vote on their behalf, the shareholders are required to use Proxy Form, either Type A or Type B, as per Enclosure 8, and in order to maintain the shareholders' right and benefit in the event that the shareholders are unable to attend the meeting in person, and are desirous to authorize independent directors to attend the meeting and vote on their behalf, the shareholders can grant authorization by using Proxy Form Type B in authorizing the Company's independent directors according to name list and details as provided in Enclosure 4 to attend the meeting and vote on their behalf.

In this regard, the shareholders are requested to review registration and authorization procedures, and documents and evidence to be presented by meeting attendees on the meeting date, with details as provided in Enclosure 7. The Company will proceed the meeting according to Chapter 6 of the Articles of Association concerning the shareholders' meeting, with details as provided in Enclosure 6.

Best regards,



(Mr. Chartchai Panichewa)

Chairman of the Board of Directors