

# Vichavej International Hospital Group

Srivichai Vejvivat Public Company Limited Registration No.0107554000062

VIH 017/2019

March 15, 2019

- Subject:** Invitation to attend the Annual General Meeting of Shareholders for the year 2019
- To:** Shareholders of the Srivichai Vejvivat Public Company Limited
- Attachment:**
1. Copy of the minutes of the 2018 Annual General Meeting of shareholders on April 21, 2018;
  2. 2018 Annual Report (in form of QR code);
  3. Profile of the Persons Nominated as Directors Replacing Those due to Retire upon Term Completion
  4. Definition of "Independent Director"
  5. Profile of Independent Directors being Nominated as Proxies by Shareholders
  6. Company's Articles of Association Relating to the General Meeting of Shareholders
  7. Documents and Evidences Required for the Shareholder to Present for Meeting Attendance
  8. Procedures for attending the 2019 Annual General Shareholders' Meeting
  9. Proxy Form A, B and C
  10. Map of the Meeting Venue

The resolutions of the Board of Directors' Meeting No. 2/2019 on Saturday 23 February 2019 had recently resolved to hold the AGM for the Year 2019 on **Monday 22 April 2019 at 09.00 a.m.** at Khwanmung Meeting Room, Building 1, Floor 7, Vichavej International Hospital Omnoi, 74/5 Moo 4 Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakhon. The agenda of Annual General Meeting for the year 2019 would be as follows:-

**Agenda 1: To acknowledge the matters notified by the Chairman of the Board;**

**Agenda 2: To consider and adopt the minutes of the AGM of Shareholders for the Year 2018;**

**Purpose and Reason:** The Minutes of the 2018 Annual General Meeting of Shareholders was submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the period required by law and the copy of the said Minutes is provided here as Attachment No. 1.

**Board of Directors' opinion:** The Board of Directors has considered that the minutes of the 2018 Annual General Meeting of Shareholders were properly and accurately recorded and therefore it is proposed that the shareholders certify such minutes.

**Voting resolution:** Based on majority votes of the shareholders present at the meeting and having voting rights

**Agenda 3: To acknowledge operating results of the Company for the year ended 31 December 2018;**

**Purpose and Reason:** The summary of VIH's performance during the year of 2018 is shown in the Annual Report for the year 2018, which is provided here in Attachment No. 2.

**Board of Directors' opinion:** After due consideration, the Board found it appropriate to propose to the AGM to acknowledge the report of the Board of Directors relating to the Company's business operation of the year 2018.

**Voting resolution:** No voting required since this agenda is intended for acknowledgement purpose.

## Vichavej International Hospital Group

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**Agenda 4: To consider and approve the balance sheet and the comprehensive income statement of the Company and subsidiaries for the year ended 31 December 2018;**

**Purpose and Reason:** In compliance with relevant law stipulating that a company shall prepare a balance sheet and profit and loss statement at the ending date of each fiscal year of the Company and ensure that they are audited by the auditor and reviewed by the Audit Committee before presenting them to the Shareholders' Meeting for approval. Details are appeared in the 2018 Annual Report under the section of "Report and Financial Statements", which is attached with this notice in Attachment No. 2

**The contents could be largely summarized as follows:**

Unit: Million Baht

Items	2018	2017	2019
Total Assets	1,988.70	1,814.94	1,754.88
Total Liabilities	817.07	751.70	748.68
Total Shareholders' Equity	1,171.63	1,063.24	1,006.20
Total paid-up Capital	570.67	570.67	570.67
Sales and Service Income	2,246.69	1,962.08	1,718.60
Net Income	177.12	125.68	153.46
Earnings per Share (Baht / Share)	0.31	0.22	0.27

**Board of Directors' opinion:** After due consideration, the Board found it appropriate to propose to the shareholders' meeting for approval of said financial statements.

**Voting resolution:** Based on majority votes of the shareholders present at the meeting and having voting rights.

**Agenda 5 : To consider and approve the appropriation of the net profit as legal reserve and the dividend payment from the Company's operating results during the year 2018;**

**Purpose and Reason:** In 2018, the consolidated financial statements showed the profit for the year (net profit) amounting to 105,329,365.78 Baht and The Company has a policy to pay dividend to shareholders at a rate not less than 50 percent of net profit after tax and net of all reserves required by law based on the separated financial statements. However, the payment of dividend will depend on the cash flow, investment plan, contract terms and conditions that the Company is bound, including legal restrictions, necessity and other matters appropriate in the future. The resolution of the Board of Directors' approval for dividend payment will have to be proposed for approval by the general meeting of shareholders, unless it is an interim dividend payment whereby the Board of Directors has authority to approve the payment. However, such interim dividend payment has to be reported to the shareholders' following meeting.

The appropriation of legal reserves to allocate 5 percent of net profit until it reaches 10 percent of the authorized capital. In 2018, the consolidated statements of net profit 105,329,365.78 Baht, and allocated legal reserve 5 percent of the amount allocated to the legal reserve 5,266,468.29 baht.

**Board of Directors' opinion:** Approved the appropriation of the net profit as legal reserve and approving to make the dividend payment from the Company's operating results during the year 2018 at the rate of Baht 0.12 (Twelve Satang) per share, totaling to the dividend paid from the Company's operating results from the year 2018 of Baht 68,479,851.96 of the net profit and determine the dividend payment date to be on 17 May 2019. And appropriate the net profit as legal reserve in the amount of Baht 5,266,468.29. And the shareholders eligible to receive dividend payments would be those with their names appearing on the record date so entitling them to receive dividend payments on March 15, 2019.

Approved the appropriation of the net profit as legal reserve and approving to make the dividend payment from the Company's operating results during the year 2018 at the rate of Baht 0.12 (Twelve Satang) per share, totaling to the dividend paid from the Company's operating results from the year 2018 of Baht 68,479,851.96 of the net profit and determine the dividend payment date to be on 17 May 2019. And appropriate the net profit as legal reserve in the

amount of Baht 5,266,468.29. And the shareholders on the record date so entitling them to receive dividend payments on March 15, 2019.

**Dividend payments details compared to the year earlier**

Dividend payments details	Unit	2018	2017	2016
1. Net profits	Million Baht	105.33	105.11	92.35
2. Number of shares	Million shares	570.67	570.67	570.67
3. Dividend payment	Baht per share	0.12	0.12	0.11
4. Total dividend payments	Million Baht	68.48	68.48	62.77
5. Payout ratio	percent	65.01	65.15	67.97

**Above dividend payment rate duly complies with the dividend payment policy laid down by the company, and poses no adverse effect on its liquidity position.**

**Voting resolution:** Based on majority votes of the shareholders present at the meeting and having voting rights.

**Agenda 6: To consider and approve the election of the directors to replace the directors who retire by rotation and the nomination of a new director;**

**Purpose and Reason:** According to The Public Company Act B.E. 2535 and the Article 17 of the Company's Articles of Association, at the annual shareholders' meeting each year, one-third of the sitting directors would be required to retire upon term completion, whereby such retiring directors were eligible for re-election to serve another term. Out of the total 12 company directors, the 4 directors due to retire upon term completion at the shareholders' general meeting were as follows:

Name of directors	Position
1. Mr. Surin Premamornkit*	Independent director / Audit Committee / Nomination and Remuneration Committee
2. Miss Vilawan Vanadurongvan	Director / Vice Chief Executive Officer / Chairman of Risk Management Committee / Chairman of the Working Group for Financial and Investment Planning / Nomination and Remuneration Committee
3. Mongkon Wanitphakdeedecha M.D.,M.Sc.	Director (Authorized Signatory) / Vice Chief Executive Officer / Working Group for Financial and Investment Planning / Nomination and Remuneration Committee
4. Mr. Prut Rojmahamongkol	Director / Executive Director / Working Group for Financial and Investment Planning

Remark: \*Mr. Surin Premamornkit, independent directors served as company director for less than 9 years.

The company had earlier provided the shareholders with the opportunity to nominate candidate to consider as company director to the shareholders' meeting for 2019 in advance, during the period of October 22 until December 31, 2018. Nevertheless, there was no shareholder nominating candidate to be considered as company director prior to said meeting. For said nomination process, proper careful consideration were exercised by The Nominating Committee in selecting qualified candidates on an individual basis as the members of The Nominating Committee with interests did not vote to select themselves, in compliance with existing company rules and criteria relating to such position consideration. The Nominating Committee unanimously resolved to recommend to The Board of Directors to nominate above 4 outgoing directors to the shareholders' meeting, for their further consideration and approval to re-elect these persons to serve another term as company directors.

**Board of Directors' opinion:** The Board of Directors excluding those directors having possible conflict of interests, has paid careful consideration to the qualifications of those persons being nominated as directors on an individual basis. Due consideration were given to their qualifications in terms of professional expertise, work proficiency

beneficial to company operations and capable of fulfilling essential requirements. The Board of Directors ensured that candidates did not possess any qualification restriction or forbidden aspect as specified in Article 68 of The Public Company Act B.E. 2535, and the requirement of The Securities and Exchange Commission. Accordingly, The Board of Directors resolved to endorse the proposal by the Nominating Committee, to nominate the 4 retiring directors to the shareholders' general meeting, for re-election to serve another term as directors, namely Mr. Surin Premamornkit, Miss Vilawan Vanadurongvan, Mongkon Wanitphakdeedecha, M.D., M.Sc., and Mr. Prut Rojmahamongkol.

Enclosed please find the profile of the persons being nominated as directors and the definition for independent director complying with the requirements by The Capital Market Supervisory Board, whose details are displayed as per Attachment No. 3

**Voting resolution:** Based on majority votes of the shareholders present at the meeting and having voting rights.

**Agenda 7: To consider and approve the determination of the remuneration of the directors for the year 2019;**

**Purpose and Reason:** According to Clause 22 of the Company's Articles of Association, the Company's directors are eligible to receive remuneration in the form of a monthly retainer, meeting allowance, and annual retainer. The Remuneration Committee with the exception of the committees with special interests on this item has carefully considered the directors' remuneration and concluded it is equitable with responsibility and performance also, to be as an incentive for the directors. The committee recommended that the remuneration budget for the Board and its sub-committees in 2019 should be starting from 1 January 2019 until the shareholders' meeting resolves otherwise.

The Remuneration Committee with the exception of the committees with special interests on this item has carefully considered the directors' remuneration and concluded it is equitable with the responsibility and performance also, to be as an incentive for the directors. To approve this matter, a resolution must be passed by a vote of not less than two-thirds of the shareholders who attend the meeting.

Details of the criteria for the directors' remuneration were based on the consideration of The Board of Directors' performances, authority, duty, and responsibility scope, as well as the operating results and growth prospect for the company, the financial liquidity position, and such factors posing possible impacts on both the company and overall economic situation, together with performance of individual directors. Consideration was also given to the budget amount approved by the shareholders' meeting, the remuneration amount for the previous year and the comparison with other companies in similar businesses.

For the year 2019, The Remuneration Committee has resolved to propose the remuneration budget for the directors not exceeding Baht 7 million same as the year earlier, according to remuneration details as follows:

	Unit: Baht/time		
Details	2019	2018	2017
Budget / baht	7,000,000	7,000,000	7,000,000
<b>1. Board of Director</b>			
Chairman	15,000	12,000	12,000
Vice-Chairman	12,000	10,000	10,000
Director (Non-executive)	9,000	9,000	9,000
Director (Executive)	7,000	7,000	7,000
Secretary	3,000	3,000	3,000
<b>Monthly [Director (Non-executive) Only]</b>	10,000	10,000	10,000
<b>2. The Audit Committee</b>			
Chairman	12,000	12,000	12,000
Director	9,000	9,000	9,000
<b>3. Nomination and Remuneration Committee</b>			
Chairman	12,000	12,000	12,000

Details	2019	2018	2017
Budget / baht	7,000,000	7,000,000	7,000,000
Director (Non-executive)	9,000	9,000	9,000
Director (Executive)	7,000	7,000	7,000
<b>4. Financial and Investment Planning Committee</b>			
Chairman	12,000	12,000	12,000
Director (Non-executive)	9,000	9,000	9,000
Director (Executive)	7,000	7,000	7,000
<b>5. Corporate Governance Committee</b>			
Chairman	12,000	12,000	
Director (Non-executive)	9,000		
<b>6. Risk Management Committee</b>			
Chairman	12,000		
Director (Non-executive)	9,000		
Director (Executive)	7,000		

Whereas above remuneration criteria need to receive the approval by The Board of Directors, and cannot exceed the budget amount approved by the shareholders' meeting.

**Board of Directors' opinion:** Approved the determination of the remuneration of the directors for the year 2019 in form of meeting allowance and other considerations in the amount of not exceeding Baht 7,000,000 (Seven Million Baht) which is equivalent to the remuneration of the directors for the year 2018. Details of which is pursuant to the proposal of the Nomination and Remuneration Committee and the board of directors' approval. This matter will be proposed to the shareholders' meeting for further consideration and approval.

**Voting resolution:** A two-third majority votes by the shareholders present at the meeting are required to pass the resolution.

**Agenda 8: To consider and approve the appointment of the auditors and the determination of the auditing fee for the year 2019**

**Purpose and Reason:** In compliance with the Public Companies Act B.E. 2535 (as amended), the shareholders' meeting must approve the appointment of the auditors and determine the auditor remuneration for each fiscal year. The Audit Committee considered the performance of the company auditors in the past year and was of the view that the company auditors were considered to be knowledgeable and capable persons advocating good corporate practice principles, with understanding of the company's business and its subsidiaries, including independence in performing their duties, as well as fully qualified in accordance with the Company's Articles of Association, and the requirements of The Securities and Exchange Commission. Accordingly, The Audit Committee resolved to recommend to The Board of Directors to further propose to the shareholders' meeting for appointment of company auditors for year 2019 from EY Office Limited according to name list of auditors as follows:

1. Ms. Vissuta Jariyathanakorn, Certified Public Accountant No. 3853  
as the Company's auditor - None. or
2. Mr. Krisada Lertvana, Certified Public Accountant No. 4958  
as the Company's auditor for the years 2017-2018, or 2 years. or
3. Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313  
as the Company's auditor - None.

Anyone of these three authorized to conduct the audit and express an opinion on the company's financial statements. In the event that those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and express an opinion on the company's financial statements in their place.

Audit remuneration details proposed for 2019 as compared to 2018

Company	2019	2018	change	(%)
Srivichai Vejvivat Public Company Limited	1,600,000	1,570,000	30,000	1.91

**Board of Directors' opinion:** The Board recommends the Meeting to consider and approved the appointment of Ms.Vissuta Jariyathanakorn, Certified Public Accountant No. 3853 and/or Mr. Krisada Lertvana, Certified Public Accountant No. 4958, and/or Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313 of EY Office Limited to be the auditors of the Company for the year 2019.

In this regard, one of such person shall audit and give an opinion to the financial statements of the Company. In case such auditors could not perform the work as the Company's auditors, the audit firm shall provide other certified public accountants to carry out the work. And determined their remuneration of auditing fee of the Company for the year 2019 to be 1,600,000 baht according to proposal of the Audit Committee. This matter will be proposed to the shareholders' meeting for further consideration and approval.

**Voting resolution:** Based on majority votes of the shareholders present at the meeting and having voting rights.

**Agenda 9: To consider other matters (if any).**

You are cordially invited to attend this meeting at the date, time and venue stated above. You can scan the QR Code to view documents related to this meeting. The Company will publish the convening notice for this meeting and the other supporting documents on its website ([www.vichaivej.com](http://www.vichaivej.com)) from March 20, 2019 to enable the shareholders to consider the agenda in advance. On the meeting date, registration for attendance at the meeting will begin at 7.00 a.m. To speed up the registration process, you are requested to fill out the Registration Form and bring your identity card, or passport, or government official identity card, or driver's licence as evidence of your right to attend the meeting (please refer to Attachment 7)

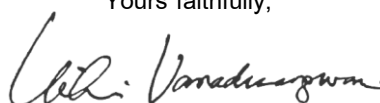
If you wish to appoint another person or a Independent directors of the Company (profiles of Directors for consideration of proxy from shareholders are set out in Attachment 5) to attend and vote at the meeting on your behalf, please complete the enclosed Proxy Form B, for foreign shareholders who appointed a custodian to manage your account, please use any of Proxy Form C in Attachment 9, or download the Proxy Form from the Company's website.

In order for the company to expedite the verification procedures for related necessary documents, may we seek your cooperation to please send your proxy appointment form, so as to reach the company by Thursday, April 18, 2019 at the latest, to the following address;

Company Secretary Office  
Srivichai Vejvivat Public Company Limited  
74/5 Moo 4 Phetkasem Road, Omnoi, Krathumbaen, Samutsakorn 74130

A duty stamp for the proxy will be provided at the registration desk without any charge. Shareholders who have questions concerning the meeting or matters related to the Company's business may submit those questions in advance to the Company or via e-mail: [shares@vichaivej.com](mailto:shares@vichaivej.com)

Yours faithfully,



(Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS)

Chairman

Srivichai Vejvivat Public Company Limited