

# Vichaivej International Hospital Group

Srivichai Vejvivat Public Company Limited Registration No.0107554000062

VIH 014/2018

March 10, 2018

- Subject:** Invitation to attend the Annual General Meeting of Shareholders for the year 2018
- To:** Shareholders of the Srivichai Vejvivat Public Company Limited
- Attachment:**
1. Copy of the minutes of the 2017 Annual General Meeting of shareholders on April 29, 2017;
  2. 2017 Annual Report (in form of CD);
  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 2018 Annual General Shareholders' Meeting
  9. Proxy Form A, B and C
  10. Map of the Meeting Venue
  11. Registration Form **(Required for the Meeting)**

The resolutions of the Board of Directors' Meeting No. 2/2018 on Friday 23 February 2017 had recently resolved to hold the AGM for the Year 2018 on **Saturday 21 April 2018 at 09.00 a.m.** at Khwanmung Meeting Room, Building 1, Floor 7, Vichaivej International Hospital Omnoi, 74/5 Moo 4 Phetkasem Road, Omnoi Subdistrict, Krathumbaen District, Samutsakhon. The agenda of Annual General Meeting for the year 2017 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 2017;**

**Purpose and Reason:** The Minutes of the 2017 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 2017 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 2017;**

**Purpose and Reason:** The summary of VIH's performance during the year of 2017 is shown in the Annual Report for the year 2017, which is provided here in Attachment No. 2.

## Vichaivej International Hospital Group

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**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 2017.

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

**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 2017;**

**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 2017 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	2017	2016
Total Assets	1,814.94	1,754.88
Total Liabilities	751.70	748.68
Total Shareholders' Equity	1,063.24	1,006.20
Total paid-up Capital	570.67	570.67
Sales and Service Income	1,962.08	1,718.60
Net Income	125.68	153.46
Earnings per Share (Baht / Share)	0.22	0.27

**Board of Directors' opinion:** 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 for the year 2017;**

**Purpose and Reason:** In 2017, the consolidated financial statements showed the profit for the year (net profit) amounting to 105,111,855.80 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 2017, the consolidated statements of net profit 105,111,855.80 Baht, and allocated legal reserve 5 percent of the amount allocated to the legal reserve 5,255,592.79 baht.

**Board of Directors' opinion:** Approved the appropriation of the net profit as legal reserve and the dividend payment for the year 2018 by approving to make the dividend payment from the Company's operating results during the year 2017 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 2017 of Baht 68,479,851.96 of the net profit and determine the dividend payment date to be on 18 May 2018. And appropriate the net profit as legal reserve in the amount of Baht 5,255,592.79. 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 16, 2018.

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

Dividend payments details	Unit			
1. Net profits	Million Baht	105.11	92.35	84.34
2. Number of shares	Million shares	570.67	570.67	570.67
3. Dividend payment	Baht per share	0.12	0.11	0.10
4. Total dividend payments	Million Baht	68.48	62.77	57.07
5. Payout ratio	percent	65.15	67.97	67.66

**Above dividend payment rate duly complies with the dividend payment policy laid down by the company, and poses no adverse effect on it 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. Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS,	Chairman of the Board of Directors (Authorized Signatory)
2. Pongsak Vathana, M.D.	Director / Vice Chief Executive Officer
3. Mr. Virah Mavichak*	Independent directors / Chairman of the Nomination and Remuneration Committee
4. Mr. Visut Montriwat*	Independent directors / Audit Committee / Nomination and Remuneration Committee / Chairman of the Corporate Governance Committee

\* Mr. Virah Mavichak and Mr. Visut Montriwat, independent directors, both 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 2018 in advance, during the period of October 24 until

December 29, 2017. 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 Assoc. Prof. Vichai Vanadurongwan, M.D., Ph.D., FIMS, Pongsak Vathana, M.D., Mr. Virah Mavichak, and Mr. Visut Montriwat.

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 2018;**

**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 2018 should be starting from 1 January 2018 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 2018, 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	2018	2017	2016
Budget / baht	7,000,000	7,000,000	7,000,000
<b>1. Board of Director</b>			
Chairman	12,000	12,000	12,000
Vice-Chairman	10,000	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
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	-

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 2018 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 2017. 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 2018**

**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 2018 from EY Office Limited according to name list of auditors as follows:

1. Ms.Vissuta Jariyathanakorn, Certified Public Accountant No. 3853 and/or
2. Mr. Krisada Lertvana, Certified Public Accountant No. 4958 and/or
3. Ms. Manee Rattanabunnakit, Certified Public Accountant No. 5313

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 2018 as compared to 2017

Detail	Audit fees (Baht)		
	2018	2017	2016
<b>1. Audit fee</b>			
1. Srivichai Vejvivat Public Company Limited	1,470,000.00	1,405,000.00	1,365,000.00
2. Saivichai Development Company Limited	570,000.00	545,000.00	505,000.00
3. Srisakorn Vejvivat Company Limited	570,000.00	545,000.00	505,000.00
4. Bangkok Orthopedic Hospital Company Limited	570,000.00	545,000.00	360,000.00
5. Srivichai Vocation School Company Limited	120,000.00	120,000.00	120,000.00
Goodwill	100,000.00	100,000.00	-
<b>Total fees to auditors</b>	<b>3,400,000.00</b>	<b>3,260,000.00</b>	<b>2,855,000.00</b>
<b>2. Non-audit fee</b>	Actual cost	108,189.00	326,351.00

**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 2018. In this regard, one of such person shall audit and give an opinion to the financial statements of the Company and subsidiaries. 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 and subsidiaries for the year 2018 to be 3,400,000 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 and approve the amendment of the Company's Articles of Association, Article 31 to align it with the amendment of the Public Limited Company Act B.E. 2535 section 100 (on Amendment of Laws to Facilitate the Ease of Doing Business dated 4 April 2017)**

**Purpose and Reason:** To comply with the order of the Head of National Peace Corps No. 21/2560 Re: Amendments to the Laws to Facilitate Business Operations, dated April 4, 2560, which amended the Public Limited Company Act, BE 2535, Section 100 The meeting was organized by the shareholders who called the meeting.

**Board of Directors' opinion:** The Board recommends the Meeting to consider and approved the amendment of the Company's Articles of Association, Article 31 to align it with the amendment of the Public Limited Company Act B.E. 2535 section 100 (on Amendment of Laws to Facilitate the Ease of Doing Business dated 4 April 2017) with details as follows:

**Current:**

Article 31. Shareholders not less than one-fifth (1/5) of the whole issued stocks, or Shareholders not less than twenty-five (25) people, which hold total amount of stocks not less than one-tenth (1/10) of the whole issued stocks, all sign in request the Board to call Special Meeting at any time, but must specify the reason to call a meeting in request paper. In this case the Board will call for meeting within one (1) month as from the receiving date of shareholders' request.

**Amendment:**

Article 31. One or more shareholders holding the aggregate number of shares of not less than ten percent (1/10) of the total number of shares sold may, by subscribing their names, request the board of directors in writing to call an extraordinary meeting at any time, but the reasons for calling such meeting shall be clearly stated in such request. In this regard, the board of directors shall proceed to call a meeting of shareholders to be held within forty-five (45) days as from the date the request in writing from the shareholders is received.

In case the board of directors fails to arrange for the meeting within such period under paragraph one, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five (45) days as from the date of expiration of the period under paragraph one. In such case, the meeting is deemed to be shareholders' meeting called by the board of directors and the Company shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and the Company shall reasonably provide facilitation.

In the case where, at the meeting called by the shareholders under paragraph two, the number of the shareholders presented does not constitute quorum as prescribed by Article 34, the shareholders under paragraph two shall jointly compensate the Company for the expenses incurred in arrangements for holding that meeting.

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

**Agenda 10: To consider other matters (if any).**

You are cordially invited to attend this meeting at the date, time and venue stated above. 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 21, 2018 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 12, 2018 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