

(-Translations-)



No.DO 008/2563

March 23, 2020

Subject: Invitation to the 2020 Annual General Meeting of Shareholders

To: Shareholders of M.K. Real Estate Development Public Company Limited

- Enclosures:
1. A copy of the minutes of the Company's 2019 Annual General Meeting of Shareholders.
 2. The 2019 annual report and the 2019 financial statements, comprising balance sheets, and profit and loss statements for the year ended December 31, 2019 (in CD-ROM format).
 3. A list of persons nominated for director election and their profiles.
 4. Definitions of independent directors and scope of responsibilities of the Company's board of directors and sub committees.
 5. Details about the auditors for the year 2020 and a comparison of audit fees.
 6. Instructions on registration, proxy, documents and evidence that meeting attendees need to present on the meeting date, a list of proxy independent directors and their details
 7. The company's articles of association, only those related to the meeting of shareholders (the full version is available on www.mk.co.th)
 8. Proxy Form B (Recommended)
 9. A map of meeting venue
 10. A request form for the 2019 annual report
 11. A registration form with a barcode (to be presented on the meeting date)

The Board of directors of M.K. Real Estate Development Public Company Limited resolved that the Company's 2020 Annual General Meeting of Shareholders shall be held on Wednesday, April 29, 2020 at 2.00 pm at the Head Office, Surawong 1 meeting room, 8th Floor, 345 Surawong Building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet Bang Rak, Bangkok to consider matters as per the following agenda items:

Agenda item 1 **To certify the minutes of the Company's 2019 Annual General Meeting of Shareholders.**

Facts and rationale The Company's 2019 Annual General Meeting of Shareholders was held on April 25, 2019. A copy of the minutes of the meeting was submitted to the Stock Exchange of Thailand in 14 days, following the notification's requirement and published on the Company's website: www.mk.co.th. Details are as per Enclosure 1.

| | |
|----------------------------|---|
| <u>Board's opinion</u> | The minutes of the Company's 2019 Annual General Meeting of Shareholders held on April 25, 2019 should be proposed for the meeting of shareholders' certification. The Board's opinion was that the minutes were correctly recorded. |
| <u>Resolution</u> | The minutes of the Company's 2019 Annual General Meeting of Shareholders requires the meeting of shareholders' certification by a majority of the votes cast by the shareholders attending the meeting and casting their votes. |
| Agenda item 2 | To certify the Company's board of directors' performance in the past year and the 2019 annual report |
| <u>Facts and rationale</u> | The Company summarized its board of directors' performance and major changes in the past year as presented in the 2019 annual report. Details are as per Enclosure 2. |
| <u>Board's opinion</u> | The meeting of shareholders is recommended to acknowledge and certify the Company's board of directors' performance in the past year and the 2019 annual report. |
| <u>Resolution</u> | The Company's board of directors' performance in the past year and the 2019 annual report requires the meeting of shareholders' certification by a majority of the votes cast by the shareholders attending the meeting and casting their votes. |
| <u>Remark</u> | Should a shareholder wish to receive a copy of the 2019 annual report, they can do so by filling out the form as per Enclosure 10 and sending it to the Office of the Board of Directors, 7 th Floor, 345 Surawong Building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet BangRak, Bangkok 10500, Tel. 02 2348888 or Fax no. 02 2348880. |
| Agenda item 3 | To approve the Company's annual financial statements and profit and loss statements for the year ended December 31, 2019. |
| <u>Facts and rationale</u> | The Company prepared its financial statements and profit and loss statements for the year ended December 31, 2019, which have been audited and certified by the Company's auditor and reviewed by the audit committee as correct as presented in the 2019 annual report. Details are as per Enclosure 2, sent to the shareholders together with this invitation letter. |

Highlights are as follows:

| Item | 2018 | 2019 |
|----------------------------------|---------------------|---------------------|
| • Total assets | 15,726,766.030 Baht | 16,706,851,840 Baht |
| • Total liabilities | 9,080,745,444 Baht | 9,911,927,308 Baht |
| • Total revenues | 4,713,137,940 Baht | 4,602,685,630 Baht |
| • Profit : Owners of the Company | 305,924,724 Baht | 177,446,766 Baht |
| • Earnings per share | 0.28 Baht | 0.16 Baht |

Remark : For the year ended 2018 earnings per share before the distribution of stock dividends to the shareholders equal to 0.31 Baht.

Board's opinion

The meeting of shareholders is recommended to approve the Company's annual financial statements and profit and loss statements for the year ended December 31, 2019, which have been audited and certified by the Company's auditor and reviewed by the audit committee.

Resolution

The Company's annual financial statements and profit and loss statements for the year ended December 31, 2019 requires the meeting of shareholders' approval by a majority of the votes cast by the shareholders attending the meeting and casting their votes.

Agenda item 4

To approve dividend payment.

Facts and rationale

According to Section 116 of the Public Limited Companies Act B.E. 2535 and Article 37 of the Company's Article of Association, the Company shall have to allocate not less than 5 percent of the annual net profits as reserved funds, less the accumulated losses brought forward (if any), until the reserved fund reaches the amount not less than 10 percent of the registered capital. Since the Company had allocated net profit as a legal reserve fully by 10% of the registered capital as required by law, the board of directors deemed it appropriate not to allocate profit as an addition to the capital reserve.

The Company has a dividend payment policy at a minimum rate of 30% of its annual net profit to the shareholders. As the company's net profit from the 2019 operating results, the Board of Directors has considered and recommended that the Company should pay dividend for the Company's 2019 operating results from the retained earnings to the shareholders at a rate of 0.11 Baht per share, totaling 120,032,557.26 Baht, in line with the company's dividend payment policy.

Due to the Company's dividend payment is from retained earnings which are subject to different rates of corporate income tax which are 30% and 25%, respectively. As a result, an individual shareholder may apply for tax credit as follows:

- 1) As Baht 0.09 of the dividend per share was subject to the corporate income tax of 30%, an individual shareholder may apply for tax credit at the rate 30/70 of the dividend amount.
- 2) As Baht 0.02 of the dividend per share was subject to the corporate income tax of 25%, an individual shareholder may apply for tax credit at the rate 25/75 of the dividend amount.

A comparison of dividend payments is as follows:

| Detail of dividend payments | 2018 | 2019 |
|---|-----------------|----------------|
| 1. Profit – Owners of the Company (Baht) (based on consolidated financial statement) | 305,924,724 | 177,446,766 |
| 2. Profit – Owners of the Company (Baht) (based on separate financial statement) | 302,172,711 | 372,773,547 |
| 3. Number of shares (shares) | 992,010,177 | 1,091,205,066 |
| 4. Par Value (Baht : Share) | 1.00 | 1.00 |
| 5. Dividend paid per share | | |
| 5.1 Stock Dividend (Baht :Share) | 0.100000 | - |
| 5.2 Cash Dividend (Baht :Share) | <u>0.011112</u> | <u>0.11</u> |
| 5.3 Total Dividend (Baht :Share) | <u>0.111112</u> | <u>0.11</u> |
| 6. Total dividend payment (Baht) | 110,224,235.09 | 120,032,557.26 |
| 7. Dividend payment ratio (%) | 36.48 | 32.20 |

Board's opinion

The meeting of shareholders is recommended to approve dividend payment for the Company's 2019 operating results from the retained earnings to the shareholders at a rate of 0.11 Baht per share, totaling 120,032,557.26 Baht.

Due to the Company's dividend payment is from retained earnings which are subject to different rates of corporate income tax which are 30% and 25%, respectively. As a result, an individual shareholder may apply for tax credit as follows:

- 1) As Baht 0.09 of the dividend per share was subject to the corporate income tax of 30%, an individual shareholder may apply for tax credit at the rate 30/70 of the dividend amount.
- 2) As Baht 0.02 of the dividend per share was subject to the corporate income tax of 25%, an individual shareholder may apply for tax credit at the rate 25/75 of the dividend amount.

The name list of shareholders who are entitled the right to receive the dividend would be specified on May 13, 2020 (Record date). The dividend payment is scheduled within May 25, 2020.

However, the Company's dividend payment date remains uncertain, as it needs the meeting of shareholders' approval.

Resolution

The dividend payment needs the meeting of shareholders' approval by a majority of the votes cast by the shareholders attending the meeting and casting their votes.

Agenda item 5

To elect directors in replacement of those vacating office as their terms are due.

Facts and rationale

According to Article 14 of the company's articles of association and the Public Limited Company Act, one third of the directors shall vacate office every year. Such directors shall be those having been in office for the longest time. However, they are entitled to be re-elected as directors. In 2020, there are 4 directors to vacate office as their terms are due as follows:

- | | |
|---------------------------------|---|
| 1. Miss Dusadee Tancharoen | Managing Director, Executive Director, Risk Management Committee and Management Committee |
| 2. Mrs. Sutida Suriyodorn | Director, Executive Director, Risk Management Director and Management Committee |
| 3. Miss Rachanee Mahatdetkul | Director, Executive Director, Risk Management Director and Management Committee |
| 4. Mr.Chaiyapont Timsootheepant | Independent Director, Audit Committee, Nomination and Remuneration Committee and Corporate Governance Committee |

The Company gave an opportunity to the shareholders to propose agenda items for the Company's 2020 Annual General Meeting of Shareholders and nominate persons for the Company's director election in advance, in accordance with the requirements

and procedures the Company specified and published on its website. It turned out that no shareholders proposed any agenda item or nominated any person for the Company's director election.

The Nomination and Remuneration Committee (Mr. Chaiyapont Timsootheepant who joined in the Nomination and Remuneration Committee and was director who would be retiring by rotation, thus considered as the interested director in this agenda was abstain), has considered the appropriate qualifications including work experience, professional skills and previous directorship and deems that the proposed directors have proper qualifications for being directors of the Company. The Board of Nomination and Remuneration Committee deems it appropriate to propose to the Board of Directors and to the shareholders' meeting to be re-elected of those 4 directors who would be retiring from office by rotation, as directors of the Company for another term.

In this regard, Mr. Chaiyapont Timsootheepant is an independent director whose qualifications meet the Company's definitions of independent director. While on duty as the Company's independent director, he expressed opinions independently with benefits of the company and the shareholders as a priority.

Board's opinion

The Board of Directors, excluding directors holding a stake, proposed that the meeting of shareholders should consider as follows:

- (1) Elect 1) Miss Dusadee Tancharoen 2) Mrs. Sutida Suriyodorn and 3) Miss Rachanee Mahatdetkul, who are directors to vacate office as their terms are due, as the company's directors for another term.
- (2) Elect Mr. Chaiyapont Timsootheepant, who is a director to vacate office as his term is due, as the company's director and independent director for another term.

Profiles of the nominated persons, type of directorship proposed for appointment, information about their holding of the company's ordinary shares, information about their directorship or executive positions in listed companies or other companies, information about the relationships of the nominated persons, the definitions of independent director, and scope of responsibilities of the Company's Board of Directors and sub committees are as per Enclosures 3 and 4.

Resolution The number of directors and the appointment of new directors in replacement of those vacating office as their terms are due requires the meeting of shareholders' approval by a majority of the votes cast by the shareholders attending the meeting and casting their votes.

Agenda item 6 To approve payments of remuneration and special remuneration for directors.

Facts and rationale The Nomination and Remuneration committee and the Board of Directors have considered appropriate remuneration for the Board of Directors and the members of the following sub committees: 1) The Audit committee, 2) The Remuneration and Nomination committee, and 3) The Corporate Governance Committee following the practice of listed companies in real estate business at the same level and factoring in the appropriateness of the scope of responsibilities of the Board of Directors and the sub committees. They therefore proposed that the meeting of shareholders should consider and approve payments of remuneration for directors for the year 2020 and special remuneration for directors for the year 2019. Details are as follows:

- (1) Remuneration for the year 2020 for the Board of Directors and the members of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee only for those attending at the meetings should be paid as meeting allowance at the following rates:
 - 1.1 Chairman of each committee 25,000 Baht/meeting
 - 1.2 Each director/committee member 15,000 Baht/meeting
- (2) Special remuneration for 10 directors for the year 2019 at a rate of 235,000 Baht/director (as the same rate as year 2018), totaling 2,188,400 Baht, calculated by the period of directorship of each director in the year 2019.

Board's opinion The meeting of shareholders is recommended to approve the payments of remuneration for directors and committee members for the year 2020 and special remuneration for directors for the year 2019 as follows:

- (1) Remuneration for directors and committee members for the year 2020 at the same rate as in 2019.
- (2) Special remuneration for 10 directors for the year 2019 at a rate of 235,000 Baht/director, totaling 2,188,400 Baht, calculated by the period of directorship of each director in the year 2019.

Resolution The payments of remuneration and special remuneration for directors requires the meeting of shareholders' approval by the votes of no less than two-thirds of the total votes cast by the shareholders attending the Meeting

Agenda item 7 To appoint auditors and specify remuneration for the year 2020.

Facts and rationale According to the Public Limited Companies Act B.E. 2535 and Article 31 of the Company's Article of Association, the Company's general meeting of shareholders shall have to appoint the auditor and specify the audit expense.

The Board of directors, through the audit committee's screening, recommended that the General Meeting of Shareholders should consider and appoint Miss Vipavan Pattavanvivek, CPA (Thailand) no.4795 and/or Miss Nawarat Nitikeatipong, CPA (Thailand) no. 7789 and/or Miss Marisa Tharathornbunpakul, CPA (Thailand) no. 5752 and/or Miss Vilaivan Pholprasertfrom, CPA (Thailand) no.8420 from KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2020, with remuneration for the Company's auditors by no more than 1,550,000 Baht.

The auditors as per the proposed list have qualifications as required by the Securities and Exchange Commission, Thailand. They do not have a relationship or stake with the company/subsidiaries/ executives/major shareholders or related parties of such parties.

Board's opinion The meeting of shareholders is recommended to appoint Miss Vipavan Pattavanvivek, CPA (Thailand) no.4795 and/or Miss Nawarat Nitikeatipong, CPA (Thailand) no. 7789 and/or Miss Marisa Tharathornbunpakul, CPA (Thailand) no. 5752 and/or Miss Vilaivan Pholprasertfrom, CPA (Thailand) no.8420 from KPMG Phoomchai Audit Ltd. as the company's auditors for the year 2020, with remuneration for the Company's auditors by no more than 1,550,000 Baht. Details about the auditors for the year 2020 and comparison of audit fees are as per Enclosure 5.

Resolution The appointment of auditors and remuneration requires the meeting of shareholders' approval by a majority of the votes cast by the shareholders attending the meeting and casting their votes.

Agenda item 8

To approve the amendment of the Company's Objectives and the amendment of Clause 3 of the Memorandum of Association as to reflect the amendment of the Company's Objectives.

Facts and rationale

In order to be line with existing Company's businesses and the new businesses of Health and Wellness. The Board of Directors has proposed to the meeting of shareholders to approve the amendment of the Company's Objectives by inserting new 2 clauses of objectives, from the existing 30 clauses to 32 clauses of objectives. Details are as follows:

“ (31) To conduct business in relation to private hospital, nursing home, health clinic, physical therapy clinic, midwife and nursing clinic, traditional Thai medicine clinic, traditional Chinese medicine clinic, medical clinic, wellness, healthcare and rehabilitation, centre for patients and elderly persons. To engage with medical treatment for patients and injured persons, taking care of the elderly and convalescent patients after hospitals or nursing home, planning and caring on physical therapy, food and nutrition, research conducting, coaching and training including caring, treating and consulting on medical science, health and sanitation care, medical assistance and patient transfer.”

“ (32) To conduct business in relation to health and beauty , plastic surgery, anti-aging medicine, body and health rehabilitation, health and physical therapy. To manage and provide consultation services related to these mentioned businesses.”

And to approve that the amendment of Clause 3 of the Company's Memorandum of Association to be shown as follows to be in line with the addition of Company's Objective.

“ Clause 3 The Company has 32 objectives as detailed in Bor Mor Jor 002 enclosed hereto”

In this regard, the persons assigned by the Board of Directors to carry out the registration of the proposed amendments to the Memorandum of Association at the Department of Business Development, Ministry of Commerce, shall be authorized to revise and add wording as ordered by the Registrar.

Board's opinion

The meeting of shareholders is recommended to approve the amendment of Clause 3 of the Company's Memorandum of Association, as to reflect the amendment of the Company's Objectives and authorize the persons assigned by the Board of Directors to carry out the registration of the proposed amendments to the Memorandum of Association at the Department of Business Development, Ministry of Commerce. In order to revise and add wording as ordered by the Registrar.

Resolution

The amendment of Clause 3 of the Memorandum of Association as to reflect the amendment of the Company's Objectives requires the meeting of shareholders' approval by the votes of no less than three-quarters of the total votes cast by the shareholders attending the Meeting and eligible to vote.

Agenda item 9

To consider other matters (if any)

The shareholders are therefore invited to attend the meeting as per the date, time, and venue mentioned above. Registration will start at 12.00 pm. For convenience, should you wish to appoint a proxy to attend the meeting and vote on behalf of you at this meeting, please fill out details and sign the Proxy Form B as per Enclosure 8. In case of custodian proxy, please use the Proxy Form C, which is available for downloading at the Company's website: www.mk.co.th and should you wish to assign the proxy to the Company's independent directors as per the list in Enclosure 6. To facilitate the registration process, shareholders or proxies to attend the meeting are required to bring the registration form with a barcode as per Enclosure 11 to the meeting. The Company reserves the right to reject registration in case of incomplete or incorrect documents or non-compliance with the conditions.

For your convenience, the proxy form is affixed with duty stamp for the proxies to register to attend this meeting of the shareholders, and vote ballots will be given to meeting attendees at the registration point. The Company shall conduct the meeting in accordance with the Company's Articles of Association. Details are as per Enclosure 7. For your maximum benefit from the meeting and to fully protect your rights and benefits, should you have any inquiry or wish the company to explain issues pertaining to the proposed meeting agenda, you can send your inquiry in advance of the meeting to the e-mail address: system@mk.co.th or Fax no. 02 2348880. **The Company will provide snacks and beverages for shareholders and proxy holders who attend the meeting, but will not distribute any souvenir at this meeting.**

The Board of Directors resolved to specify the name list of shareholders, who are entitled the right to attend the 2020 Annual General Meeting of Shareholders on March 31, 2020 (Record date).

Sincerely yours,

(Mr. Vorasit Pokachaiyapat)

Chief Executive Officer