



บริษัท จรัญประกันภัย จำกัด (มหาชน) CHARAN INSURANCE PUBLIC COMPANY, LIMITED

ทะเบียนเลขที่ บมจ. 0107537000807 REGISTRATION NUMBER 0107537000807

408/1 ถนนรัชดาภิเษก แขวงสามเสนนอก เขตห้วยขวาง กรุงเทพฯ 10310 • 408/1 RACHADAPHISEK ROAD, HUAYKWANG BANGKOK 10310

โทรศัพท์. 0-2276-1024 โทรสาร. 0-2275-4919

順興利保險
(大衆)有限公司

- Translation -

Ref. Jor Por 002/2562

March 20 ,2019

Subject: Notice of 2019 Annual Ordinary General Meeting of Shareholders

To: Shareholders of the Charan Insurance Public Company Limited

- Attachments:
1. Minutes of the 25th Annual General Meeting of Shareholders
 2. Annual Report for 2018 in QR code and URL form
 3. Details of Nominated Directors for the election
 4. The Definition of Company's Independent Director
 5. The Company's Articles of Association relating to the General Meeting
 6. Shareholder/proxy identification requirements for meeting attendance
 7. Details of the Directors proposed by the Company to act as proxy for shareholders
 8. Proxy forms
 9. Map of the meeting venue

The Board of Directors passed a resolution to convene the 2019 Annual General Meeting of Shareholders No. Bor Mor Jor 26 on **Wednesday 24 April 2019 at 1500 hours at Chaophya Park Hotel, 2nd Floor, Rachada 2 Room, Hotel Building, Rachadapisek Road, Samsen-Nok, Huaykwang, Bangkok 10310** to consider the following agenda items.

Agenda Item 1: To consider and certify the Minutes of the 24th Annual Ordinary General Meeting of Shareholders

Facts and rationale: The Annual General Meeting of Shareholders No. Bor Mor Jor 25 of the Company was held on 26 April 2018, and the minutes of the meeting are set out in Attachment 1.

Board's opinion: The Board agrees that the Annual General Meeting No. Bor Mor Jor 25 held on 26 April 2018 has been accurately recorded and recommends that the meeting of shareholders adopt the aforesaid minutes.

Agenda Item 2: To acknowledge the Board of Directors' report on the Company's Operation for the year 2018

Facts and rationale: The performance of the Company in respect of 2018, as provided in detail in QR code and web formats, is summarized below.

	2018	2017	Change (%)
Gross premiums written	188,682,947	198,869,488	(5.12)
Earned premiums	156,781,639	150,939,876	3.87
Underwriting income	168,427,473	163,287,627	3.15
<u>Less:</u> Underwriting expense	190,441,552	179,688,320	
Underwriting loss	(22,014,079)	(16,400,693)	34.23
Investment and other income	27,703,996	30,971,850	(10.55)
Net profit	6,199,547	13,292,117	(53.36)
Earnings per share (baht)	0.52	1.11	(53.15)

The 53.36% decrease in net profit was chiefly due to a rise of 17.29 million baht or 37.15% in claims and loss adjustment expenses.

Board's opinion: The Board recommends that the annual performance report of the Company for 2018 is acknowledged by the meeting of shareholders.

Agenda Item 3: To consider and approve the Balance Sheet and Statement of Comprehensive Income for the year ended December 31, 2018 as approved by Certified Public Accountant

Facts and rationale: Pursuant to Section 112 of the Public Limited Companies Act, B.E. 2535 (1992) and Article 28 of the Company's Articles of Association, the Board has ensured that the Balance Sheet and the Comprehensive Profit and Loss Statement as at the end of the accounting year have been duly prepared and that they have been reviewed by the Audit Committee and audited by the certified auditors before being presented for approval by the meeting of shareholders. These statements show the financial position and results of the Company for 2018 which can be summarized as follows.

Item	2018	2017	% Change
Assets	799,505,524	807,480,199	(0.99)
Liabilities	222,998,494	205,428,965	8.55
Shareholders' equity	576,507,029	602,051,233	(4.24)
Income			
- Underwriting income	168,427,473	163,287,627	3.15
- Net investment income	20,194,324	20,769,465	(2.77)
- Other income	7,509,672	10,202,384	(26.39)
Total income	196,131,469	194,259,478	0.96
Expenditure			
- Underwriting expense	147,144,278	133,241,271	10.43
- Operating expense	43,297,273	46,447,049	(6.78)
Total expenditure	190,441,552	179,688,320	5.98
Pre-tax profit	5,689,918	14,571,157	(60.95)
- Income tax income (expense)	509,628	(1,279,040)	
Net profit	6,199,547	13,292,117	(53.36)
Earnings per share (baht)	0.52	1.11	(53.15)

Board's opinion: It is proposed that the meeting of shareholders considers and approves the Balance Sheet and the Comprehensive Profit and Loss Statement for the year ended 31 December 2018 which have been reviewed by the Audit Committee and audited by the auditors of DIA International Auditing Company Limited.

Agenda Item 4: To consider and approve the Allocation Net Profit and Dividend Payment for the year 2018

Facts and rationale: It is the policy of the Company to distribute not less than 60% of its annual net profit to shareholders as dividends, depending on economic conditions and its future business projects. At its meeting no. 1/2562 (2019), the Board of Directors therefore resolved to propose that the Annual General Meeting No. Bor Mor Jor 26 approves the payment to shareholders of a dividend, in respect of 2018 results, of 0.50 baht per share to a total of 12 million shares, making a dividend payout of six million baht. The dividend payment is scheduled to be made on Friday 24 May 2019.

Board's opinion: The Annual General Meeting is recommended to approve the payment to the Company's shareholders of a dividend, in respect of 2018 results, of 0.50 baht to a total of 12 million shares, amounting to six million baht. The dividend payment, which is scheduled for Friday 24 May 2019, is subject to shareholder approval at the General Meeting. A comparison of the dividends paid over the past years is given below.

Comparison of dividend payment in respect of 2014–2018 results

Details of dividend payment	2018 (proposed to be paid)	2017 (paid)	2016 (paid)	2015 (paid)	2014 (paid)
1. Net profit per share	0.52	1.11	2.12	3.00	1.80
2. Number of shares	12,000,000	12,000,000	12,000,000	12,000,000	6,000,000
3. Dividend per share	0.50	1.00	1.50	2.00	12.50 *
4. Dividend payout	6,000,000	12,000,000	18,000,000	24,000,000	75,000,000
5. Payout ratio (%)	96.15	90.09	70.75	66.67	694.44

Note: * The Annual General Meeting of Shareholders No. Bor Mor Jor 22 approved that the Company's registered capital be increased from 60 million baht to 120 million baht through an issue of new ordinary shares as scrip dividend at the rate of one new share for every existing share held.

Agenda Item 5: To consider and approve the Directors' Remuneration for the year 2019

Facts and rationale: The current remuneration of Directors is not determined by a remuneration committee, as such committee has not yet been appointed. However, the meeting of the Board has carefully considered the remuneration of Directors, taking account of comparability to peers' practices as well as the Company's business expansion and financial results and deems it appropriate to recommend the proposed rates of Directors' remuneration.

Board's opinion: The Board has, after proper consideration, agreed to propose that the meeting of shareholders approve the remuneration for 2019, as detailed against 2018 rates below.

Component of remuneration	2019	2018
<u>Board of Directors</u>		
Meeting allowance		
- Chairman of the Board	20,000 baht / meeting	20,000 baht / meeting
- Member of the Board	15,000 baht / member / meeting	15,000 baht / member / meeting
Directors' fees	300,000 baht, which is computed from the rate of 5% of the dividend payout; the fee payable to the Chairman shall be 50% higher than the rate payable to each member of the Board.	600,000 baht, which was computed from the rate of 5% of the dividend payout; the Chairman was paid 50% higher than the rate for each member of the Board.
<u>Audit Committee</u>		
Meeting allowance		
- Chairman of the Committee	20,000 baht / meeting	20,000 baht / meeting
- Member of the Committee	15,000 baht / member / meeting	15,000 baht / member / meeting
Directors' remuneration is not applicable to the Executive Board, the Investment Committee and the Risk Management Committee.		

Board's opinion: The Audit Committee has considered and selected the four auditors on the basis of their performance, independence and remuneration. It is therefore recommended that the meeting of shareholders approve the appointment of the auditors of DIA International Auditing Company Limited, namely: Mrs. Suvimol Krittayakiern, CPA Registration No. 2982; and/or Miss Somjintana Pholhirunrat, CPA Registration No. 5599; and/or Mr. Chumpot Prairattanakorn, CPA Registration No. 7645; and/or Miss Supaporn Mangjit, CPA Registration No. 8125, as auditors to the Company for 2019. It is also proposed to approve the auditors' remuneration at 1,500,000 baht.

Agenda Item 8: To consider and other matters (if any)

You are hereby invited to attend the Meeting on the date and at the time and venue stated above. If you are unable to attend in person, please appoint a proxy to attend and vote at the Meeting on your behalf by completing and signing Proxy Form A, Proxy Form B or Proxy Form C accompanying this notice (**Attachment 8**).

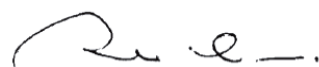
Should you wish to appoint a Director or Independent Director of the Company as your proxy, please note that this year the Directors designated to serve as proxy for shareholders are:

1. Mr. Sompol Chaichow Chairman of the Audit Committee
2. Mr. Sukich Charanvas Managing Director

Kindly return your proxy form to the Company before the date of the Meeting or before your proxy attends the Meeting. The Company has set the record date of Wednesday, 20 March 2019 to determine the shareholders entitled to attend the 2019 Annual General Meeting and to receive dividend.



Mr. Pon Titipanichayangoon
Executive Director



Mr. Sukich Charanvas
Secretary to the Board of Directors