



## Minutes of the 2020 Annual General Meeting of Shareholders

### LH Financial Group Public Company Limited

At Sathon Meeting Room, 20<sup>th</sup> floor, Q. House Sathon Building

No. 11 South Sathon Road, Thungmahamek Sub-District, Sathon District, Bangkok

Monday, 15 June 2020

The meeting commenced at 1.30 p.m.

#### The company directors attended the meeting

1.	Mr. Rutt	Phanijphand	Chairman
2.	Mr. Adul	Vinaiphat	Independent Director
3.	Mr. Pradit	Sawattananond	Independent Director
4.	Dr. Supriya	Kuandachakupt	Independent Director
5.	Mr. Somsak	Assavapokee	Independent Director
6.	Mr. Naporn	Sunthornchitcharoen	Director
7.	Mr. Wu,	Kuo-Chin	Director
8.	Mr. Khunawut	Thumpomkul	Director
9.	Mrs. Sasitorn	Phongsathorn	Director
			Chief Executive Officer and President

#### Absentees

1.	Mr. Li,	Ming-Shieh	Director
2.	Mr. Shih,	Jiing-Fuh	Director

These 2 directors could not attend the meeting due to the outbreak of coronavirus 19 in Thailand and Taiwan.

Mr. Rutt Phanijphand, chairman, presided over the meeting and informed the meeting that 87 shareholders were present in person and proxy, representing 15,327,619,202 shares, accounting for 72.3559 percent which was not less than one - thirds (1/3) of total issued shares. This constituted a quorum under the company's Articles of Association. Thus, the chairman declared the 2020 Annual General Meeting of Shareholders open.

The chairman introduced 9 directors who attended this meeting, accounting for 81.82 percent and assigned Mr. Vichian Amornpoonchai, the company secretary and the meeting secretary, to conduct the meeting.

The company secretary explained the details of the meeting as follows:

The company introduced the electronic registration system and the vote counting system, provided by Inventech Systems (Thailand) Co. Ltd., to facilitate the shareholders in the meeting.

The company gave the opportunity to the minority shareholders to propose important matters beneficial for the company's operation via the company's website and disseminated information via the Stock Exchange of Thailand's channels to consider putting into the agenda of the 2020 Annual General Meeting of Shareholders during 1 October 2019 to 31 December 2019. The proposal concerned the following issues:

1. To propose the agenda for the Annual General Meeting of Shareholders
2. To nominate the qualified candidates as directors
3. To propose questions in advance

After the expiration of the given period, no shareholders proposed any matter to be considered putting into the agenda of the meeting.

Methods of voting, vote counting and voting

1. Each shareholder is entitled to have one vote per share.
2. In case the shareholder has appointed a proxy to attend the meeting and vote on his/her behalf, the results of approved votes, disapproved votes or abstained votes are recorded in a computer system for vote of each agenda.

3. Before casting a vote, the company secretary informed the meeting regarding the votes to be counted as the meeting resolution in each agenda and if the shareholders "disapprove" or "abstain" from voting, they shall raise their hands so that the staff can collect ballots. In the event that no shareholders "disapprove" or "abstain" to any agenda, it shall be deemed that shareholders approve the matter as proposed.

4. In case shareholders register while the meeting has been being conducted, they are not counted for a quorum of the agenda that the vote has been concluded.

5. The “approved” ballots, which have not been collected during the meeting are requested to submit after the meeting.

The company has disseminated the meeting invitation letter in both Thai and English through the company’s website as well as notified the Stock Exchange of Thailand since May 15, 2020.

The auditors from EY Office Limited and the legal consultant attended the meeting as the observers including:

Auditors from EY Office Limited:

- Ms. Rachada Yongsawadvanich
- Ms. Bongkot Kriangphanamorn

Legal consultant:

- Mr. Jumpon Suwannawong

Checker of the vote counting:

- Mrs. Umakorn Sangsomang

In addition, the top executives from the financial business group also attended the meeting as follows:

Land and Houses Bank Public Company Limited

- Ms. Chompoonoot Pathomporn President
  - Mr. Thanee Phalawong Senior Executive Vice President
- Information and Technology Group

Land and Houses Fund Management Company Limited

- Mr. Monrat Phadungsit President

Land and Houses Securities Public Company Limited

- Mr. Kant Athatamsuntorn President

The meeting began the following agenda items.

## **Agenda 1 To consider and approve the minutes of the 2019 Annual General Meeting of Shareholders**

The company secretary proposed the meeting to consider and approve the minutes of the 2019 Annual General Meeting of Shareholders held on April 22, 2019, prepared by the company secretary. The Board of Directors has considered and agreed that the minutes was recorded accurately with the resolution. The copy of the minutes was sent to all shareholders prior to the meeting together with the invitation letter.

Mr. Kraiwal Kadavanich, shareholder, proposed to correct Agenda 10 - Other Matters of the minutes of the 2019 Annual General Meeting of shareholders - regarding his suggestion from “the bank should develop various services to keep up with those of other banks” to “the bank should have technical functions of services to be the same standard as peers and clearly specify if ATM card has the terms and conditions different from standard.”

The chairman acknowledged and affirmed that correction would be made as recommended.

The company secretary proposed the meeting to approve the minutes of the 2019 Annual General Meeting of shareholders.

The meeting considered and approved the minutes of the 2019 Annual General Meeting of Shareholders with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,330,807,902	Votes	Equivalent to	100.0000
Disapproved	0	Votes	Equivalent to	0.0000
Abstained	0	Votes		
No Voided Ballots				

## **Agenda 2 To acknowledge the company's performance of the year 2019 and the 2019 annual report of the Board of Directors**

The company secretary informed the meeting to acknowledge the company's performance of the year 2019 and the 2019 annual report of the Board of Directors which had been sent to all shareholders prior to the meeting together with the invitation letter as follows:

The shareholding structure of the financial business group consists of LH Financial Group Public Company Limited, a parent company of the financial business group which holds 99.99 percent of Land and Houses Bank Public Company Limited, 99.99 percent of Land and Houses Fund Management Company Limited, 99.80 percent of Land and Houses Securities Public Company Limited, and Land and Houses Securities Public Company Limited holds 99.99 percent of Land and Houses Advisory Company Limited.

Thus, the company's performance referred to the result of the performance of companies under the financial business group. The operating results were divided into 4 parts as follows:

- Part 1     LH Financial Group Public Company Limited
- Part 2     Land and Houses Bank Public Company Limited
- Part 3     Land and Houses Fund Management Company Limited
- Part 4     Land and Houses Securities Public Company Limited

For the Land and Houses Advisory Company Limited, at present, the company has no transactions.

#### **Part 1 LH Financial Group Public Company Limited**

To compare the 2019 with the 2018 performance of LH Financial Group Public Company Limited and its subsidiaries, the result was summarized as follows:

Operating income was at Baht 7,903 million, increased by Baht 843 million, or 11.95 percent.

Other operating expenses were at Baht 3,005 million, increased by Baht 237 million, or 8.57 percent.

Net profit was at Baht 3,214 million, increased by Baht 106 million or 3.42 percent.

#### **Part 2 Land and Houses Bank Public Company Limited**

To compare the 2019 with the 2018 performance of Land and Houses Bank Public Company Limited, the result was summarized as follows:

Operating income was at Baht 6,167 million, increased by Baht 109 million, or 1.81 percent.

Other operating expenses were at Baht 2,596 million, increased by Baht 234 million, or 9.94 percent.

Net profit was at Baht 2,038 million, decreased by Baht 531 million or 20.66 percent, the profit decreased mainly from gains on investments and dividend income.

In 2019, the bank had 108 branches in total, decreased by 20 branches from the year 2018.

Total loans were at Baht 178,898 million, decreased by Baht 3,244 million or 1.78 percent, consisting of:

- Big corporate and corporate loan was at Baht 137,503 million, increased by Baht 622 million or 0.45 percent.
  - SMEs & SSME loan was at Baht 19,121 million, decreased by Baht 1,550 million or 7.50 percent.
  - Retail loan was at Baht 22,273 million, decreased by Baht 2,316 million or 9.42 percent.
- NPL ratio was low at 1.55 percent of total loans.

### **Part 3 Land and Houses Fund Management Company Limited**

To compare the 2019 with the 2018 performance of Land and Houses Fund Management Company Limited, the result was summarized as follows:

Operating income was at Baht 571 million, increased by Baht 174 million or 43.68 percent.

Other operating expenses were at Baht 370 million, increased by Baht 105 million or 39.86 percent.

Net profit was at Baht 163 million, increased by Baht 54 million or 48.88 percent.

In 2019, the funds under management had net asset value of Baht 75,379 million, increased by Baht 9,196 million or 13.89 percent as follows:

- Mutual Fund, Property Fund and Real Estate Investment Trust (REIT) net asset valued Baht 64,511 million, increased by Baht 8,227 million or 14.60 percent.
- Provident Fund amounted to Baht 3,328 million, increased by Baht 430 million or 14.84 percent.
- Private Fund amounted to Baht 7,539 million, increased by Baht 538 million or 7.68 percent.

### **Part 4 Land and Houses Securities Public Company Limited**

To compare the 2019 with the 2018 performance of Land and Houses Securities Public Company Limited and its subsidiary, the result was summarized as follows:

Operating income was at Baht 504 million, decreased by Baht 61 million or 10.75 percent.

Other operating expenses were at Baht 349 million, increased by Baht 27 million or 8.32 percent.

Net profit was at Baht 142 million, decreased by Baht 67 million or 32.30 percent.

The company secretary reported to the meeting the corporate social responsibility activities as follows:

### **Education**

The company provided a scholarship for educational support, equipped Thai youths through “Financial Literacy” project to promote and improve their saving discipline.

### **Society**

The company provided financial assistance to flood victims, renovated the restroom for school, and gave the donation from the “We are Family RUN for Change” project to the Foundation for Slum Child Care. The donation of computers, books and sports equipment was also made. The company has contributed funds to the hospital for the prevention of coronavirus 19, prepared rations for medical personnel, and arranged many activities for our valued customers.

### **Anti-Corruption**

All companies in the financial business group were the members of the Thailand's Private Sector Collective Action Coalition Against Corruption.

Mr. Kraiwal Kadavanich, shareholder, recommended as follows:

- In the past 1 year, the bank had developed and improved the Mobile Banking quite well, and, perhaps, some features were better than other banks. However, it was suggested that the application could be linked with e-Wallet, but customers who applied for the service from the early time, used the country code (66) before the telephone number. As a result, they were required to change from 66 to 0, it was apparent that the bank should have an automatic correction system, and should not be manually corrected or modified case by case.

- The bank should not refuse any payment of outstanding fees for years in which there were no disputes with the bank. Any suspension or termination of service due to non-payment of fees should occur at the end of the due date. The account should not be terminated during the day which, in this case, was suspended at 7.10 a.m.

Mr. Thanee Phalawong, Senior Executive Vice President of Information and Technology Group, explained that the bank had improved the system to be automated and would check and correct any cases that might be missed out.

Chairman explained that the bank officers would be responsible for coordinating the payment of fees and suspense or cancellation of services.

The meeting acknowledged the company's performance of the year 2019 and the 2019 annual report of the Board of Directors.

### **Agenda 3 To consider and approve the statements of financial position and the statements of comprehensive income for the year ended December 31, 2019**

The company secretary proposed the meeting to consider and approve the audited statements of financial position and the statements of comprehensive income for the year ended December 31, 2019 with unqualified opinions by auditors and approved by the Audit Committee and the Board of Directors as indicated in the 2019 annual report. These documents were sent to all shareholders prior to the meeting together with the invitation letter. The summary of which was as follows:

To compare the 2019 with the 2018 of the statements of financial position and the statements of comprehensive income, the result was summarized as follows:

Total assets were at Baht 240,731 million, decreased by Baht 5,202 million or 2.12 percent.

- Total loans were at Baht 155,866 million, decreased by Baht 3,481 million or 2.18 percent.
- Total investment was at Baht 66,288 million, decreased by Baht 1,071 million or 1.59 percent.

Total liabilities were at Baht 199,568 million, decreased by Baht 6,655 million or 3.23 percent.

- Total deposit was at Baht 164,984 million, decreased by Baht 3,179 million or 1.89 percent.

Owner's equity was at Baht 41,162 million, increased by Baht 1,453 million or 3.66 percent.

Operating income was at Baht 7,903 million, increased by Baht 843 million or 11.95 percent, consisting of:

- Net interest income was at Baht 4,486 million, decreased by Baht 319 million or 6.64 percent.
- Net fee and service incomes were at Baht 729 million, increased by Baht 48 million or

7.07 percent.

Other operating expenses were at Baht 3,005 million, increased by Baht 237 million or 8.57 percent.

Net profit was at Baht 3,214 million, increased by Baht 106 million or 3.42 percent.

Mr. Sathaporn Kothiranurak, shareholder, inquired about the reason the allowance for doubtful accounts increased from 2018, the amount of allowance for the 1<sup>st</sup> quarter of 2020, and the impact of new accounting standard, TFRS 15: Revenue from Contracts with Customers on loan interest income.

Chairman explained that the allowance for doubtful accounts slightly increased due to the rising NPL.

Mr. Vichian Amornpoonchai, company secretary, explained that the allowance for doubtful accounts was Baht 4,375 million in the first quarter of 2020.

Ms. Ratchada Yongsawadvanich, auditor from EY Office Limited explained that the new accounting standard, TFRS 15, posed no significant effects on the realized interest income from loans.

Mr. Basant Kumar Dugar, shareholder, inquired and recommended as follows:

- In 2019, the company reported net profit with negative cash flow from operations. The bank should use credit insurance services to reduce risks from non-performance.

Chairman thanked for the advice and explained that negative cash flow from operations was mainly due to the declined deposit, redemption of debentures and repayment of short term loans.

Mr. Sakchai Sakulrimontri, shareholder, inquired about the reason the interbank and money market items in 2019 of Baht 360 million had decreased from Baht 3,388 million in 2018; the reason the interest income decreased in 2019 while interest expenses increased from 2018; whether the company put an allowance for impairment of investments in 2019; and whether the allowances for 2020 will be set in the 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter or set only one time at the end of the year.

Ms. Siriporn Ngamwiriyapong, First Senior Vice President of Finance Group, explained that interbank and money market items were borrowings which decreased in 2019 due to the repayment. Interest income dropped since the company's deposits declined and interest rate on deposits decreased accordingly.

Ms. Ratchada Yongsawadvanich, auditor from EY Office Limited, explained that in 2019, the increased interest expense was partly due to the bank's issuance of more debt instruments. It could be seen that in the year 2019, debt instruments issued and borrowings-net were Baht 4,996 million, increased from Baht 2,995 million in 2018.

Chairman added that the company put the provision according to TFRS 9 on a monthly basis.

Mr. Panachai Korsawatworakul, shareholder, inquired whether the bank granted credit to the aviation business, and whether the provision had been set for.

Chairman explained that the bank lent funds to Thai Airways International PCL and put provision according to the regulators' requirements.

Mr. Atikhom Ngamvichukorn, shareholder, asked about reserve surplus and the plan for provisioning.

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, clarified that the bank had the surplus in the amount of Baht 1,300 million and provisioned according to the relevant provision and requirements of the Bank of Thailand. The bank might set extra provisions according to the economic situation.

The company secretary proposed the meeting to approve the statements of financial position and the statements of comprehensive income for the year ended December 31, 2019.

The meeting considered and approved the statements of financial position and the statements of comprehensive income for the year ended December 31, 2019 with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,321,793,500	Votes	Equivalent to	100.0000
Disapproved	0	Votes	Equivalent to	0.0000
Abstained	9,134,700	Votes		
No Voided Ballots				

#### **Agenda 4 To consider and approve the allocation of net profit for the year 2019 to the statutory reserve and no dividend payment**

The company secretary proposed the meeting to consider and approve the allocation of net profit for the year 2019 to the statutory reserve and no dividend payment. The company had a net profit of Baht 3,214,596,916.12 for the year ended December 31, 2019 in consolidated financial statements and Baht 2,435,615,719.45 in separate financial statements. The company allocated the net profit of not less than 5% of annual net profit in the amount of Baht 121,800,000.00 to the statutory reserve and also paid the 1<sup>st</sup> interim dividend at Baht 0.035 per share, in the total amount of Baht 741,428,130.00 and the 2<sup>nd</sup> interim dividend at Baht 0.045 per share, in the total amount of Baht 953,264,730.00, which complied with the company's dividend payment policy. Thus, it was deemed appropriate to propose the shareholders to consider and approve the dividend payment as follows:

1. The net profit for the year 2019 was allocated to the statutory reserve in the total amount of Baht 121,800,000.00 or not less than 5% of annual net profit. However, the company had allocated the net profit to the statutory reserve in the amount of Baht 66,244,000.00. This time, the company is required to allocate the net profit as an additional statutory reserve in the amount of Baht 55,556,000.00.

2. No dividend payments will be made since the company has paid interim dividends twice at Baht 0.080 per share, in the total amount of Baht 1,694,692,860.00.

The company secretary proposed the meeting to approve the allocation of net profit for the year 2019 to the statutory reserve and no dividend payment.

The meeting considered and approved the allocation of net profit for the year 2019 to the statutory reserve and no dividend payment with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,332,228,437	Votes	Equivalent to	100.0000
Disapproved	0	Votes	Equivalent to	0.0000
Abstained	0	Votes		
No Voided Ballots				

#### **Agenda 5 To consider and approve the appointment of directors to replace those retired by rotation**

The company secretary proposed the meeting to consider and approve the election of directors to replace those retired by rotation according to the company's Articles of Association which stipulates that at every annual shareholder's meeting, at least one-thirds of the directors must resign by rotation. This year, 4 directors were to resign by rotation including:

1. Mr. Adul Vinaiphat
  - Independent Director
  - Chairman of the Audit Committee
  - Chairman of the Corporate Governance Committee
2. Mr. Naporn Sunthornchitcharoen
  - Director
3. Dr. Supriya Kuandachakupt
  - Independent Director
  - Member of the Audit Committee
  - Member of the Corporate Governance Committee
  - Member of the Risk Oversight Committee
4. Mr. Somsak Assavapokee
  - Independent Director
  - Chairman of the Nomination and Remuneration Committee
  - Member of the Audit Committee
  - Member of the Corporate Governance Committee
  - Member of the Risk Oversight Committee

The Nomination and Remuneration Committee meeting considered that these directors who retired by rotation possessed good qualifications, knowledge and experiences in various fields and had adequate understanding in the area of banking, finance, economics, laws, etc., taking into account of organization's requirements and good corporate governance. The directors shall have full qualifications as the company's board of directors and the independent directors required by laws and the company's Articles of Association. Thus, It was deemed appropriate to propose the shareholders to reappoint 3 directors who retired by rotation as directors for another term including:

- |                                   |   |
|-----------------------------------|---|
| 1. Mr. Adul Vinaiphat             | Independent Director<br>Chairman of the Audit Committee<br>Chairman of the Corporate Governance Committee                                       |
| 2. Mr. Naporn Sunthornchitcharoen | Director  |
| 3. Dr. Supriya Kuandachakupt      | Independent Director<br>Member of the Audit Committee<br>Member of the Corporate Governance Committee<br>Member of the Risk Oversight Committee |

And 1 new director to be nominated to replace those retired by rotation is as follows:

- |                             |                      |
|-----------------------------|----------------------|
| 1. Mr. Pichai Dusdeekulchai | Independent Director |
|-----------------------------|----------------------|

The company gave the opportunity to the minority shareholders to propose a qualified person who does not have any prohibited characteristics to be a director which the company has determined the criteria and procedures and posted them on the company's website. The company also disseminated the information via the Stock Exchange of Thailand. However, no shareholders proposed any person to be a director.

However, the company had delivered the biographies of the 4 directors to shareholders in advance together with the invitation letter.

And according to the good corporate governance principles, the directors who have a vested interest in this agenda must abstain from voting and leave the meeting room for the shareholders can give the independent opinions.

No more questions from shareholders.

The company secretary proposed the meeting to approve the appointment of individual directors to replace those retired by rotation as follows:

- |                       |
|-----------------------|
| 1. Mr. Adul Vinaiphat |
|-----------------------|

The meeting considered and approved to appoint Mr. Adul Vinaiphat to be the director for another term with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,325,438,524	Votes	Equivalent to	99.9557
Disapproved	6,789,913	Votes	Equivalent to	0.0442
Abstained	0	Votes		
No Voided Ballots				

## 2. Mr. Naporn Sunthornchitcharoen

The meeting considered and approved to appoint Mr. Naporn Sunthornchitcharoen to be the director for another term with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,330,947,690	Votes	Equivalent to	99.9916
Disapproved	1,280,747	Votes	Equivalent to	0.0083
Abstained	0	Votes		
No Voided Ballots				

## 3. Dr. Supriya Kuandachakupt

The meeting considered and approved to appoint Dr. Supriya Kuandachakupt to be the director for another term with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,332,228,403	Votes	Equivalent to	99.9999
Disapproved	34	Votes	Equivalent to	0.0000
Abstained	0	Votes		
No Voided Ballots				

## 4. Mr. Pichai Dusdeekulchai

The meeting considered and approved to appoint Mr. Pichai Dusdeekulchai as independent director with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,332,228,403	Votes	Equivalent to	99.9999
Disapproved	34	Votes	Equivalent to	0.0000
Abstained	0	Votes		
No Voided Ballots				

The company secretary invited the 4 directors back into the meeting room.

## **Agenda 6 To consider and approve the directors' remuneration**

The company secretary proposed the meeting to consider and approve the directors' remuneration as the Nomination and Remuneration Committee has considered based on working experiences, knowledge, abilities, intention, dedication and various benefits that directors have contributed to the company. The remuneration was then submitted to the Board of Directors for consent and the Board of Directors deemed it appropriate as follows:

## 1. Directors' remuneration for the year 2020

(Unit: Baht)

Position	Directors' Remuneration (per month)		Meeting Allowance (per time)											
			Board of Directors		Audit Committee		Corporate Governance Committee		Nomination and Remuneration Committee		Risk Oversight Committee		Other Sub-Committees*	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Chairman	60,000	60,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Non-Executive Directors	40,000	40,000	25,000	25,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Executive Directors	40,000	40,000	-	-	-	-	-	-	-	-	-	-	-	-

**Note** \*Other Sub - Committees refer to the committee which the official agencies require or should have or the Board of Directors deems appropriate.

In the year 2019, the Board of Directors and the sub-committees had the total number of meetings held as follows:

- The Board of Directors	12	Times
- The Audit Committee	13	Times
- The Corporate Governance Committee	12	Times
- The Nomination and Remuneration Committee	5	Times
- The Risk Oversight Committee	9	Times

2. The directors' gratuity for the year 2019 in the amount of not more than Baht 12,000,000 which deemed appropriate and commensurate with their duties, responsibilities and workload. For the allocation, it was considered under the discretion of the Board of Directors.

## 3. Other non-monetary remunerations

- None

Ms. Usa Chan-ngam, proxy, inquired about the reason the directors still received their remuneration at the same rate as that of last year. It was evident that this year's performance was likely to decline due to the impact of coronavirus 19 epidemic situation.

Chairman explained that the directors' gratuity was determined from the performance of the year 2019. If the performance in 2020 is not good, the company will reconsider the remuneration of the directors of the year 2020.

The company secretary proposed the meeting to approve the directors' remuneration. The Board of Directors collectively abstained their vote in this agenda according to the good corporate governance principles.

The meeting has considered and approved the directors' remuneration with a vote of no less than two-thirds (2/3) of the total number of votes of the shareholders who attend the meeting and have the right to cast their votes as follows:

Approved	15,328,108,981	Votes	Equivalent to	99.9731
Disapproved	120,090	Votes	Equivalent to	0.0007
Abstained	4,000,066	Votes	Equivalent to	0.0260
No Voided Ballots				

#### **Agenda 7 To consider and approve the appointment of auditors and audit fee for the year 2020**

The company secretary proposed the meeting to consider and approve the appointment of auditors and audit fee for the year 2020 as the Audit Committee had considered and deemed it appropriate to appoint the auditors from EY Office Limited as the company's auditors since they had good working standard, worked independently and performed audit tasks for all companies in the financial business group with good performance. The list of the certified public accountants is as follows:

- |                 |                 |                                     |
|-----------------|-----------------|-------------------------------------|
| 1. Ms. Ratana   | Jala            | C.P.A. Registration No. 3734 and/or |
| 2. Ms. Somjai   | Khunapasut      | C.P.A. Registration No. 4499 and/or |
| 3. Ms. Rachada  | Yongsawadvanich | C.P.A. Registration No. 4951 and/or |
| 4. Ms. Wanwilai | Phetsang        | C.P.A. Registration No. 5315        |

The audit fee for the year 2020 was Baht 920,000, increased by Baht 40,000 or 4.55 percent from the year 2019.

In case the auditors cannot perform their duties, EY Office Limited shall supply substitutes to audit and express opinions on the company's financial statements.

These 4 auditors have no relationship and/or have no conflicts of interest with the company/ subsidiaries/executives/major shareholders or their connected persons.

Mr. Kraiwal Kadavanich, shareholder, inquired about the invitation letter stating Ms. Wanwilai Phetsang has been appointed as the auditor since 2020 when the appointment was being made in this meeting.

Mr. Vichian Amornpoonchai, company secretary, explained that the shareholders' meeting today will appoint 4 auditors and will edit the text as suggested.

Mr. Sathaporn Kothiranurak, shareholder, inquired as follows:

- Whether the company had to seek for ratification of the disclosure of the 1<sup>st</sup> quarter financial statement for 2020 since auditors had not yet been appointed.

- Whether the proposed audit fee included other expenses, how much the audit fee of the financial business group was, and whether the company negotiated with the audit company.

Mr. Jumpon Suwanawong, legal consultant, clarified that the disclosure of 1<sup>st</sup> quarter financial statement did not require ratification from the shareholders meeting as the company had complied with the notification of the Capital Market Supervisory Board No. Thor.Jor.28/2563.

Mr. Adul Winaiphaet, chairman of the Audit Committee, explained that the audit fee was net amount and deemed appropriate since the company had negotiated with the audit company.

Mr. Vichian Amornpoonchai, company secretary, explained that the audit fee for the whole group was Baht 8,100,000, increased by Baht 420,000 or 5.47 percent.

The company secretary proposed the meeting to approve the appointment of auditors and audit fee for the year 2020.

The meeting considered and approved the appointment of auditors and audit fee for the year 2020 with majority votes of shareholders who attended the meeting and cast their votes as follows:

Approved	15,328,909,231	Votes	Equivalent to	99.9783
Disapproved	3,319,906	Votes	Equivalent to	0.0216
Abstained	0	Votes		
No Voided Ballots				

## **Agenda 8 To acknowledge the interim dividend payment**

The company secretary reported that the company paid the interim dividend payment twice for the year 2019 at Baht 0.080 per share, in the amount of Baht 1,694,692,860.00 as follows:

### **1<sup>st</sup> Interim Dividend Payment**

According to the 6-month performance ended June 30, 2019, the company showed net profit of Baht 1,324,866,824.98. Moreover, the company has allocated the net profit to the statutory reserve in the amount of Baht 66,244,000.00 or not less than 5% of net profit. The company still has the net profit sufficient for dividend payment of Baht 1,258,622,824.98. The company considered and agreed that the company had a profit sufficient for dividend payment according to the company's dividend payment policy. Therefore, the company paid a cash interim dividend at Baht 0.035 per share, in the amount of Baht 741,428,130.00 on September 20, 2019.

## **2<sup>nd</sup> Interim Dividend Payment**

According to the performance of the year 2019, the company had a net profit for the year ended December 31, 2019 of Baht 2,435,615,719.45. After the allocation of net profit to the statutory reserve in the amount of Baht 121,800,000.00 or not less than 5% of annual net profit, the company paid the 1<sup>st</sup> interim dividend in the amount of Baht 741,428,130.00. There was net profit of Baht 1,572,387,589.45 which was enough to pay dividend. The company considered and agreed that the company had a cash flow and profit sufficient for dividend payment according to the company's dividend payment policy. The company, therefore, paid the 2<sup>nd</sup> cash interim dividend at Baht 0.045 per share, in the amount of Baht 953,264,730.00 on May 20, 2020.

No more questions from shareholders.

The meeting acknowledged the interim dividend payment.

## **Agenda 9 To consider other matters**

Chairman encouraged shareholders to give recommendations or ask questions.

Mr. Sesdhasak Iamsamrit, proxy, advised the company to hire guest speakers or experts to share knowledge about Green Office project, 5Ss, and TPM (Total Productive Management) or to visit any large companies that were successful in these projects so that the company could effectively reduce the cost. This was because the company had the premises and equipment expenses of Baht 731 million in 2019 and Baht 700 million in 2018 and the company had several projects to save costs.

Chairman thanked him for his suggestion.

Mr. Sathaporn Kothiranurak, shareholder, inquired as follows:

- What were the company's strategies under coronavirus 19 situation?
- How much expenses did the bank pay for software development to support the new accounting standard, TFRS 9 and how effectively it was implemented?
- How did the reduction of branches affect the business? And what is the plan for human resource management for branches?

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, clarified as follows:

- The bank could not foresee when the pandemic would end; however, the situation was subsiding and the bank was helping affected customers to re-operate their businesses as usual.
- The bank spent Baht 100 million to develop the system to support TFRS 9 and it was operating effectively.

- Currently, there were 108 branches, decreased by 20 branches from 2018. Fundamentally, the bank relocated those in poor locations to be in prime ones. However, the bank did not reduce the number of staff. Moreover, they were trained to be professional financial advisors.

Mr. Atikhom Ngamvichukorn, shareholder, inquired as follows:

- Viewpoint on trade finance and its trend according to the coronavirus 19
- Trend of NPL in the 4<sup>th</sup> quarter of this year and in the beginning of next year
- Loan growth and investment plan
- Impacts on the bank and the plan under the declining policy rate
- Share repurchase program

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, replied that the bank had started trade finance since the early 2019 with continuously rising volume, but currently the volume declined since the import-export situation was still in a downtrend due to the coronavirus 19 situation. NPL trend could not be accurately quantified as the authorities had the measure for all commercial banks to exercise debt holidays and after such measure expired in the 4<sup>th</sup> quarter, we would be able to see the figure more apparently.

Chairman added that Thai economy relied greatly on tourism. The coronavirus 19 spread caused significant impacts on tourism business and related businesses. As a result, this segment could potentially turned NPL.

Chairman explained that according to various agencies had claimed that GDP would contract this year, resulting in low loan. For investments, the company had studied and invested in more secured portfolios such as government bonds, debentures, and Property Fund/REIT. During the past period of time, the company did not increase its investments.

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, explained that the interest rate in the market was highly competitive whereas the policy rate was low. However, the bank tried to increase fee income which could compensate the missing interest income by having exclusive partnership with a leading insurance company.

Chairman explained that the company purchased the total of 264,250,300 shares, equivalent to 1.2474 percent of the total issued shares, with a total value of Baht 334,634,461, the end of the share repurchase program was on 1 July 2020 according to the share repurchase program for financial management purposes. In addition, the resale of the repurchased shares would begin after the 6 months after the repurchase was completed but not more than 3 years. The company would consider the date and period of the resale of the repurchased shares again.

Mr. Wirat Trongpitakkul, proxy of the Thai Investors Association, inquired whether the bank would train staffs to be financial advisors (FA), in which service area they were providing, and how the bank would do to prevent forced selling of insurance products.

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, detailed that concerning the staff training program, staff would get trained to be financial advisors who were able to give advice in all aspects of financial matters such as mobile banking, investment, cost reduction for loan interest, refinancing, high yield deposit or investments. Moreover, they would persuade customers to use services with the companies in the financial business group including investments with Land and Houses Fund Management Company Limited, and securities trading with Land and Houses Securities Public Company Limited, etc. In addition, the bank also hired Mercer, an international financial advisor, to train the bank's staff. Regarding selling insurance products, the bank always encouraged the staff to strictly adhere to market conduct and explained the benefits to customers.

Mr. Kant Athatamsuntorn, president of Land and Houses Securities Public Company Limited, added that the company planned to upgrade its financial advisors to be investment planners.

Mr. Monrat Phadungsit, president of Land and Houses Fund Management Company Limited, added that the solution based platform was offered to our clients as alternative. If they wanted high income and low volatility, LHINCOMEPLUS or LHHIP with a return of 4-6 percent per year was their best choice. When the loss occurred, they would suffer only some of the investments or approximately +/- 8 percent which was better than Term Fund which they could lose all investment funds when suffering loss. This year, the company developed an investment portal via mobile platform to facilitate customers.

Mr. Chittapol Wanno, shareholder, inquired as follows:

- The company had the information about the relocation of production base from Taiwan to Laem Chabang Industrial Estate and Vietnam and the estimate volume of investments
- Effect of the coronavirus 19 on LHHOTEL

Ms. Chompoonoot Pathomporn, president of Land and Houses Bank, clarified that the production base of some firms had been moved from Taiwan to Laem Chabang Industrial Estate and Vietnam. But the volume could not be specified.

Mr. Monrat Phadungsit, president of Land and Houses Fund Management Company Limited, explained that the LHHOTEL was not affected significantly and just for a short time.

No additional questions from shareholders, the chairman thanked all shareholders for attending the 2020 Annual General Meeting and giving useful recommendations. The Chairman, therefore, adjourned the meeting.

**The meeting was adjourned at 3.52 p.m.**

*- Rutt Phanijphand -*

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(Mr. Rutt Phanijphand)

Chairman of the meeting

*- Vichian Amornpoonchai -*

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(Mr. Vichian Amornpoonchai)

Company Secretary