

(Translation)

ERW016/GCG003/2018

March 27, 2018

Subject: Invitation to the 2018 Annual General Meeting of Shareholders

To: Shareholders

The Board of Directors' Meeting of The Erawan Group Public Company Limited ("ERW") no.1/2018 which was held on Tuesday, February 27, 2018 has resolved to convene the 2018 Annual General Meeting of Shareholders (2018 AGM) on Friday April 27, 2018 at 14.00 hours at Grand Ballroom, JW Marriott Hotel Bangkok, 4 Sukhumvit Road, Sukhumvit Soi 2, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110 Thailand to consider the agendas together with the Board's opinions as follows:

**Agenda 1: To acknowledge the 2017 AGM minutes**

The minutes of the 2017 AGM held on Tuesday April 25, 2017 prepared by the Company's Secretary was submitted to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days according to the required laws and posted on the Company's website: [www.TheErawan.com](http://www.TheErawan.com) on Tuesday, May 9, 2017. There has been no opposition to such minutes. The Board of Directors considered and had the opinion that it was correctly stated and reflected the resolutions passed by the said Shareholders' meeting. Therefore, the Board proposes this Shareholders' meeting to acknowledge the Minutes of the 2017 AGM. The copy of the said Minutes is attached to the notice of this meeting as per the Enclosure No.1

Board of Directors' Opinion: The shareholders should acknowledge the minutes of the 2017.

**Agenda 2: To acknowledge the Company's 2017 operating results**

The Company prepared the Board of Directors' report on the performance of the Company for the year ended December 31, 2017. The report shows the Company's performance during the 2017 fiscal year, which the Board has considered correct and adequate. Therefore, the Board proposes this Shareholders' Meeting to acknowledge the performance of the Company for the year 2017 and adopt the Board of Directors' report on the performance of the Company for the year ended on December 31, 2017. The said report appears in "Financial Information and Corporate Information" and "Management Discussion and Analysis (MD&A)" of the 2017 Annual Report, which has been sent to the shareholders together with the notice of this meeting as per the Enclosure No.2

Board of Directors' Opinion: The shareholders should acknowledge the Company's 2017 operating results.

**Agenda 3: To consider and approve the Company's Audited Statements of Financial Position, Statement of Comprehensive Income and Consolidated Financial Statements for the year ended December 31, 2017.**

The Company prepared a balance sheet as well as statement of income at the end of the 2017 fiscal year which were audited and certified by the auditor of the Company and reviewed by the Board and the Audit Committee considered it was correct, complete and adequate in accordance with the general accounting principles, and therefore propose it to this Shareholders' Meeting to approve the Company's Audited Statements of Financial Position, Statement of

Note: Please kindly bring "Registration Form" to attend the meeting in Enclosure No.11

Comprehensive Income and Consolidated Financial Statements for the year ended December 31, 2017. The details appear in the Sections “Financial Statement” “Report of the Audit Committee to Shareholder” and “Report of the Board’s Responsibility in the Financial Statements” of the 2017 Annual Report, which has been sent to the shareholders together with the notice of this meeting as per the Enclosure No.2. The summarized as follows:

(Unit: million Baht)

Items	Company Only	Consolidated
Total Assets	13,700.2	16,047.7
Total Liabilities	6,937.5	10,644.7
Total Equity (Company’s Shareholder)	6,762.7	5,403.0
Total Revenues	3,275.0	6,050.5
Net Profit & (Loss)	(757.6)	565.0
Net Profit & (Loss) (Company’s Shareholder)	(757.6)	505.6
Earnings per share	(0.3031)	0.2022
Retained Earnings (Unrealized)	3,168.3	1,729.9

Board of Directors’ Opinion: The shareholders should approve the Audited Statements of Financial Position, Statements of Comprehensive Income and Consolidated Financial Statements for the year ended December 31, 2017, which were audited and certified by the auditor of the Company.

**Agenda 4: To consider and approve the annual dividend payment**

The Company had a policy to pay 40 percent of its net profit as reported in the Consolidated Financial Statements following deductions of all kinds of reserve as specified by law and the Company as dividend. By Consolidated Financial Statement, the Company reported consolidated net profit of Baht 505.57 million for the fiscal year 2017 and it is proposed that the Company pay 2017 dividend at 44.52 percent of consolidated net profit equaled to Baht 0.09 per share with amount totaled to Baht 225.08 million, which is higher than previous year by 0.03 per share and the Company’s dividend policy. The date for determining the rights of shareholders to receive the dividend payments will be on Tuesday March 13, 2018 (Record Date). The dividend payment date is set to be within Friday May 25, 2018. The right to receive the aforesaid dividend is uncertain as it has not yet been approved by the 2018 AGM.

Board of Directors’ Opinion: The shareholders should approve the 2017 dividend payment of Baht 0.09 per share with amount totaled to Baht 225.08 million, which is higher than previous year and the Company’s dividend policy.

**Agenda 5: To consider and appoint directors**

In compliance with the Public Limited Companies Act and Clause No. 19 of the Company’s Articles of Association, one-third of the Directors must retire from the office by rotation at the Annual General Meeting of Shareholders. During the 2018 AGM, four directors were to resign according to the Company’s Articles of Association. The number was closed to one-third of the directors stipulated therein.

- |                             |   |
|-----------------------------|---|
| 1. Mr. Prakit Pradipasen    | Chairman of the Board / Chairman of Audit Committee |
| 2. Mr. Supol Wattanavekin   | Director  |
| 3. Mrs. Kamonwan Wipulakorn | Director  |
| 4. Mr. Petch Krainukul      | Director  |

It is considered appropriate to re-appoint two directors who are due to retire by rotation to be the directors for another term, namely,

- |                           |               |
|---------------------------|---------------|
| 1. Mr. Supol Wattanavekin | as a director |
| 2. Mr. Petch Krainukul    | as a director |

and it is considered appropriate to appoint 2 new directors, namely

- |  |                            |
|--|----------------------------|
| 1. Mr. Kasama Punyagupta                 | as a director              |
| 2. Assoc. Prof. Dr. Somprawin Manprasert | as an independent director |

The Board of Directors complied with nominating guideline recommended by the Nominating and Corporate Governance Committee has considered that these four persons are professionally experts which their knowledge and expertise will benefit to our businesses. They have never been punished, dismissed or removed on the ground of dishonest performance, nor been imprisoned for and offense related to property committed with dishonest intent, nor engaged in the business which has the same nature as, and is in competition with, the business of the Company. They are fully qualified based on the criteria appear in the Section “Our Shareholders and Management Structure” of the 2017 Annual Report, which has been sent to the shareholders together with the notice of this meeting as per the Enclosure No.2. In addition they are complied with the qualifications set for our directors and a definition of our independent director which are above the SEC’s minimum. The credentials and backgrounds of the proposed persons, including the definition of the independent director has been sent to the shareholders together with the notice to this meeting as per the Enclosure No.3 and 4.

Board of Directors’ Opinion: The shareholders should approve the appointment of four persons to be the directors. The term of office will be three-year term starting from April 28, 2018 to the 2021 AGM.

**Agenda 6: To consider and approve the directors' remuneration for the year 2018/2017**

The Nominating and Corporate Governance Committee reviewed the remunerations of the Company’s directors and members of the committees on the basis of their responsibilities and statistical data of remunerations paid by the service sector as well as average payments by listed companies enjoying the same level of incomes. The roles and responsibilities of the board of directors and the committee has been sent to the shareholders together with the notice to this meeting as per the Enclosure No.5. As such, the Nominating and Corporate Governance Committee proposed to the Board that director’s remunerations for 2018 shall remain on the same basis as previous year which consist of (i) a retainer fee to be paid to directors on a monthly basis; (ii) an attendance fee to be paid on the basis of a number of director’s attendance to the meeting; and (iii) a remuneration fee (Bonus) to be paid on an annual basis subject to the company’s performance of not more than Baht 7,677,000.00 and the payment of the 2017 remuneration fee (Bonus) of Baht 4,140,000.00, details are as follows:

<u>Board of Directors, Retainer Fees</u>	<u>2018</u>	<u>2017</u>
1) Retainer Fee		
- Chairman	Baht 45,000.00/month	Baht 45,000.00/month
- 10 Directors each	Baht 30,000.00/month	Baht 30,000.00/month
2) Other remuneration (bonus), for directors in 2017/2016		
	<u>2017</u>	<u>2016</u>
- Chairman	Baht 540,000.00	Baht 325,000.00
- 10 Directors each	Baht 360,000.00	Baht 250,000.00

Remunerations of members of the committee (Only attending directors)

	<u>2018</u>	<u>2017</u>
1) Audit Committee		
- Chairman	Baht 39,000.00/meeting	Baht 32,500.00/meeting
- 2 Members each	Baht 30,000.00/meeting	Baht 25,000.00/meeting
2) The Strategic and Investment Committee		
- Chairman	Baht 32,500.00/meeting	Baht 26,000.00/meeting
- 5 Members each	Baht 25,000.00/meeting	Baht 18,750.00/meeting
- 1 Executive Director Members	-0-	-0-
3) The Nominating and Corporate Governance Committee		
- Chairman	Baht 26,000.00/meeting	Baht 19,500.00/meeting
- 3 Members each	Baht 20,000.00/meeting	Baht 14,000.00/meeting
4) The Management Development and Compensation Committee		
- Chairman	Baht 26,000.00/meeting	Baht 19,500.00/meeting
- 2 Members each	Baht 20,000.00/meeting	Baht 14,000.00/meeting

Board of Directors' Opinion: The shareholders should approve the directors' remuneration for the year 2018 of not more than Baht 7,677,000.00 and the payment of the 2017 remuneration fee (Bonus) of Baht 4,140,000.00.

**Agenda 7: To acknowledge the 2017 Audit Committee's report**

The Audit Committee's report is shown in "Report of the Audit Committee to Shareholder" of the 2017 Annual Report, which has been sent to the shareholders together with the notice of this meeting as per the Enclosure No.2.

Board of Directors' Opinion: The shareholder should acknowledge the 2017 Audit Committee's report.

**Agenda 8: To consider and appoint the auditors and approve the auditing fee for the year 2018**

The Board and the Audit Committee considered selecting KPMG Phoomchai Audit Limited ("KPMG"), as the Company's auditor thanks to its satisfactory auditing results and its internationally well-recognized reputation. The Board and the Audit Committee proposes this Shareholders' Meeting to appoint the auditors from KPMG namely:

1. Ms. Vilaivan Pholprasert, Certificate Public Accountant (Thailand) No.8420, who has certify the Company's Financial Statement in the second year and/or

2. Ms. Vipavan Pattavanvivek, Certificate Public Accountant (Thailand) No. 4795 and/or
3. Ms. Patamavan Vadhanakul, Certificate Public Accountant (Thailand) No.9832

and the audit fee of the Company of year 2018 totaling Baht 2,947,000.00 (excluding transportation out of Bangkok and relevant miscellaneous expenses) is increased from the previous year by Baht 260,000.00 or 9.68 percent

KPMG has no non-audit transaction with the Company and the auditors named above do not have relation with nor interest in the Company, its subsidiaries, management, major Shareholders of other related persons. Therefore, all proposed auditors are independent to audit and express their opinions for the Financial Statement of the Company.

KPMG has also been considered as the auditor of the Company's subsidiaries for the year 2018 with the audit fee in total of Baht 2,730,000.00 in Thailand and not over than Baht 2,060,000.00 in overseas. The proposal is appropriately recommended by Audit Committee and has been endorsed by the Board of Directors.

Board of Directors' Opinion: The shareholders should approve to appoint auditors named above from KPMG Phoomchai Audit Limited as the Company's auditor and the auditing fee in total of Baht 2,947,000.00 (excluding transportation out of Bangkok and relevant miscellaneous expenses) for the year 2018.

**Agenda 9: To approve the amendment to Article 41 of the ERW's Articles of Association**

The Board of Directors approved the amendment to Article 41 of the ERW's Articles of Association to be in line with Section 100 of the Public Limited Companies Act B.E.2535, which is amended according to the Order of the Head of the National Council for Peace and Order No.21/2560 Re: Additional Amendment to the Law for Business Facilitation. "The Amendment to the Articles of Association of ERW" has been sent to the shareholders together with the notice to this meeting as per the Enclosure No.8

Board of Directors' Opinion: The Shareholders should approve the amendment to Article 41 of the ERW's Articles of Association

**Agenda 10: To approve the amendment of the objective of the Company**

The Board of Directors approved the amendment of the objective of the company to be consistent with the application for health establishment (spa business) license from Health Establishment Division, Department of Health Service support according to Health Establishment Act B.E.2559. In this regard, the company need to amend the objective of the company from 49 items to be 50 items by adding item 50 as follows;

(50) To carry on the business of health establishment (spa business or health massage)

Board of Directors' Opinion: The Shareholders should approve the amendment of the objective of the company to be consistent with the application for health establishment (spa business) license.

**Agenda 11: To approve the amendment to Clause 3 of the Memorandum of Association**

The Board of Directors approved the amendment to Clause 3 of the ERW's Memorandum of Association regarding the amendment of company's purpose as follow;

“Clause 3: Company has 50 objectives as appeared in Form Bor Mor Jor. 002 attached hereto”

Board of Directors' Opinion: The Shareholders should approved the amendment to Clause 3 of the ERW's Memorandum of Association

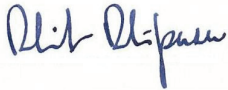
**Agenda 12: Others (If any)**

This agenda is provided for shareholders to ask questions and/or for directors to clarify any queries (if any). No matters will be proposed for consideration and approval: therefore, no voting will be made.

Board of Directors' Opinion: Shareholders can raise questions or make comments on the issues which are not discussed in the aforementioned agendas.

The Company is pleased to invite the shareholders to attend the meeting at the above-mentioned time and venue. Should you be unavailable to participate in the meeting yourself, please appoint your proxy to do so. You may use any one of the proxy forms as appear in the Enclosure No.7 . For your convenience, however, the Company would recommend the Proxy Form B, which provides more definite details of the authorization, and by which you may appoint any person of any one of those persons to attend the meeting and vote on your behalf. The credentials and backgrounds of those persons appear in the Enclosure No. 9 Information of the Company's Independent Directors who represent to be a proxy in the 2018 AGM and submit same to a person authorized by Chairman of Directors before the commencement of the meeting.

Respectfully yours,



(Mr. Prakrit Pradipasen)

Chairman of the Board of Directors

The Erawan Group Public Company Limited

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Remark: \*Annual Report 2017 can be downloaded at <http://investor.theerawan.com/home.html>