

No.ERW065/Kor.Mor.016/2021

October 27, 2021

Subject: Notification of execution of the agreements for the disposal of the investment in Company's subsidiary and the disposal of the Company's asset

Attention: Director and Manager

The Stock Exchange of Thailand

The Erawan Group Public Company Limited (the "**Company**") hereby informs the Stock Exchange of Thailand ("**SET**") that the Company has executed the agreements for the disposals of the Company's assets which are (1) the disposal of Renaissance Koh Samui Resort and Spa located at No. 208/1 Moo 4, Tambo Maret, Lamai Beach, Koh Samui, Surat Thani ("**RKS**") by selling all ordinary shares owned by the Company in the Company's subsidiary, named Erawan Samui Company Limited ("**Erawan Samui**"), which is the company that operates, manages and owns RKS, and (2) the disposal of Ibis Samui Bophut Hotel located at No.197 Moo 1, Bophut Beach, Ko Samui District, Surat Thani ("**ISM**") by selling all assets relating to ISM owned by the Company. The objective of such disposals is to adhere to the Company's long-term strategy of adjusting the hotel portfolio to focus on investing in the budget hotel segment and increasing the proportion of revenue and profit generated mainly by domestic customers. The benefits of these assets disposals include cash inflows to support the Company's financial profile which would allow the Company to strengthen and be ready for the expansion and development of future projects in accordance with the Company's strategy and operational plans.

In this regard, the Company (as the seller) has successfully executed the shares sale and purchase agreement for the sale and purchase of the shares in Erawan Samui with Infinity Hospitality Holding Company Limited (as the purchaser) ("**Shares Sale and Purchase Agreement in Erawan Samui**") and the assets sale and purchase agreement with Infinity North Samui Co., Ltd. (as the purchaser) ("**Assets Sale and Purchase Agreement**") today (October 27, 2021). The consummation of the shares sale and purchase in Erawan Samui and the disposal of all assets relating to ISM transactions will occur only when the conditions precedent specified in the Shares Sale and Purchase Agreement in Erawan Samui and the Assets Sale and Purchase Agreement have been completed or waived.

Preliminarily, the Company expects to complete the transactions for the disposal of shares in Erawan Samui and the disposal of all assets relating to ISM by December 30, 2021. After the completion of the transactions for the disposal of shares in Erawan Samui and the disposal of all assets relating to ISM, the Company will further report the progress to SET and shareholders on a case-by-case basis.

The Company hereby informs the detail of the disposals as follow:

- (1) the disposal of ordinary shares in the Company's subsidiary, named Erawan Samui, which is the company that operates, manages and owns RKS, by disposing all shares in Erawan Samui owned by the Company to Infinity Hospitality Holding Company Limited, which is not a connected party of the Company, in the amount of 69,499,996 shares or equivalent to 99 percent the total of outstanding shares in Erawan Samui having par value of THB 10 for the total purchase price of THB 531,000,000, and the purchase price will be paid in cash (the "**Disposal of RKS**"). In this regard, after the disposal of shares in Erawan Samui, the Company will have no outstanding lending obligation, or guarantee obligation to Erawan Samui. The Disposal of RKS will cause Erawan Samui to cease its status from being the Company's subsidiary, however, such disposal does not affect any operations or financial position of the Company.

- (2) the disposal of all assets relating to ISM owned by the Company, including but not limited to (1) two plots of land, (2) buildings and constructions, (3) rights and obligations under the Franchise Agreement, (4) ISM employees, and (5) other properties such as furniture, decoration, or any other properties used for the operation of ISM to Infinity North Samui Co., Ltd., which is not a connected party of the Company, for the total purchase price of THB 394,000,000, and the purchase price will be paid in cash (the “**Disposal of ISM**”).

Infinity Hospitality Holding Company Limited and Infinity North Samui Co., Ltd. are not the connected party of the Company. Therefore, the foregoing two transactions do not qualify as a connected transaction of the Company under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (including its amendment) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (including its amendment).

In this regard, the Disposal of RKS and the Disposal of ISM are transactions of disposal of assets according to the Notification of the Capital Market Supervisory Broad No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (including its amendment) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) (including its amendment) (collectively, the “**Notifications on Acquisition or Disposition of Assets**”). Upon review of the transaction size, a criteria used for the calculation of the maximum value of the transactions based on the reviewed quarterly financial statements of the Company ended June 30, 2021, by various approaches under the Notifications on Acquisition or Disposal of Assets, and taking into account that the Company has not disposed any assets over the past six months prior to the entry into this transactions, the maximum value of the transactions is equal to 3.91 percent, calculated by the total value of consideration received basis. That is, the value of the transactions is less than 15 percent as specified in the Notifications on Acquisition or Disposition of Assets. The Company is, therefore, not required to prepare a report and disclose the information in respect of the entry into the transactions to SET and does not require the approval of the shareholders.

Please be informed accordingly.

Yours sincerely,

Petch Krainukul

( Mr. Petch Krainukul )

President