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No. FN. 009/2017

3 April 2017

Subject: Invitation to the 2017 Annual General Meeting of Shareholders (AGM)

To: All Shareholders

- Attachments:
1. Copy of Minutes of Extraordinary General Meeting of Shareholders No. 1/2016.
 2. Annual report and financial statements for the year ended 31 December 2016 in CD-ROM format.
 3. Profiles of candidates nominated for election as the Company's directors and independent director definition.
 4. Proxy Form A, Proxy Form B, and Proxy Form C.
 5. Profiles of the Company's independent directors acting as shareholders proxies for 2017 AGM.
 6. The Company's Articles of Association relating to shareholder meetings.
 7. Required documents, proxy appointment, meeting registration and voting procedure.
 8. Directions Map of 2017 AGM venue at Auditorium, FN Building.

The Board of Directors Meeting of FN Factory Outlet Public Company Limited ("the Company") No. 1/2017 held on 28 February 2017, hereby resolved to convene the 2017 AGM on 28 April 2017, at 13.00 hrs., Auditorium, FN Building, 991, Rama 9 Road, Suan Luang, Bangkok, 10250

The Company has published the agenda of the 2017 AGM on its website and invited shareholders to propose meeting agenda in advance of the AGM between 20 December 2016 to 31 January 2017. However, no proposal was submitted to the Company. In this regard, the Company would like to announce the 2017 AGM agenda which have been approved by the Board of Director as detailed below:

Agenda 1. To certify the minutes of the Extraordinary General Meeting of Shareholders No. 1/2016

Background : FN Factory Outlet Company Limited held the Extraordinary General Meeting of Shareholders ("EGM") No. 1/2016 on 9 May 2016 to consider and approve the transformation of FN Factory Outlet Company Limited into a public company limited and to list its ordinary shares on the Stock Exchange of Thailand as well as to consider other agendas as detailed in Attachment 1.

Board of Director's Opinion : The minutes of the EGM No. 1/2016 which was held on 9 May 2016 were correctly and completely recorded. It is deemed appropriate for the shareholders' meeting to certify the minutes.

(Translation)

Required Votes for Resolution : This agenda requires the majority of the total votes of shareholders who attend the meeting and cast their votes.

Agenda 2. To acknowledge the Company's operating results for the fiscal year 2016

Background : The Company prepared a report on the Company's operating results for 2016 as shown in Attachment 2.

Board of Director's Opinion : It is deemed appropriate to propose that the shareholders' meeting should acknowledge the Company's operating results for the fiscal year 2016

Required Votes for Resolution : This agenda is a matter for acknowledgment and thus does not require voting.

Agenda 3. To consider and approve the Financial Statements for the year ended 31 December 2016

Background : Pursuant to Section 112 of the Public Limited Companies Act B.E. 2535 and Article 41 of the Company's Articles of Associations, the Board of Directors must prepare and propose the statement of financial position and the statement of comprehensive income as of the end of the Company's accounting year to the shareholder meeting for approval.

The Company's financial statements for the year ended 31 December 2016 were audited and certified by a certified public accountant. The Audit Committee and the Board of Directors, after due consideration, agreed that the financial statements were correct, complete and adequate based on the generally-accepted accounting standards. Details are as per Attachment 2.

Board of Director's Opinion : The 2016 financial statements have been reviewed by Auditor and accepted by the Audit Committee. Thus, The shareholders' meeting should approve the financial statements as at 31 December 2016.

Required Votes for Resolution : This agenda requires the majority of the total votes of shareholders who attend the meeting and cast their votes.

Agenda 4. To consider and approve the dividend payment based on Company's 2016 operation results

Background : Pursuant to Section 115 of the Public Limited Companies Act B.E. 2535 and Article 46 of the Company's Articles of Association, No dividend shall be paid otherwise than out of profit and the Company shall not pay dividend if it still sustains an accumulated loss. Dividend payment is subject to be approved from the shareholder meeting and the Board of Directors may consider to pay interim dividend to shareholders occasionally when the Board is

(Translation)

of the view that the Company's profit is adequate and appropriate for such interim dividend payment. After an interim dividend payment is made, such dividend payment shall be reported in the next shareholder meeting.

The Company has a dividend policy of no less than 40 percent of net profit, after the deduction of all legal reserves based on Separated Financial Statement as required by the law. Dividend payout may be subject to changes, depending on cash flow, investment plan, legal conditions. The Company will considers all related factors and needs in the future to ensure that dividend payout does not affect normal business operations. The resolution of the Board of Directors on dividend payment must be submitted to shareholders' meeting for approval, except for interim dividend payout which must be approved by the Board of Directors and then reported in the next shareholders' meeting.

Dividend Payment for the year 2016

| Detail | 2016 (Proposed Year) |
|---|----------------------|
| Net profit on separate financial statement (Baht) | 152,718,299 |
| Number of shares (Share) | 1,000,000,000 |
| Par value (Baht) | 0.50 |
| Dividend per share (Baht/Share) | |
| - Interim dividend (Baht/Share) | -None- |
| - Dividend for 2016 (Baht/Share) | 0.06 |
| Total dividend payment (Baht) | 60,000,000 |
| Payout ratio (%) | 41 |

Board of Director's Opinion : For the period between 1 January 2016 and 31 December 2016, the Company recorded a net profit of Baht 152,718,299 based on the separate financial statements. As Baht 7,640,000 of the net profit has been allocated as legal reserves, the Company's net profit after the deduction of the legal reserves is Baht 145,078,299. Therefore, it is deemed appropriate to recommend the meeting of shareholders to approve the 2016 dividend payment at Baht 0.06 per shares on 1,000,000,000 shares, totaling Baht 60,000,000 to shareholders who are eligible to receive the dividend as of the record date which is 16 March 2017. The date of dividend payment will be on 16 May 2017.

Required Votes for Resolution : This agenda requires the majority of the total votes of shareholders who attend the meeting and cast their votes.

(Translation)

Agenda 5. To consider and appoint the directors to replace those who retire by rotation

Background : Pursuant to Section 71 of the Public Limited Companies Act B.E. 2535 and Article 17 of the Company's Articles of Association, one-third (1/3) or, in case of uneven division, the number nearest to one-third (1/3) of the directors shall retire from office and the retiring directors may be re-elected. The three directors listed below are due to retire by rotation in 2016.

1. Mr. Pricha Songwatana Vice Chairman of the Board of Directors and Chairman of the Executive Committee
2. Mr. Poolsak Tansitthipun Independent Director, Chairman of the Audit Committee, and Chairman of the Nomination and Remuneration Committee
3. Mr. Voravat Tantranont Independent Director, Member of the Audit Committee, and Member of the Nomination and Remuneration Committee

The Company published on its website an invitation for shareholders to nominate qualified candidates for election as the Company's directors. However, it appeared that, upon the end of the nomination submission period, no shareholders proposed any nominations to the Company. After considering the qualifications and eligibility in accordance with the laws, the rules and requirements stipulated by the Office of Securities and Exchange Commission and Public Limited Companies Act, including the qualifications, knowledge, abilities and experience that would be beneficial for the Company's business, the Nomination and Remuneration resolved to nominate the retiring directors for re-election as directors for another term. Details are shown in Attachment 3.

Board of Director's Opinion : The Board, without participation by directors who have conflicts of interest, deemed appropriate to propose to the shareholder meeting the re-election of the 3 directors as the Nomination and Remuneration Committee exercised thorough and careful consideration of the nominations and the 3 nominees possessed qualifications, knowledge and abilities that made them qualify to serve as the Company's directors for another term.

Required Votes for Resolution : This agenda item requires the majority of the total votes of shareholders who attend the meeting and cast their votes

Agenda 6. To consider and approve the Company directors' remuneration for the year 2017

Background : Pursuant to Section 90 of the Public Limited Companies Act B.E. 2535 and Article 22 of the Company's Articles of Association, directors shall entitled to receive remuneration in the forms of rewards, meeting allowance, pension, bonus or in any other

(Translation)

forms as approved by the shareholder meeting whereby an approval thereof requires the two-thirds (2/3) majority of the votes of shareholders who attend the meeting.

The Nomination and Remuneration Committee had thoroughly and carefully deliberated on the suitability of directors' remuneration in view of the scope of duties and responsibilities of directors, the benchmark with comparable companies in the same industry, and the Company's performance and business growth before proposal thereof to the Board of Director for endorsement.

Board of Director's Opinion : After due consideration of the directors' remuneration as proposed by the Nomination and Remuneration Committee by taking into account the scope of duties and responsibilities of directors and the Company's performance for the year, the Board of Director deemed appropriate to propose the following directors' remuneration to the shareholder meeting for approval:

1. Budget for directors' remuneration is not exceed the amount of Baht 7,500,000
2. Remuneration and meeting allowance for director meeting starting from May 2017 as the below table;

| Position | Monthly Remuneration (Baht/Month/Person) | Meeting Allowance (Baht/Meeting) | Remark | | | | | | | | | |
|--|---|-------------------------------------|---|----------|---|-------------------------------------|----------|--------|--------|--------|--------|-------|
| 1. Board of Directors - Chairman - Member | 45,000 15,000 | 20,000 20,000 | Remuneration of directors who are also <u>executives</u> shall be as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Position</th> <th>Monthly Remuneration (Baht/Month/Person)</th> <th>Meeting Allowance (Baht/Meeting)</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>10,000</td> <td>20,000</td> </tr> <tr> <td>Member</td> <td>10,000</td> <td>5,000</td> </tr> </tbody> </table> | Position | Monthly Remuneration (Baht/Month/Person) | Meeting Allowance (Baht/Meeting) | Chairman | 10,000 | 20,000 | Member | 10,000 | 5,000 |
| Position | Monthly Remuneration (Baht/Month/Person) | Meeting Allowance (Baht/Meeting) | | | | | | | | | | |
| Chairman | 10,000 | 20,000 | | | | | | | | | | |
| Member | 10,000 | 5,000 | | | | | | | | | | |
| 2. Audit Committee - Chairman - Member | 35,000 15,000 | 20,000 15,000 | - | | | | | | | | | |
| 3. Nomination and Remuneration Committee - Chairman - Member | - - | 20,000 15,000 | - | | | | | | | | | |
| 4. Risk Management Committee - Chairman - Member | 25,000 10,000 | 20,000 15,000 | Members who are <u>employee</u> of the Company are <u>not</u> entitled to the meeting allowance. | | | | | | | | | |
| 5. Good Corporate Governance Committee - Chairman - Member | - - | 20,000 15,000 | - | | | | | | | | | |

(Translation)

The aforementioned remuneration and meeting allowance, if approved by the shareholder meeting, shall be effective from May 2017 onwards until the Nomination and Remuneration Committee deems that such rates are inappropriate or unreasonable in light of the economic conditions and thus decides to propose the changes thereto to the Board of Directors and subsequently to the shareholder meeting for approval.

Required Votes for Resolution : This agenda requires the two-thirds (2/3) majority of the total votes of shareholders who attend the meeting and cast their votes.

Agenda 7. To consider and appoint auditors and determination the audit fee for the year 2017

Background : Pursuant to Section 120 of the Public Limited Companies Act B.E. 2535 and Article 37 of the Company's Articles of Association, the Company's appointment of auditors and the determination of audit fee shall be approved at each AGM and auditors may be re-appointed. In this regard, the Capital Market Supervisory Board's Notification No. TorJor. 11/2552 stipulates that listed companies are required to rotate the auditors who have reviewed or the audited or issued opinions on the Company's financial statements for 5 consecutive years whereby new auditors may be working for the same audit firm as the existing auditors.

However, the outgoing auditors may be re-appointed as the Company's auditor only after at least 2 years break since they have vacated the position as the Company's auditors.

The Audit Committee had screened the auditors from audit firms possessing suitable qualifications and expertise in the field of audit and compared the appropriate audit fees before proposal thereof to the Board of Directors for endorsement.

Board of Director's Opinion : The Board of Directors deemed appropriate to propose to the meeting of shareholders' to approve the appointment of M.R. & Associates Company Limited as the Company's auditor for the year 2017 which had already been endorsed by the Audit Committee as detailed below:

Auditors responsible for signing the Company's financial statements are:

1. Mr. Methee Ratanasrimetha, Certified Public Accountant, License No. 3425; and/or
2. Mr. Pisit Chiwaruangroch, Certified Public Accountant, License No. 2308; and/or
3. Mr. Akadet Pliensakul, Certified Public Accountant, License No. 5389.

If the above-named auditors are unable to perform their duties, M.R. & Associates Company Limited may designate its other auditors to replace such auditors.

For the year 2017, the Company invited 3 auditors on the approved list of the Office of Securities and Exchange Commission to submit their quotations to the Company. After due consideration, the Audit Committee concluded that M.R. & Associates Company Limited was suitable to serve as the Company's auditor. The audit fee quoted by M.R. & Associates Company Limited for the 2017 was Baht 1,800,000 in total.

(Translation)

| Audit Fee | 2017 (Proposed Year) | 2016 |
|---------------------------------|----------------------|-----------|
| Audit fee of the Company (Baht) | 1,800,000 | 1,800,000 |
| Other service fees (Baht) | -None- | -None- |
| Total (Baht) | 1,800,000 | 1,800,000 |

Required Votes for Resolution : This agenda requires the majority of the total votes of shareholders who attend the meeting and cast their votes.

Agenda 8. Other matters (if any)

Background : Pursuant to Section 105 of the Public Limited Companies Act B.E. 2535, shareholders who collectively hold at least one-third (1/3) of the total paid-up shares may request the meeting to consider other matters than those specified in the invitation of the meeting.

Board of Director's Opinion : The Board deemed it appropriate to include the agenda of "Other matters" in order to allow shareholders opportunities to raise questions, for discussion and/or provide recommendations to the Board of Directors.

The Board resolved to set the record date to 16 March 2017 to determine the list of shareholders entitled to attend the 2017 AGM and to receive the dividend. The list of shareholders shall be compiled in accordance with Section 225 of the Securities and Exchange Act B.E. 2535. The Company's share registration - book will be closed on 17 March 2017.

Shareholders who are unable to attend the meeting may appoint other persons or authorize one of the 3 independent directors to attend the 2017 AGM on their behalf by completing the applicable proxy forms and submitting the completed proxy forms to the officers before the commencement of the meeting as detailed in Attachment 4 and Attachment 5.

Foreign shareholders who have appointed custodians in Thailand and wish to use Proxy Form C, which allows shareholders to split their voting entitlement, can access and download the Proxy Form from the Company's website.

Details about required documents, proxy forms appointment, registration and voting procedure are shown in Attachment 7.

The Company has submitted the 2016 Annual Report in CD-ROM format to shareholders. Should you have any inquiries or any questions regarding the matters on the meeting agenda, you may send your questions to the Company in advance by addressing to Mr. Weerayut Bunyawad, Company Secretary, via e-mail at: weerayut@fnoutlet.com, or via telephone at 02-300-4951 Ext. 6210, or via facsimile at 02-300-4681.

(Translation)

To facilitate the convenience of shareholders, the Company has enclosed herewith the location Map to the 2017 AGM venue and arranged the shuttle bus service between the Ramkhamhaeng Station of Airport Rail Link and the meeting venue from 10.00 - 13.40 hrs. (the shuttle buses run every 20 minutes) as detailed in Attachment 8.

Sincerely yours,

(Mr. Benyiam Songwattana)
Chief Executive Officer