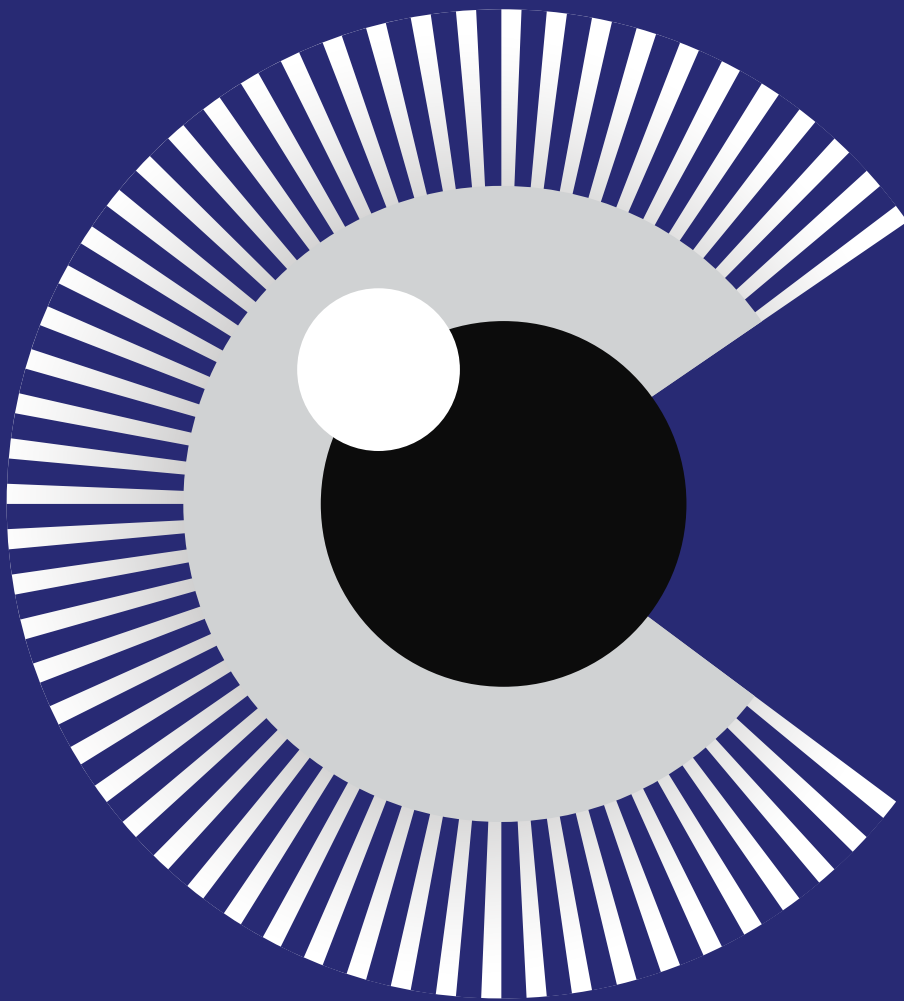


CENTRAL RETAIL



RESILIENCE REIMAGINED

Annual Registration Statement | Annual Report 2021
(Form 56-1 One Report)

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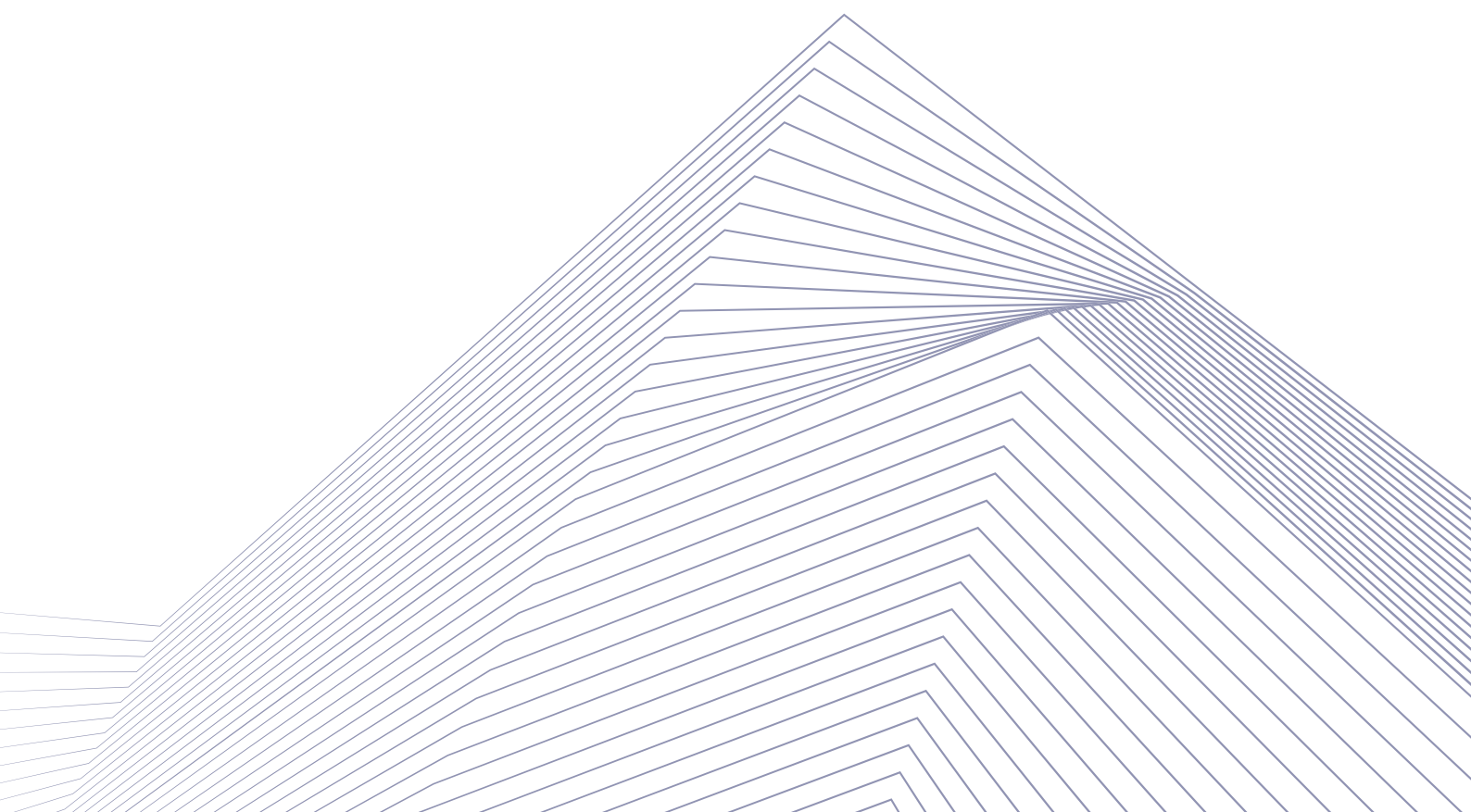
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Enclosure

Enclosure 1

Details of Directors, Executive, Controlling Person, Person in charge of Finance and Accounting, Head of Controller and Company Secretary and the representative for contract in case of foreign company

1.1 Details of Directors, Executive, Controlling Person,
Person in charge of Finance and Accounting,
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Details of Head of Internal Audit and Head of Compliance

[Click](#)

Enclosure 4

Operating Assets and Details of Asset Assessment

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Corporate Governance Policy, Code of Conduct and Charters

[Click](#)

Enclosure 6

Audit Committee's Report

[Click](#)

"In case this Annual Report (Form 56-1 One Report) references information is disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report."

VISION AND MISSION PRINCIPLES AND PURPOSE

Vision and Mission

To be the best, sustainable
and most admired customer-centric
Omnichannel retailer wherever
we operate



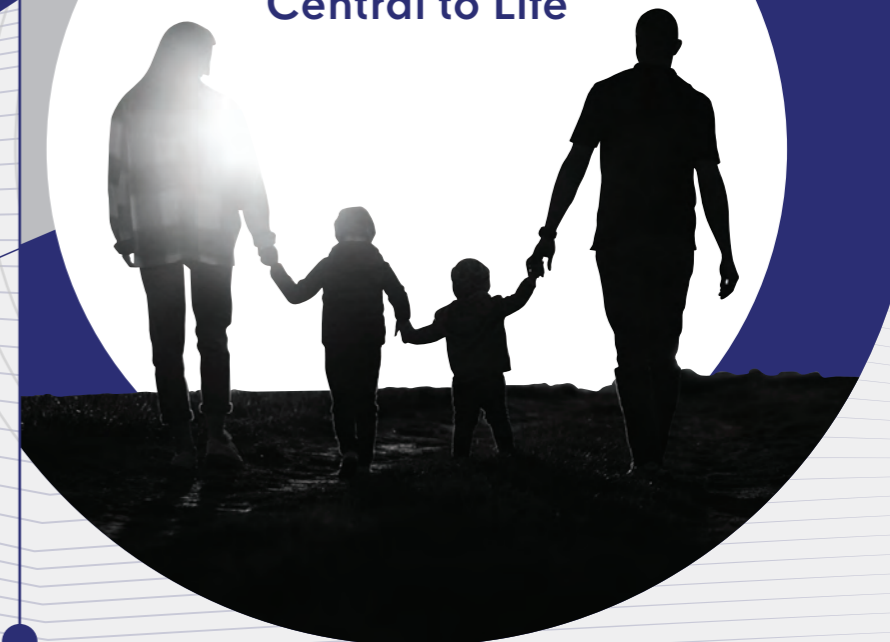
Principles

Honesty, Diligence,
and Commitment
to Customers



Purpose

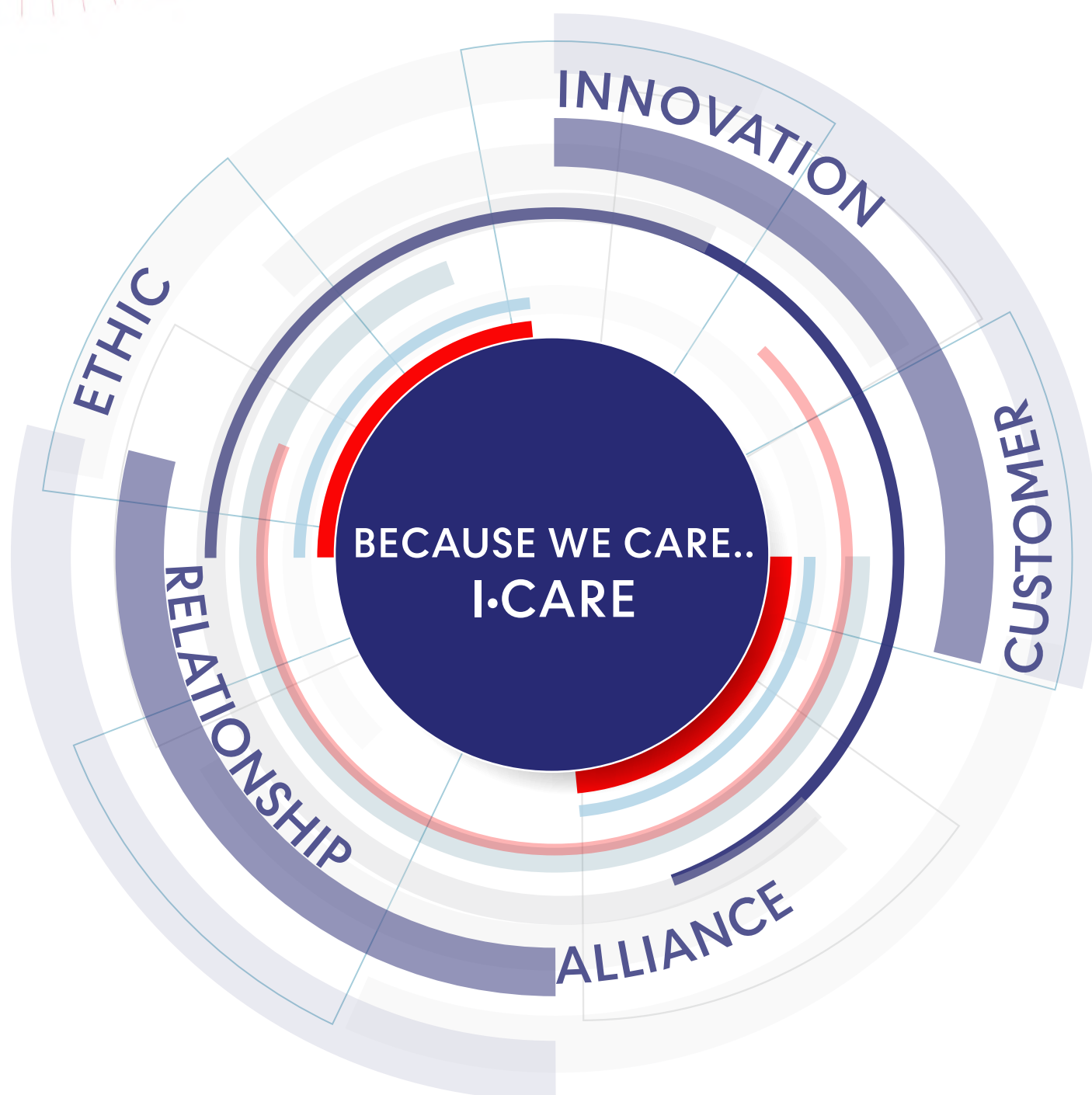
Central to Life





CORE VALUES BECAUSE WE CARE..I·CARE

Central Retail has defined I · CARE as the core values that need to be transferred and instilled in all employees to ensure that its operational goals are aligned, contributing to good organizational culture. I · CARE comprises:





INNOVATION

Creation of new products, welcome every opportunity and challenge to improve quality and produce more effective performance

The Company stands ready to encourage and support all personnel in facing changes without pre-judgement, in overcoming all limitations and achieving all possibilities, inconsistently examining and exchanging knowledge, and in fearlessly innovating with readiness to modify and improve in the turning of ideas into real practice.

CUSTOMER

Focus on customers, determined to provide excellent service with care and attention for internal and external customers

The Company listens to customers' needs and trains its personnel to understand products and customers' requirements in depth to provide service beyond expectation, all the while considering customers' points of view, even in tough times. The Company is ready to admit mistakes when they are made and find immediate solutions to respond to customers' changing requirements.

ALLIANCE

Work as a team for the progress of the business group

The Company drives its personnel to work for the corporation under the same overarching goals and bases its business decisions on choices that lead to the highest benefit for all. The Company listens to and respect all viewpoints, building new knowledge networks to raise expertise standards and foster joint experiences, as well as creating cooperation between branches and business groups, to become an organization of unity.

RELATIONSHIP

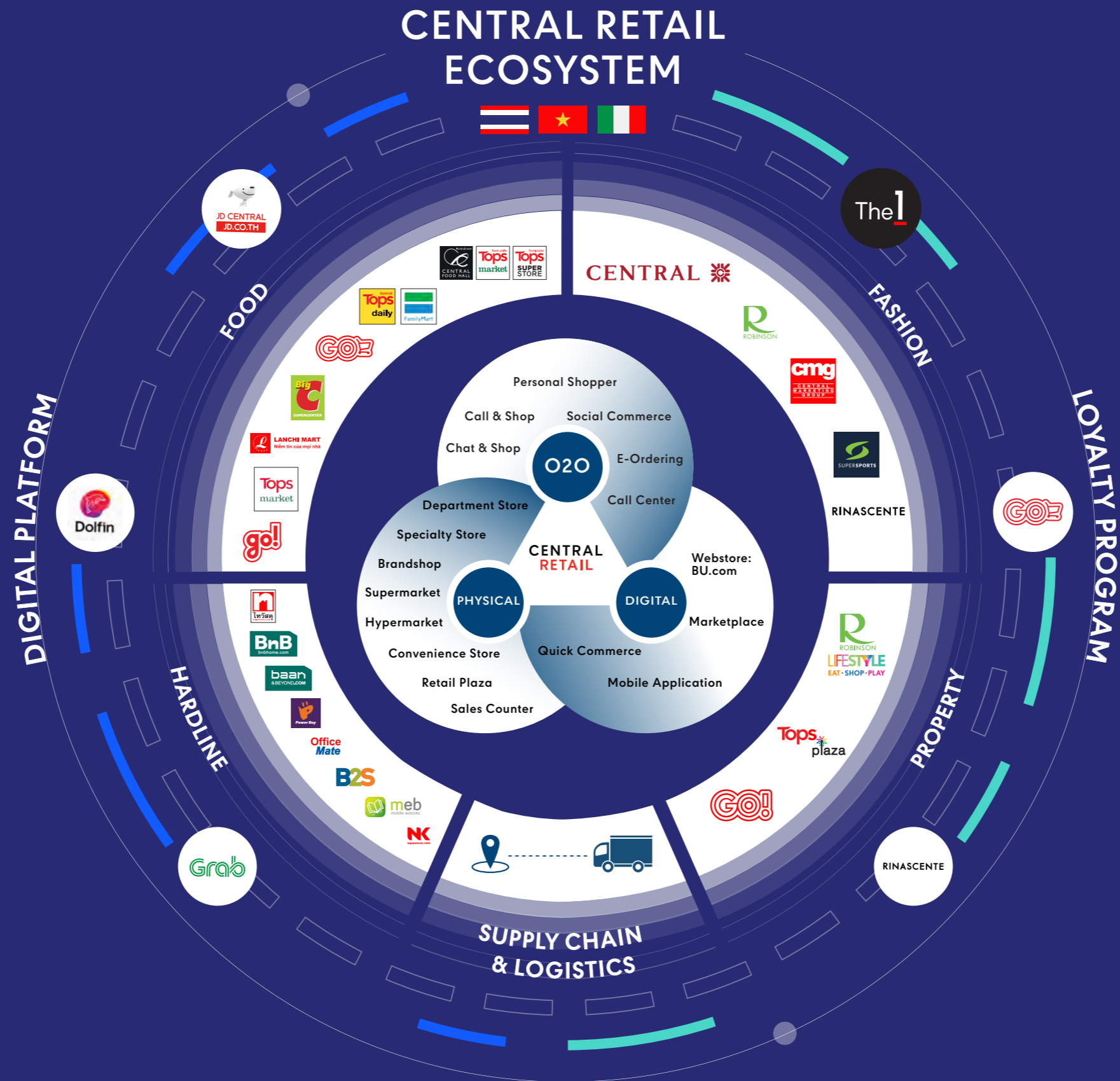
Common spirits with colleagues, business partners and society, for sustainable growth

The Company recognizes the importance of valuing and respecting differences and diversity in age, culture, and gender to promote a workplace where care, sincerity, flexibility and consideration of colleagues, business partners and society are key factors. The Company emphasizes the keeping of promises to foster confidence and trust in its work, as well as creating an awareness of social responsibility for sustainable growth.

ETHIC

Respect of ethics in business operations

The Company upholds ethics in all our business dealings, emphasizes good corporate governance, and promotes personnel responsibility in forging integrity and trust worthiness for oneself and others. Our employees work with transparency, full disclosure and accountability, do not tolerate wrongdoings in the company, as well as obey all rules, regulations, and the Company's Code of Ethics.



MULTI CATEGORY

HARDLINE

HARDLINE SEGMENT

Central to Everyday Living

Selling products that meet all the needs for home, which consists of electronic products, construction materials and equipment, home decoration products, DIY products, stationery, office supplies, and e-Book under retail brands such as Thai Watsadu, Baan & Beyond ⁽¹⁾ / BNB Home, Power Buy, OfficeMate, B2S, MEB, and Nguyen Kim.



FOOD

FOOD SEGMENT

Central to Everyday Consumption

Keeping up with food trends and continuous improvement to meet the needs of consumers, with a wide range of consumer products under various retail brands such as Central Food Hall, Tops, FamilyMart, Big C / GO! Vietnam, Lan Chi Mart, Tops market Vietnam, and go!.



⁽¹⁾ It is being rebranded to BNB Home

FASHION

FASHION SEGMENT

Central to Everyday Style

Retailer of fashion products, covering a variety of brands from high-end to everyday use. Complete all your fashion needs at Central Retail's stores in Central Department Store, Robinson Department Store, Supersports, Central Marketing Group and Rinascente Department Store.



PROPERTY

PROPERTY SEGMENT

Central to Everyday Life

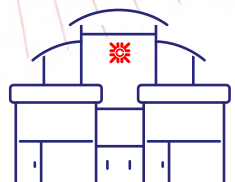
Innovator and leader in commercial real estate managed under retail brands such as Robinson Lifestyle, Tops Plaza, and Big C / GO! Vietnam.



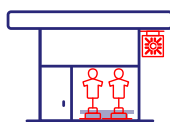


MULTI FORMAT

PHYSICAL PLATFORM (Offline)



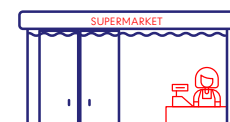
Department Store



Specialty Store



Brandshop



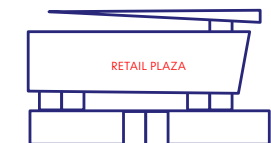
Supermarket



Hypermarket



Convenience Store

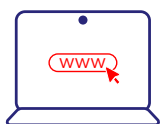


Retail Plaza

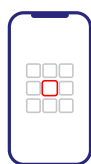


Sales Counter

DIGITAL PLATFORM (Omnichannel)



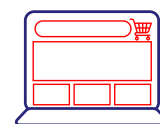
Webstore



Mobile Application



Quick Commerce



Marketplace

OFFLINE TO ONLINE (O2O)



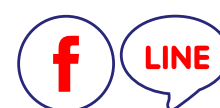
Personal Shopper



Call & Shop



Chat & Shop



Social Commerce



e-Ordering

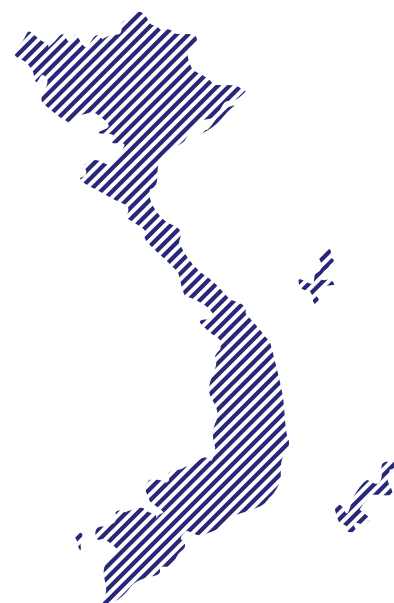


Call Center



MULTI MARKET

As of 31 December 2021



Italy



8 cities

Thailand

57 provinces

Vietnam

40 provinces



9 stores

2,051 stores

120 stores



Total Net Selling Space

61,036 sq.m.

Total Net Selling Space

2,865,197 sq.m.

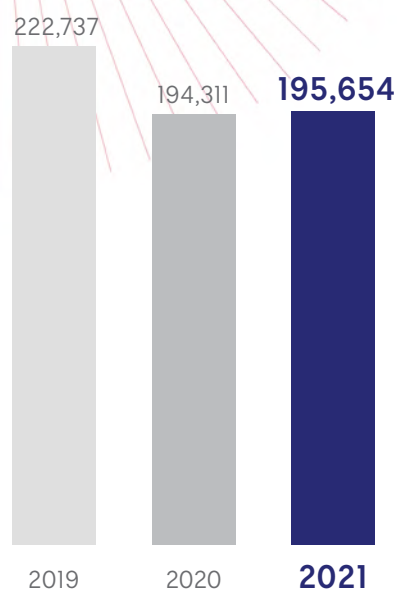
Total Net Selling Space

329,562 sq.m.

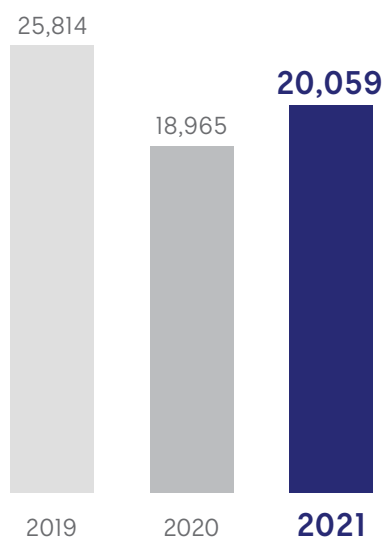


FINANCIAL HIGHLIGHTS

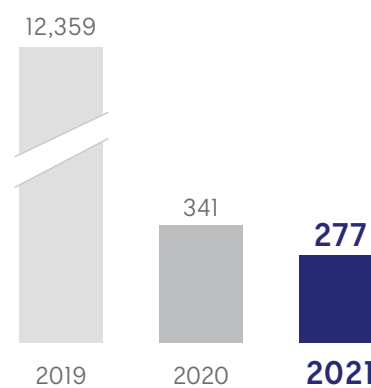
1. Total Revenue (THB million)



2. EBITDA (THB million)



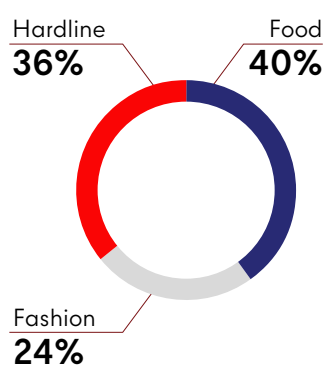
3. Net Profit (THB million)



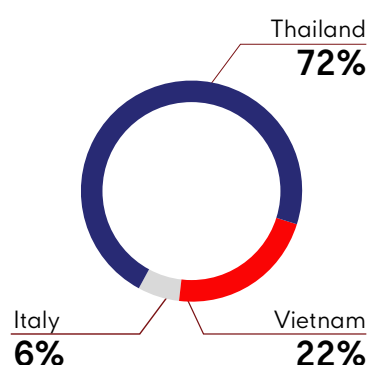
Note: EBITDA and net profit from continuing operations

Sales Contribution 2021

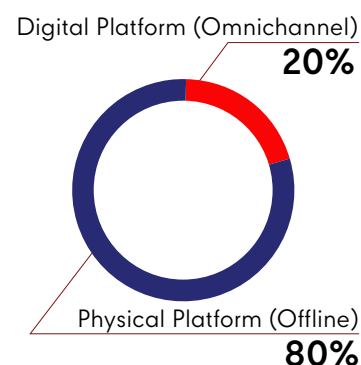
By Segment



By Country

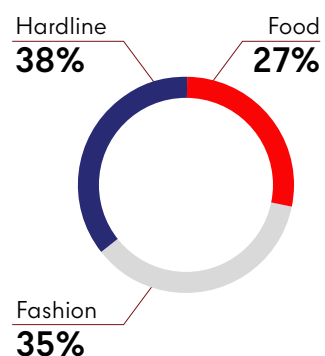


By Format

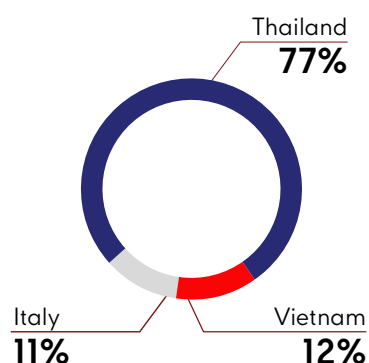


EBITDA Contribution 2021

By Segment



By Country



Note: Sales and EBITDA from continuing operations contribution in Thailand include other countries.



Financial Highlights

	2019	2020	2021
Statement of Comprehensive Income (THB million)			
Total revenue	222,737	194,311	195,654
Total cost of sales of goods ⁽¹⁾	144,856	134,948	135,847
Gross profit ⁽²⁾	59,153	44,999	45,944
Selling and administrative expenses	62,332	57,088	57,068
EBITDA from continuing operations	25,814	18,965	20,059
Normalized EBITDA ⁽³⁾	22,455	18,149	20,110
Net profit from continuing operations	12,359	341	277
Normalized net profit ⁽³⁾	9,016	(614)	407
Profit attributable to owners of the parent	10,633	46	59
Statement of Financial Position (THB million)			
Total assets	183,505	239,180	263,228
Total liabilities	145,986	183,465	204,147
Total equity	37,519	55,715	59,081
Financial Ratios			
Gross profit margin ⁽²⁾ (%)	29.0	25.0	25.3
Normalized EBITDA margin (%)	10.1	9.3	10.3
Net profit margin from continuing operations (%)	5.5	0.2	0.1
Normalized net profit margin (%)	4.0	(0.3)	0.2
Return on total assets (ROA) ⁽⁴⁾ (%)	6.8	0.2	0.1
Return on equity (ROE) ⁽⁵⁾ (%)	23.6	0.7	0.5
Net interest-bearing debt / Equity (times)	1.4	0.9	1.0
Earnings per share (THB / share)	2.26	0.01	0.01

Notes:

⁽¹⁾ Cost of sales of goods and cost of rental and rendering of services

⁽²⁾ Gross profit and gross profit margin from sale of goods, rental services, and rendering of services

⁽³⁾ EBITDA and net profit reported on normalized basis. From 1 January 2020, the Company has adopted the amendment to Thai Financial Reporting Standards ("TFRS") 9 Financial Instruments and TFRS 16 Lease

⁽⁴⁾ ROA = Net profit margin from continuing operations / Average total assets

⁽⁵⁾ ROE = Net profit margin from continuing operations / Average total equity

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Central Retail Corporation has long been conducting its retail business in parallel with social responsibility, clear corporate goals and steps towards becoming a model organization for sustainable development and the future of retail business. Our mission is to operate a business that realizes not only the short-term solution but also the long-term impact, focusing on quality over quantity, and committed to quality growth in the eyes of all stakeholders, including customers, employees, business partners, communities and society. The Company emphasizes Creating Shared Values (CSV) based on the principles of organizational development through a business concept under sustainability, which is consistent with the ESG concept, namely Environment, Social and Governance.

E – Environment. We place significant importance on waste management under the principle of the Circular Economy that consists of Reuse, Reduce and Recycle, including the use of environmentally friendly packaging, elimination of single-use plastic bags and promoting reuse. One exemplary project is “Journey to Zero” which creates cooperation among all business groups, with an aim to reduce solid waste and promote carbon reduction through the development of the value chain and effective management, whether to reduce the use of single-use plastic and food wastage, and to modify compostable packaging, for example. The project also includes collaboration with the Scholars of Sustenance Foundation (SOS) to donate excess food from daily sales to vulnerable groups of people in the community, and to reduce food waste generation through a more efficient system management development.

S – Social. We understand that for the organization to develop further, it requires personnel with potential. We pay great attention to the occupational health and working environment for the good life quality of all employees. We are always ready to enhance employees’ potential in all levels of the organization and create job opportunities for all groups of people, including employees with disabilities. We ensure their sustainable career path and their independence. We also comply to the principle of human rights respect, with some examples of important projects such as the Contact Center for People with Disabilities, in collaboration

with the Redemptorist Foundation. The Company is committed to reducing inequality in society, supporting careers to help people with disabilities to have a regular income and the ability to live sustainably on their own.

G – Governance. We attach great importance to business ethics, which is the foundation of good corporate governance implementation in a company. We are committed to conducting business with transparency, accountability and anti-corruption, as well as creating credibility and trust among all groups of stakeholders, promoting innovation as a tool to develop further service potential to meet the needs of customers, along with managing risks that may arise from various factors while focusing on customer database protection as well.

Throughout 2021, although the COVID-19 epidemic continued to directly and indirectly affect our society, Central Retail Corporation was able to effectively utilize its strengths in retail business to support public health and help consumers in various areas. For example, we made use of areas in our shopping centers across the country as vaccination centers for people to facilitate vaccination and reduce congestion within the hospital. We also supplied medical equipment, food and essentials, as well as took great care of our employees’ wellbeing by establishing a “Community Isolation Center by Central Tham”. We also cooperated and strictly followed the measures of the Ministry of Public Health, complying with safety regulations and employees’ and customers’ hygiene standards at the heart of our operation.

Central Retail Corporation has always emphasized on sustainable business growth, and with this strong commitment, we were included by S&P Global as a listed organization on 2022 Sustainability Yearbook Member (DJSI) in the retailing industry. This recognition reflects the commitment to drive our business to the global level. Moreover, we were selected as “Sustainable Stocks” Thailand Sustainability Investment (THSI) for 2021 from the Stock Exchange of Thailand since our first year of assessment participation. This could be regarded as confidence building for investors, and a reflection on Central Retail’s ability to establish guidelines and bring organizational potential to support social and environmental problems solving, as well as pushing forward strategies for sustainable development as an essential part of business management, in alignment with the United Nations Sustainable Development Goals (UNSDGs). It also showcases that the Company has a comprehensive risk

management process and is equipped and always ready to adapt to new business competition opportunities, especially during the challenging time of COVID-19.

In 2022, we realized that business growth must go hand in hand with social responsibility and sustainable development. Hence, Central Retail Corporation is committed to developing and growing together with all sectors by placing importance on corporate governance excellence, focusing on the rights and benefits of all stakeholders and the effect on the Company’s operations and business sustainability, including environmental and anti-corruption issues. The implementation of the plan is as follows:

- 1) Compiling principles of good corporate governance in various aspects into one handbook to define roles, duties and responsibilities. This handbook also serves as a guideline for the Company’s personnel to follow. The handbook will be announced and effective in early 2022.
- 2) Preparation of work plans for risks prevention and internal controls for Check & Balance between various activities and to generate long-term competitiveness. The Company has declared of intend against corruption through Thailand’s private sector Collective Action Coalition Against Corruption (CAC) project in March 2021. Currently, the Company is in the process of submitting documents to apply for membership in 2022.
- 3) Preparation of work plan to obtain “5-star” or “Excellent” rating of good corporate governance assessment results from the Thai Institute of Directors Association in 2 consecutive years.

All of these are our intentions and goals which we have been working on continuously. We remain committed to adapting, adjusting our strategy and managing the organization based on good governance principles. We also attach great importance to sustainable business operations abroad in both Vietnam and Italy. We aim for the business sector to be a part of creating quality long-term positive results, uplift people’s lives, society, and the world to a better place. This is what we consider the creation of values along with sustainability in business to grow together.

Prasarn Trairatvorakul
(Dr. Prasarn Trairatvorakul)
 Chairman of the Board of Director

MESSAGE FROM THE CEO

Dear Shareholders,

The year of 2021 was still a challenging year for the operations of the Company due to the COVID-19 outbreak that has persisted around the world for over 2 years. Throughout the past year, the Company emphasized and considered the health and safety of customers, employees, partners, and communities as its first priority, and had implemented stringent hygiene measures in all establishments and offices. The Company has cooperated with the government and strictly complied with official disease control measures. As a result, non-food stores and certain stores of the food segment in Thailand and Vietnam were temporarily closed in the second quarter through to the third quarter, and in Italy at the beginning of the year, which inevitably affected business performance.

Nevertheless, the Company had learned to deal with and adapt to the COVID-19 crisis and reinvent our operational strategy, focusing on creating proactive approaches in combination with reactive ones to turn the crisis into opportunity. The Company has applied the concept of “Resilience Reimagined” to flexibly adapt and

create new opportunities and a new corporate culture while also instilling the concept of Digital First. We have armed over 50,000 digitally savvy employees and scaled their workflows to be omni-centric in every dimension and continue to invest in the development of the Central Retail Ecosystem and full-fledged omnichannel platforms that seamlessly connect offline and online experiences. At the same time, the Company has strategically adjusted its business model and portfolio to a business that is sustainable and growing at a fast pace in line with shifting market trends and consumer demands in every business segment. This started from the fashion segment, which gathers world-class premium brands, where the network of Central Retail Europe was leveraged to magnify product varieties and truly meet the needs of high-end lifestyle customers, through to hardline and food segments by focusing more on the mass market. We expanded our branches in Thailand and Vietnam, having Thai Watsadu as our flagship business for hardline products and launched a model store of daily home convenience to respond to service needs of all customers anytime, anywhere called go! WOW. Moreover, we introduced Thailand’s successful Tops market in Vietnam and continued to thrive with M&A strategy as we successfully acquired COL, the leading office supplies, book, entertainment media, lifestyle product, and No. 1 e-Book provider under trademarks OfficeMate, B2S, and MEB.



As for the operating results in 2021, the Company achieved a total revenue of THB 195,654 million, an increase of 1% and a normalized net profit of THB 407 million, an increase of 166% compared to that of 2020. Overall, the Company’s performance turned out to be significantly improved in Q4, as we were able to deliver sales and profits close to the figures achieved in the same quarter of 2019 before the COVID-19 outbreak began, despite the persisting negative factors of cross-country travel that had not yet recovered.

The results of our dedication to running our business under challenging circumstances are reflected in the awards and pride we received in 2021. For example, the Asian Excellence Awards for CSR, Investor Relations, and Best Corporate Communications in Asia by Corporate Governance Asia, Hong Kong’s leading economic magazine; Asia’s Best Employer Brand Award granted by the Employer Branding Institute, a leading human resource institute of India, for being the best (No.1) company that provides quality care for employees within the organization among various companies in more than 38 countries throughout Asia; Top 10 Reputable Retail Companies Award for Central Retail Vietnam, as being named the Best Retailer of 2021 by Vietnam Report Joint Stock Company based on our financial management capabilities, good reputation, and also consumer and stakeholder surveys; and, Global CSR Awards for Best Program Community from Jing Jai Farmers’ Market Program at the 13th Annual Global CSR Summit & Awards hosted by the Pinnacle Group International, Singapore. All awards and honors received in recognition of being a leading retailer are a result of the success that the Company aims to carry on and further develop to upgrade the overall performance.

In addition to the continuous business development in 2021, the Company has elevated the organization to meet international standards at the global level in the context of environmental, social sustainability, and governance through a number of projects. These projects include Journey to Zero, which aims to reduce the amount of solid waste at source, promote waste sorting in the right way, switch to renewable energy, and increase green areas; careers for the disabled where the Company has cooperated with public, private sectors and local municipalities to drive equal opportunities for people with disabilities, unlocking career opportunities, enhancing potentials of the handicapped,

and minimizing inequality in the society; provision of assistance to society and medical personnel during the COVID-19 situation; and adoption and adaptation of the Good Corporate Governance Principles (CG Code) of the Securities and Exchange Commission (SEC) to suit the contexts of the business while reviewing Company’s governance policies to ensure they are in line with the principles of good corporate governance, and upgrading the operating standards to be in line with international principles. The above actions resulted in the Company being selected as a Thailand Sustainability Investment Stock (THSI) in 2021 from the Stock Exchange of Thailand and was chosen as a member of Sustainability Yearbook 2022 in the Retail Industry at its first year participating in the S&P Global Sustainability Assessment (DJSI).

The year of 2021 has been a challenging year and a test for Central Retail. However, we were indeed able to adjust our business even more promptly and firmly than before. It has already been proved that the rapid adaptation of the organization and personnel could enable Central Retail to overcome many obstacles in an “Antifragile”, or strong but flexible way. After all, I would like to take this opportunity to express our appreciation to all customers, partners, and employees for being part of this crucial driving force that helps Central Retail continually enhance the business and be ready for sustainable growth, as well as becoming a leader in the global retail and service arena with full pride.

From now until 2022, we shall keep adhering to our brand purpose of being “Central to Life” alongside achieving sustainable growth by expanding the business through upgraded omnichannel platforms, deploying new technologies and digital to accelerate growth of core business groups, both domestically and internationally, as well as collaborating with international partners and creating new businesses that resonate with the global trends and consumer demands while also expanding the business under the concept of Inclusive Growth to accomplish inclusive success with partners for sustainable growth.

Yol Phokasub
(Mr. Yol Phokasub)
 Chief Executive Officer



BOARD OF DIRECTORS



Dr. Prasarn Trairatvorakul

Chairman



Mr. Suthichai Chirathivat ⁽¹⁾

Vice Chairman



Mr. Suthikiati Chirathivat

Vice Chairman



Mr. Sudhitham Chirathivat ⁽²⁾

Director



**Mrs. Pratana
Mongkolkul**

Independent Director,
Chairman of the Audit
Committee



**Mrs. Patareeya
Benjapolchai**

Independent Director,
Chairman of the Corporate
Governance
and Sustainability Committee,
Member of the Audit
Committee and Member of
the Risk Policy Committee



Mrs. Atchaka Sibunruang ⁽³⁾

Independent Director,
Chairman of the Nomination
and Remuneration
Committee,
Member of the Corporate
Governance and
Sustainability Committee



Mr. Sompong Tantapart

Independent Director,
Member of the Audit
Committee,
Member of the Nomination
and Remuneration Committee

⁽¹⁾ Mr. Suthichai Chirathivat, Vice Chairman, resigned from the position of Vice Chairman and director, effective 25 November 2021.

⁽²⁾ Mr. Sudhitham Chirathivat was appointed as a director, effective 21 December 2021.

⁽³⁾ Mrs. Atchaka Sibunruang, Independent Director, resigned from the position of Director, effective 27 December 2021



BOARD OF DIRECTORS



Mr. Kanchit Bunajinda

Independent Director,
Chairman of the Risk Policy
Committee



**Prof. Dr. Suthiphand
Chirathivat**

Director, Member of the
Nomination and Remuneration
Committee



Mrs. Yuwadee Chirathivat

Director and
Member of the Executive
Committee



Mr. Suthilaksh Chirathivat

Director



Mr. Prin Chirathivat

Director,
Member of the Risk Policy
Committee



Mr. Tos Chirathivat

Director, Chairman of the
Executive Committee,
Member of the Nomination
& Remuneration Committee



Mr. Pichai Chirathivat

Director, Member of the
Corporate Governance and
Sustainability Committee



Mr. Yol Phokasub

Director, Member of the
Executive Committee,
Member of the Risk Policy
Committee, Member of the
Corporate Governance and
Sustainability Committee,
Chief Executive Officer



MANAGEMENTS



Mr. Yol Phokasub

Director, Member of the Executive Committee, Member of the Risk Policy Committee, Member of the Corporate Governance and Sustainability Committee, Chief Executive Officer



**Mr. Piya
Nguiakaramahawongse**

Member of the Executive Committee, Chief Financial Officer



Mr. Olivier Langlet

Chief Executive Officer
Central Retail Vietnam



MANAGEMENTS



Mr. Pierluigi Cocchini

Chief Executive Officer
Rinascente
(Central Retail Italy)



Mr. Philippe Jean Broianigo

Chief Executive Officer – Property
and Business Development

AWARDS AND RECOGNITIONS

1. Corporate Achievement & Governance Excellence

Asian Excellence Awards



Central Retail received 5 awards from Asian Excellence Awards 2021, reflecting leadership in retail and excellent international-level corporate governance. The 5 awards are Asia's Best CEO, Asia's Best CFO, Asia's Best CSR, Best Investor Relations Company, and Best Corporate Communications Team. The Asian Excellence Awards are presented by Corporate Governance Asia, a leading Hong Kong-based magazine covering topics of economics and good governance.

IDC Future Enterprise Awards



Central Retail received the 2021 IDC Future Enterprise Awards Thailand-the greatest innovation award throughout the Asia-Pacific region in the category of Best in Future of Work by The Future Enterprise Awards Singapore, a renowned global provider of market intelligence and advisory services. The award recognizes innovative organizations that showcase forefront initiatives known as one of the largest innovation awards throughout the Asia-Pacific region. Central Retail was honorably awarded under the invention of the C-Coin Application-based on blockchain technology, a reward management tool that establishes stronger employee engagement within the organization. The application consists of a C-Coin Wallet and a digital currency that can be used as a substitute for cash for products and services partners under Central Retail.

The Certificate of Merit from the Minister of Industry and Trade Vietnam

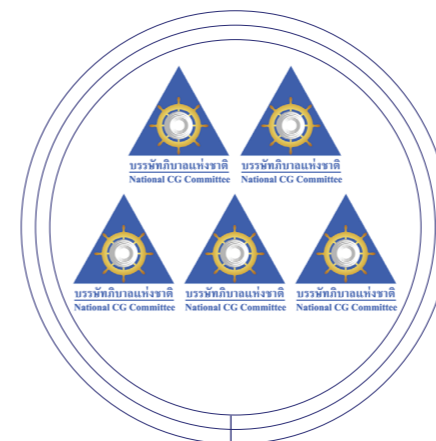


Central Retail in Vietnam was honored to receive the Certificate of Merit from the Minister of Industry and Trade for Outstanding Achievements to Celebrate the 70th Anniversary of the Foundation of Vietnam's Industry and Trade.

Asia's Outstanding Companies Poll

Central Retail has been named the winner in Asia's Outstanding Companies Poll 2021 under the category of Consumer Discretionary in Thailand by Asiamoney, a leading financial publication. The rankings are based on votes from over 1,000 institutional investors and analysts.

5 Star or an Excellence of the Corporate Governance Report of Thai Listed Companies



Central Retail received 5 Star or an Excellent Scoring of the Corporate Governance Report of Thai Listed Companies 2021 (CGR) from the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand (SET).

Institutional Investor (II Awards)



Central Retail has been honored to achieve 3 prestigious awards in 3 categories of Best CEO, Best CFO and Best IR Program by Institutional Investor's 2021 All-Asia Executive Team rankings, in the Consumer Discretionary sector, Sell Side. Institutional Investor is the US-based a leading research and international publisher, focused primarily on international finance. Central Retail won recognition as a Top 3 listed company in all 3 categories against the Rest of Asia (exclude China and Japan).

IR Magazine Awards South East Asia



Central Retail received 2 awards from IR Magazine Forum and Awards 2021 for Best Overall Investor Relations (Mid-cap) and Best in Sector: Consumer Discretionary in the Southeast Asian region. The award is organized by IR magazine, a global publication in the field, and recognizes companies leading best practices in IR throughout the region.

AWARDS AND RECOGNITIONS

2. Business Excellence

Thailand Corporate Excellence Awards



Central Department Store received Thailand Corporate Excellence Awards 2021 in the category of Product / Service Excellence, one of HRH Princess Maha Chakri Sirindhorn's Trophies for the organizations with management excellence in various fields.

Excellence in Agricultural Commodity and Food Standards



Central Food Retail receives 2 awards of Excellence in Agricultural Commodity and Food Standards 2021 from the National Bureau of Agricultural Commodity and Food Standards, Ministry of Agriculture and Cooperatives, on the occasion of the Bureau's 19th anniversary. The two awards are a Q Modern Trade Award for the 10th consecutive year, and an Organic Standardized Supermarket Award, covering Central Food Hall, Tops, and Fresh food distribution center for the 4th consecutive year.

The Best eService Provider Award



OfficeMate received the Best eService Provider Award from Thailand Top Company Awards 2021, organized by Business+ Magazine and the University of the Thai Chamber of Commerce, to stress on the number 1 online B2B platform ranking and the most trustworthy B2B e-commerce with more than 100,000 business and office items. It completely answers business demands as a One-Stop Shop and is convenient, fast, match with SME and modern purchasing organizations.

The Best Retail Franchise Award



OfficeMate Plus+, the first convenience store for B2B customers in Thailand, received the Best Retail Franchise at the Thailand Franchise Awards 2021, organized by the Department of Business Development under the Ministry of Commerce. The award recognizes OfficeMate Plus+ for its outstanding achievement. In addition to being a popular brand offering quality products, the award-winning retailer has a good corporate image, a standardized business management system, and truly meets the operational goals of enterprise.

Top 10 Reputable Retail Companies in Vietnam



Central Retail in Vietnam has been honorably crowned #1 in the Top 10 prestigious companies in retail industry of 2021 by Vietnam Report Joint Stock Company. The Top10 companies were selected in a logical and subjective approach based on financial capacity, media reputation, and survey concerning consumers and stakeholders.

The Certificate of Merit from the Ministry of Agriculture and Rural Development Vietnam



Central Retail in Vietnam was honored to receive the Certificate of Merit from the Ministry of Agriculture and Rural Development for the excellent achievements in promoting supply and consumption of agricultural products as well as supporting the community in the control and prevention of the COVID-19 pandemic.

Top 8 Stores to Visit



Central Food Hall, Ladprao is selected to be one of the Top 8 Stores to Visit Worldwide Most Favorite Stores by Retail Analysis from Institute of Grocery Distribution (IGD), an education and training charity located in the food and grocery industry over a hundred years ago in the United Kingdom.

AWARDS AND RECOGNITIONS

3. Corporate (Staff) Well-Being & Sustainability Excellence

Thailand Sustainability Investment (THSI)



The Company was selected to be included in Thailand Sustainability Investment (THSI) 2021 by the Stock Exchange of Thailand in its first year of participation in the assessment despite having just recently listed in the Stock Exchange of Thailand. This builds more confidence for investors and reflects that the Company plans and uses the company competencies to support and the solution for social issues and environmental problems.

The Asia's Best Employer Brand Awards



Central Retail received the Best Employer Award under the Asia's Best Employer Brand Awards 2021 by the Employer Branding Institute, a leading human resource organization from India. The award is given to outstanding organizations with prominent management throughout 38 countries across Asia.

Best Employers Awards Thailand



Thai Watsadu and Central Marketing Group received the Best Employers Awards Thailand 2021 from the Kincentric Best Employers Thailand 2021 Awards organized by Kincentric Thailand in collaboration with Sasin School of Management of Chulalongkorn University.

Organization that Empowers Persons with Disabilities Awards



Central Retail received the award for Organization that Empowers Persons with Disabilities 2021 for 2th consecutive year from the Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security.

CSR Certificate of Recognition



Central Retail in Vietnam was honored to receive the 2021 CSR Certificate of Recognition from The Saigon Times for its great contribution to local communities through corporate social responsibility (CSR) activities.

AMCHAM Corporate Social Responsibility Excellence Recognition Awards



Central Food Hall, Tops, and FamilyMart received the AMCHAM Corporate Social Responsibility Excellence Recognition Award 2021: Platinum Status for the 11th consecutive year from the American Chamber of Commerce in Thailand (AMCHAM).

AWARDS AND RECOGNITIONS

3. Corporate (Staff) Well-Being & Sustainability Excellence

Global CSR Awards



Central Retail received the Gold Award for Best Community Programme for Jing Jai Farmers' Market Project at The 13th Annual Global CSR Summit & Awards, organized by The Pinnacle Group International, Singapore.

Excellent Contribution to the City in the Prevention and Control of COVID-19 Pandemic



Central Retail in Vietnam was honored to receive the Certificate of Merit from the HCMC People's Committee to Central Retail's retail channels including Big C / GO! and Tops market for their Excellent Contribution to the City in the prevention and control of Covid-19 pandemic. During the 4th wave, Central Retail in Vietnam have joined hands with the City government in maintaining price stability and sufficient supply of food and essentials to best meet the needs of the people.

ISO 45001 Certification in Occupational Health and Safety



The Company has made another big step towards the next level of sustainable business operation by obtaining the ISO 45001, the Occupational Health and Safety Management System, for the Company's distribution center. It is the first large-scale distribution center in Thailand with this ISO certification.

The Outstanding Award for Safety, Occupational Health and Work Environment



Thai Watsadu, Baan & Beyond / BNB Home, OfficeMate, Powerbuy, and Robinson Lifestyle were awarded the Outstanding Award for Safety, Occupational Health and Work Environment 2021 from Department of Labour Protection and Welfare, Ministry of Labour.

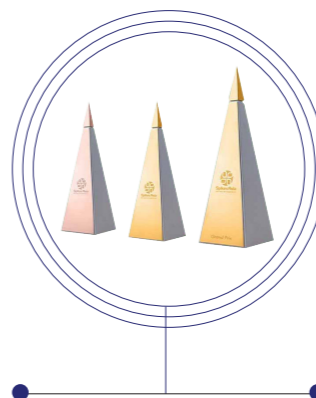
4. Marketing & Branding Excellence

Asia's Top Influential Brands Awards



Central Department Store, Tops market, and FamilyMart received 3 prestigious awards of 2021's Asia Top Influential Brands Awards at the 2021 Asia's CEO Summit & Award Ceremony, organized by Influential Brands (Singapore), in collaboration with NEO Target. Central Department Store received the award as Top Brand: Department Store. Tops market received the award as Top Brand: Supermarket for the 5th consecutive year, while FamilyMart received the award as Top Brand: Convenience Store for the 2nd consecutive year. The awards are based on a survey of consumers in Thailand.

Spikes Asia Award



Central Department Store and Wolf BKK received 3 awards; Grand Prix and Gold Spikes Awards in the film category, and Bronze Spikes Award in entertainment category at the 2021 Spikes Asia Award, the largest commercial film festival in the Asia-Pacific region held in Singapore, from the Central Midnight Sale campaign.

Thailand's Most Admired Brand



Central Department Store received the Modern Sales Channel award in department stores and supermarkets that consumers trust and the most reliable for the 15th consecutive year and a special award with the Global Thai Brand Award, the award that reflects the success of global marketing. The survey was conducted with consumers nationwide which is organized by Brand Age magazine, in collaboration with the country's leading universities.

MobEx Awards

Robinson Department Store received Silver Medal in the Best Location-Based Marketing category at the MobEx Awards for its outstanding Payday campaign. The campaign is successful and suitable with targeted customers. MobEx Awards are given to marketing campaigns on the mobile platform in South Asian countries, Southeast Asia, Australia and New Zealand.

Best Brand Performance on Social Media – Supermarket Awards



Tops received 1st prize in Best Brand Performance on Social Media – Supermarket for 2nd consecutive years at the 9th Thailand Social Awards 2021 by Wisesight (Thailand) which recognizes brands, influencers, and entertainment icons who have had outstanding performance on social media.

Part 1

Business Overview and Performance

The background of the lower half of the page features several abstract geometric patterns. On the left, there are concentric circles and a series of parallel lines radiating from a central point. In the center, there are more concentric circles and a few small circles. On the right, there is a large, stylized 'X' shape formed by concentric circles and a series of parallel lines.



1

Business Structure and Operations





1.1 Business Overview



Central Retail Corporation Public Company Limited (“the Company” or “Central Retail”) is the leading multi-format and multi-category retailing platform in Thailand. Central Retail is also growing internationally, securing leadership status in Italy, and becoming one of the leaders in Vietnam. Central Retail is a pioneer in omnichannel retailing in Thailand, complementing its retail store network and merchandise offerings with leading positions among store-based retailers in online traffic. The iconic “Central” brand, whose reputation for excellence and a customer-centric approach to retailing dates back over 70 years in Thailand, unifies and stands behind its portfolio of diverse retail banners, many with leading market positions across the most attractive retail categories. Central Retail uses the “Central” (both in Thai and English) trademarks, service marks, and tradenames in business operations under certain licensing agreements.

Central Retail believes we have helped to drive the evolution of consumer lifestyles and shopping habits in Thailand and Vietnam by repeatedly introducing new retail formats to the customer, including department stores, specialty stores, supermarkets, hypermarkets, convenience stores and retail plazas.

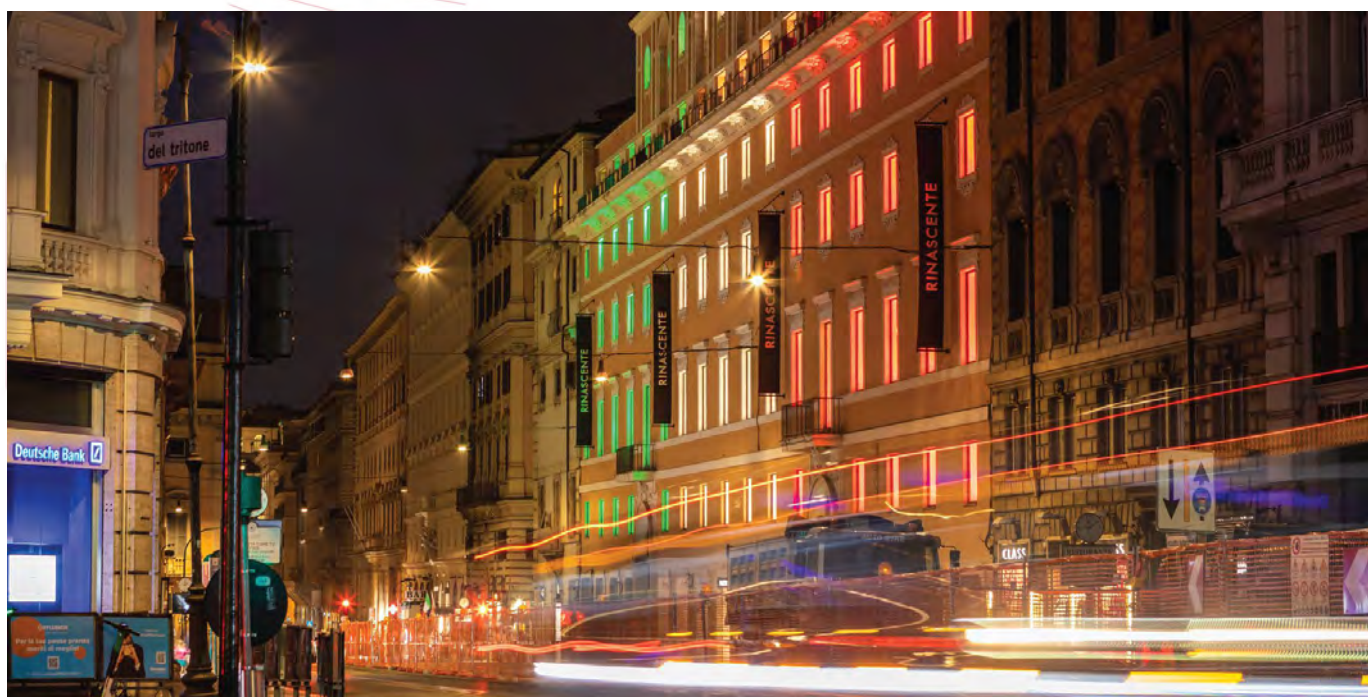
As of 31 December 2021, Central Retail operated its business under its key retail banners across multiple formats in Thailand, Vietnam, and Italy as follow:

Thailand
2,051
Stores

Vietnam
120
Stores

Italy
9
Stores

Backed by over 70 years of customer-centric retail experience in Thailand and its established and growing leadership position in Vietnam, and by leveraging the resources and prestige of its business in Italy, Central Retail believes it is a well-positioned to grow into one of the most successful multi-format retailers in Southeast Asia and beyond. Central Retail is also helping to guide the next phase in the evolution of consumer lifestyles through its leadership in omnichannel retailing and continued innovation in store-based retailing formats.



Understanding the changes in customers' tastes and preferences has always been a key drive of the Company's growth since Central Retail was founded as a single small shop house in Bangkok in 1947. Later, Central Retail introduced Thailand's first full-scale department store to serve customers' needs for shopping experiences with a wide and complex range of products. When Thailand's household income increased, Central Retail decided to expand the business beyond Bangkok, starting with its first department store in Chiang Mai in 1992. Until now, Central Department Store and Robinson Department Store ultimately have owned 74 stores across Thailand (Updated as of 31 December 2021). Central Retail has become a pioneer in the new retail formats and the distribution business of specialty products such as electronics, sports apparel, DIY home improvement and decoration, and health products focusing on vitamins and dietary supplements, etc. In addition, Central Retail has continued its success with the expansion the multi-format retailing business to Vietnamese with the customer centric strategy. Central Retail developed retail plazas, hypermarkets and specialty stores to penetrate the market in the urban and rural areas of Vietnam, and also built the business model distinctive from that of Thailand with the business strategy to satisfy the needs of Vietnamese customers. For Central Retail's business in Italy, Central Retail established 2 flagship department stores in Milan and Rome and 2 mini flagship stores in Turin and Florence to cater the needs of customers with high purchasing power and tourists. Furthermore, Central Retail operates 5 other department stores in major cities around the country to serve the customers' need in broader scales with shopping experiences of a wide variety of products and premium selections. Last but not least, Central Retail has become a pioneer of omnichannel retailing in all mentioned above countries, emphasizing its strong ambition to offer services through the customer focused approach.

Central Retail believes it can satisfy the full spectrum of the customers' shopping needs through comprehensive merchandise offerings and its diversified portfolio of retail banners. Central Retail's merchandise mix addresses the majority of consumer expenditure categories, including consumer staples like food and clothing to discretionary items like luxury fashion, electronics and home improvement. Through consistent network expansion, Central Retail has broadened its customer base to encompass all income levels and age groups, and extensive store footprint has brought Central Retail closer to where the customers live, work and entertain just as they are increasingly seeking out greater convenience in their shopping experience. Central Retail operates under a diverse slate of retail banners which can be divided into 4 segments based on business units, including

- (1) Hardline banners, such as Thai Watsadu, Baan & Beyond* / BNB Home, Power Buy, OfficeMate, B2S, MEB, and Nguyen Kim
- (2) Food banners, such as Central Food Hall, Tops market, Tops daily, FamilyMart, Big C / GO! Vietnam, Lan Chi Mart and go!

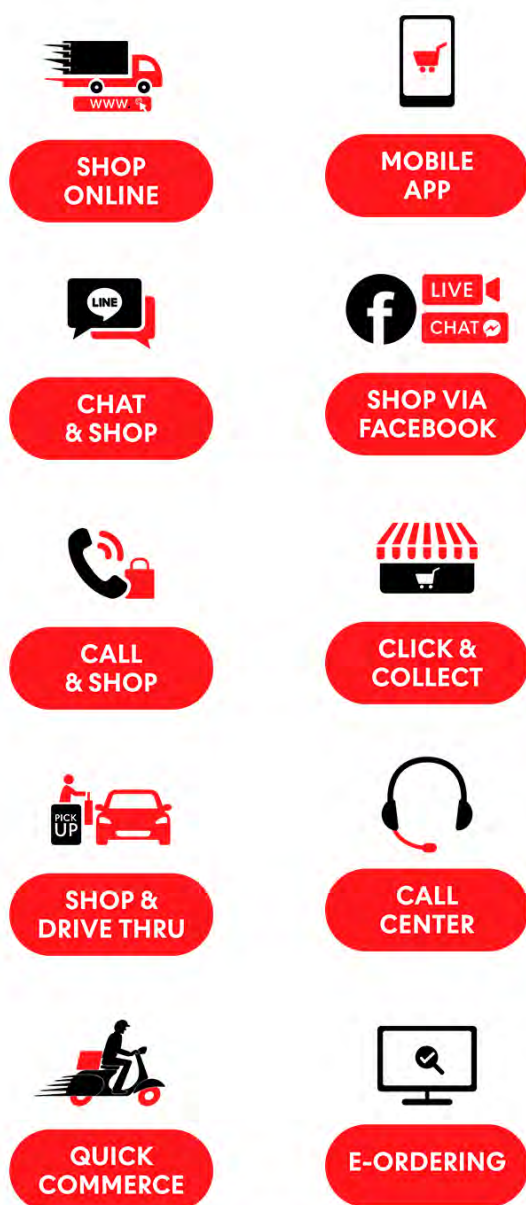
Note: *Under rebranding to BNB Home



- (3) Fashion banners, such as Central Department Store, Robinson Department Store, Rinascente Department Store, Supersports, and Central Marketing Group
- (4) Property banners, such as Robinson Lifestyle, Tops Plaza, and Big C / GO! Vietnam

Central Retail is the partner of choice for global brands like Gucci, Bottega Veneta, Polo Ralph Lauren, Nike, Skechers, Muji, Garmin, and Bose. By aiming to provide a differentiated offering across global and domestic merchandise while still catering to local customer tastes and preferences, Central Retail believes to be one of the customers' first choices in each consumer expenditure category where Central Retail operates.

With strong commitment to adapt to customers' diverse needs, Central Retail has continuously developed omnichannel platforms to integrate the online and offline shopping experience seamlessly. Even though more and more customers demand convenience from online shopping, Central Retail has forecasted that the in-store shopping remains the first choice of customers and the pillar of retail business in Thailand in the next 5 years, with the seamless integration of online and offline experiences. Therefore, the stores in Central Retail network have combined the in-store product distribution through salespersons with the online distribution channels and created the connection with customers through a variety of services as follows:



Click & Collect enables customers to shop online and pick up at the store. This allows salespersons to serve customers and increase the opportunity to cross sell and upsell more products. Moreover, **Reserve & Collect** lets the customers make online booking, then pick up and pay at the store.

Chat & Shop allows customers to communicate and receive assistance in purchasing products from salespersons via mobile phones. This also includes product ordering service via messages on social media platforms such as Facebook or official LINE stores under Central Retail's brands.

Personal Shopper a new service that allows customers to easily order products through a personal assistant who is ready to supply any demand for any products, notify customers about promotions and privileges. All of this in only one call away to 1425. This includes **Call & Shop** of Central Retail's affiliates that allows customers to order products via phone calls, along with the service from assistant at the end of the line, ready to provide product information, delivery, and installation to your home.

e-Ordering facilitates customers to order products not displayed in the store, and customers can choose between delivery at home or store pick-up.

Shop & Drive Thru allows customers to drive through and pick up their ordered products while our staff prepares products for delivery to customer's vehicle.

Moreover, in-depth customer information acquired via omnichannel will enable positive changes towards new offerings of shopping experience that truly fits



the customers. Central Retail believes that integrated and complete omnichannel will influence shopping behaviors of its current customers, increase customer loyalty, retain regular customer base as well as attract new customers who not only need online shopping convenience but also want the seamless shopping experience from both online channel and physical store that can respond to such demand (such as physical fitting or product inspection). Central Retail expects that its omnichannel platforms, a combination of online and offline platform, will create a unique and comprehensive shopping experience for the next-generation customers, as well as continuously driving growth for both Thailand and overseas markets.

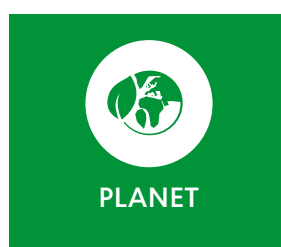
Central Retail's core purpose is Central to Life. Part of the organization's mission is to give back to the people, communities, and the nation. Central Retail operates its business with awareness of its impact and creates values with all groups of stakeholders on good governance principles to create sustainability for the next generation. Central Retail has been taking continually and seriously actions to create a positive, long-term and quality outcome to uplift people's living, society and preserving the environment, as well as creating values and benefits for the society where Central Retail is running business, along with building the sustainability of the business to grow together. Up to date, Central Retail has operated its business with the 4P framework to drive business for sustainability as follows:



1) Well-being of the people



2) Sustainable economic growth



3) Quality of the environment



4) Peace, arts and culture, and cooperation

Various projects have been carried out to support sustainability in all dimensions, such as the use of green energy from solar panels installation at Robinson Lifestyle, Thai Watsadu, and GO! Vietnam. Central Retail was also the first retailer to support plastic bags reduction since 2018 in efforts to preserve the environment. Expansion of Central Retail's business was done with focus on spreading new stores to potential areas in the provinces to create jobs and help stimulate the economy, providing support to society and communities during the COVID-19 epidemic, including Jing Jai Farmers' Market project that supports farmers, etc.





1.1.1 Competitive Strengths

Central Retail believes the Company has several core competitive strengths to achieve its strategic objectives as follows:



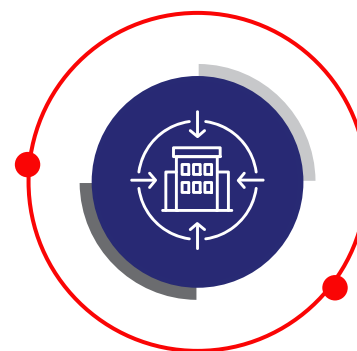
1.

Leading Multi-Format Retail Platform with Retail Banners and Omnichannel Platform across Multiple Retail Categories



2.

Focus on Customer-Centric to Drive Continuous Innovation and Customer Engagement



3.

Diverse Ecosystem Attracts Prestige Brands and Drives Synergies and Customer Engagement



4.

Success of Track Record of Acquisitions and Expansion into Other Markets in Asia and Abroad



5.

A Capable and Experienced Management Team Comprising Professional Management from the Retail Industry and the Chirathivat Family



1. Leading Multi-Format Retail Platform with Retail Banners and Omnichannel Platform across Multiple Retail Categories

Central Retail is the leading multi-format retail platform in Thailand, offering a portfolio of leading retail banners across various attractive retail categories. Central Retail believes that its retail banners have become trusted household names with modern trade retailing in Thailand, widely recognized by the customers for its best-in-class service, quality, variety, and value. Central Retail's extensive list of retail brands equips Central Retail with a diversification in merchandise and shopping experiences for the customers and proper adaptation to customers' changing tastes and preferences. Central Retail receives much attention from various brands and business alliances seeking business expansion channels in Thailand and other markets. As Thailand's pioneer retailer, Central Retail has laid the foundation for the omnichannel platform since 2012. Central Retail is a largest physical store network retailer who also offer online channel in Thailand. Its merchandise mixes available both in the store and omnichannel platforms can respond to the majority of the consumers' spending, enabling Central Retail to gain higher market share in consumer spending than other competitors. At present, Central Retail has provided various channels and services for customers such as:

(1) Digital Channels:

- Webstores under Central Retail's various retail brands
- Mobile applications that meet the needs of customers' lifestyles. Central Retail has introduced Central Application, Supersports Application, OfficeMate Application, and Tops Application in Thailand and the GO! Application for customers in Vietnam.
- Quick Commerce
- Online Marketplace

(2) Offline to Online or O2O Channels such as Call & Shop, Chat & Shop, Social Commerce, e.g., Facebook, LINE, and e-Ordering. New sales channels and services will be added to strengthen its omnichannel platform, such as Personal Shopper, where customers will be served by a personal assistant in their purchases.

Central Retail is the leading multi-format retailer in Thailand. As of 31 December 2021, Central Retail's store footprint for its key retail banners in Thailand comprised approximately 2,051 stores nationwide, including 587 department stores and specialty stores, 378 brand shops, 281 supermarkets and 805 convenience stores, with a total net selling space of approximately 2,865,197 square meters. Central Retail also operated 1,419 sales counters, which are in its own retail locations as well as leading department stores and other retail outlets operated by third parties.

Central Retail leverages its diverse and comprehensive portfolio of store formats to optimize extensive real estate platform, which includes areas where Central Retail locates its stores as a stable tenant under long-term lease agreements (including significant space leased from Central Pattana, a company within Central Group), and areas for its retail plazas, which Central Retail locates on space that its own, and where Robinson Lifestyle is a leader retail leasing in Thailand with over 422,937 square meters of net leasable space as of 31 December 2021 across 24 locations. Being a stable and long-term tenant allows Central Retail to exercise significant control and flexibility in adapting formats at a given location to meet customer needs, and by clustering multiple formats at a single location, Central Retail positions its retail plazas as lifestyle destinations for local communities, particularly in rural or otherwise underserved areas. For example, each of Robinson Lifestyle is anchored by a Robinson Department Store and Tops Plaza locations is anchored by a Tops Superstore, and all of its retail plazas will typically host a variety of other formats that Central Retail can mix and match as needed. Multi-format model therefore makes Central Retail a leading direct retailer and a large lessor of retail space in Thailand.



Furthermore, Central Retail's network extends beyond its physical store footprint through expanding omnichannel platforms to cover all its business segments. In addition, our omnichannel sales from our business units were delivered to provinces where Central Retail does not have a physical retail outlet. Central Retail believes that significant time, capital investment, and efforts would be required for any new competitor, foreign or domestic, to challenge the robust, comprehensive, multi-format nationwide retail platform which we have built over the last 70 years.

Throughout history of Central Retail, it has developed its retail banners into leadership positions across multiple retail categories in Thailand, Vietnam, and Italy.

Leveraging Central Retail's successful retail experience and ability to adapt to the local market, Central Retail has also established leadership positions in multiple retail categories in Vietnam. Central Retail also operates Rinascente Department Store in Italy with stores located in major cities such as Rome, Milan, and Florence.

Customers can access Central Retail's retail banners from any location through its omnichannel platforms, a retailing strategy Central Retail has helped to pioneer this platform in Thailand. The strength in omnichannel would not be possible without our dedication to customer service, which ensures that Central retail's omnichannel offerings meet the rapidly changing demands of the customer in this new and evolving retail era. The established store network also lends authenticity and credibility to online sales channels, assuring customers, for instance, that offerings are free from the counterfeit products that plague many online shopping or marketplaces. Omnichannel offerings comes with the same warranties and guarantee of authenticity that in-store offerings provide. Omnichannel initiative seeks to foster genuine interactions with customers and reinforce the quality and credibility of merchandise and services. This unique and differentiated retail channel expands Central Retail's services, while reconfiguring Central Retail's store offerings and tailoring the online sector to meet the needs of the customer. Omnichannel offerings are backed by powerful e-commerce infrastructure and logistics and distribution network for store merchandise, which can help underpin Central Retail's "last-mile" delivery options for customers.

2. Focus on Customer-Centric to Drive Continuous Innovation and Customer Engagement

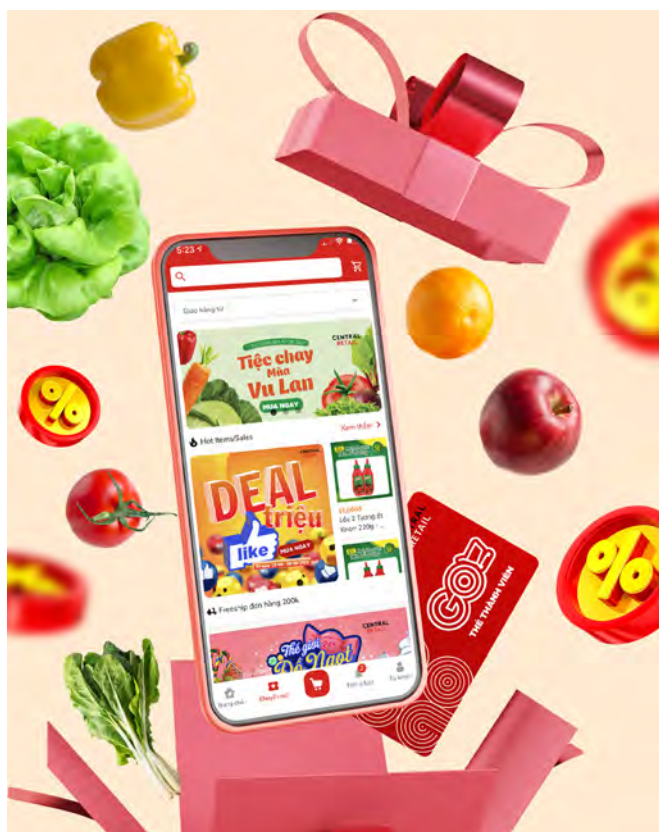




Central Retail has always been Thailand's pioneer of innovation for consumers in retail business, as Central Retail was the developer of Thailand's first department store and also the first to open lifestyle shopping centers and specialty stores catering to shoppers in second-tier provinces such as Supersports and Power Buy, which began as unbranded sections within department stores and later nurtured into retail banners, and finally as specialty stores. The innovative retail concepts, including omnichannel and online strategies, comprise of well-considered multiple factors that truly impact the lifestyles of the consumer. This includes weather and traffic conditions, real estate prices, residential areas and macro-trends in consumer lifestyles.

In addition, Central Retail has continually developed new formats and distribution channels to expand their business to markets or areas with potential and growth opportunities, especially in the provincial areas of Thailand. For this purpose, Central Retail has launched new formats under various brands of all business types under Central Retail, such as go! WOW, go! Power, Tops Vita, CHEF YIM Application, CHO YIM Application, THE BAKER, PET 'N ME, Baby & Me, etc.

Having various retail brands and store formats under Central Retail can provide a different shopping experience and satisfy customers' tastes as well as the needs of customers in each area where Central Retail's stores are located. For example, Central Retail has high-end retail stores located in the city to serve the customers with high-purchasing power, stores under the retail brands for the mass market located in the suburbs, small shops located in urban areas that have limited space, and large plazas located in provincial areas. In this regard, when the needs of customers, the competition conditions or the laws of each area are changed, Central Retail always promptly responds to such changes by offering new retail brands or new formats in the area, or even quickly switching to a more suitable retail brands or store formats. For instant, Central Retail has changed the operating structure of the department store business in Thailand by transforming Robinson Department Store into Central Department Store at Mega Bangna store and Udon Thani store in 2020, and at Khon Kaen store in 2021. In addition, there will be more potential stores to transform in the future, which are under consideration, in order to responding the changing in local customers' demand. Furthermore, Central Retail will be able to select from a variety of their retail brands, concepts or store formats that is responsive and best suited for that area when it expands its business to the new region or market.



Central Retail has a proven ability to engage a diverse and evolving customer base within its retail ecosystem through innovative technologies. Central Department Store has had a dedicated its webstore since 2012, and Central Retail currently has 12 webstores for its all-retail banners. In 2020, it has launched the full e-commerce websites of Rinascente Department Store – www.rinascente.it, and of Thai Watsadu – www.thaiwatsadu.com, to serve as selling channels for a wide array of products and facilitate for customers. In addition, it also has 5 mobile applications which are: Central Application, Tops Application, Supersports Application, OfficeMate Application, and GO! Application (launched in 2021) to better facilitate their customers. There are also 11 webstores that the company is a distributor, such as Dyson and Clarins, etc. In 2016, Central Retail launched Click & Collect, an omnichannel feature that allows the customer to make purchases online and collect the products at their preferred store location or other collection point. In 2017, it has launched the “Rinascente ON DEMAND” service for Rinascente and the Chat & Shop for Central Department Store, which integrates



the services with social networks, such as LINE, WhatsApp, and WeChat, and can connect customers with sales representatives from anywhere. This helps to drive sales through targeted promotions and accessibility. In 2021, Central Retail has expanded the Chat & Shop service to all its business units. In addition, it has cooperated with business partners in Thailand and Vietnam, such as Grab, Foodpanda, etc. to provide Quick Commerce services, including Marketplace platform providers, such as JD Central, Tiki or Zalo, to better respond to customer spending. It has also embraced the Cashless Society concept by deploying digital payment platforms such as Alipay, WeChat Pay, Dolfín and other online payment platforms offered by banks in Thailand to help streamline purchases, and has implemented e-Ordering, which allows sales staff to fulfill online orders in the store while increasing the range of product categories available to them for promotion and cross-selling. According to The 1 loyalty program, our omnichannel customers spend 4-5 times more than single-channel customers, with more variety categories as well.

Digital technologies make data collection and analysis possible on an unprecedented scale. Central Retail's sales staff have innumerable interactions with customers in-store and online and across omnichannel platforms. Central Retail has total 25.3 million loyalty members from The 1 in Thailand, Big Xu Card in Vietnam and Rinascentecard in Italy. See "Nature of Business – Loyalty Programs" for more details. These loyalty programs allow Central Retail to extract valuable customers insights, develop personalized their profiles and identify their tastes and preferences. As a result, it has developed a deep understanding of its customers, and it believes that this technology can help identify what customers want in advance.

3. Diverse Ecosystem Attracts Prestige Brands and Drives Synergies and Customer Engagement

Central Retail believes that its portfolio of diverse retail banners, together with its vast retail network and business scale, has made the trusted partner of choice for global luxury and premium brands and mainstream merchandise brands who seek distribution channels in Thailand and, increasingly, in Vietnam. Furthermore, the comprehensive multi-format retail ecosystem benefits Central Retail's brand partners and merchandise suppliers, while achieving synergies and efficiencies through integration into Central Retail's operations. Central Retail has attracted numerous leading global merchandise brands to its platforms with its diverse selection of retail banners, broad retail network coverage and strong customer loyalty. Brand partners include Apple, Casio Watch, L'Oréal, Guess, and Adidas. In addition, Central Retail has been the only regional "preferred sporting goods strategic partner" for Nike in Southeast Asia since 1999, which provides Central Retail with retail, online marketing, and merchandise support in Thailand. It also has exclusive retailing rights in Thailand for brands such as Polo Ralph Lauren, Marks & Spencer, New Balance, Calvin Klein and Speedo. As of 31 December 2021, it operated business with more than 20,000 suppliers. None of the supplier provide products to Central Retail exceeding 10% of the total purchase value. Central Retail believes that it has healthy and stable relationships with the suppliers since it pays attention to all suppliers. Also, it is a trustworthy, fair and reasonable business alliance, thereby leading to the relationships that have lasted for more than 15 years.

Furthermore, the track record of long-term relationships, strong execution and professional trustworthiness provides Central Retail flexibility in how Central Retail work with its merchandise suppliers, whether it be through exclusive distribution and licensing arrangements, such as our licensing arrangement with Lee and Sanrio, or joint venture arrangements, such as with Muji and Samsonite. Additionally, some suppliers provide Central Retail with exclusive promotions and product lines, further differentiating Central retail's merchandise selection with other domestic or foreign competitors.



The vast retail network and business scale of Central Retail provide significant operational advantages in merchandising, which drives lower unit costs in procurement and distribution and helps bolster margins. Central Retail achieves significant economies of scale in numerous aspects, including centralized distribution, consolidated transportation and logistics and shared support functions, which help to optimize productivity and operating efficiency. For example, Food segment changed its structure and combined merchandising units for both products and procurement as well as other related units between FamilyMart and Central Food Retail. Fashion segment also changed its organizational structure by merging business units of Central Department Store and Robinson Department stores to increase more efficiency and effectiveness in operations and resource efficiency. Also, Hardline segment which some business units' operations have been improved to increase the efficiency and effectiveness of operations and to manage resources more cost-effectively. Central Retail also believes that its scale helps to attract and retain talented and experienced managers and staff in the retail industry, while also making Central Retail as an attractive business partner for large suppliers and other vendors. In addition, with Central Retail's strong position, it has the ability to negotiate with suppliers and other counterparties. Central Retail also leverages its size in securing prime retail locations at favorable rates, for example, it can deploy multiple store formats to optimize leased retail spaces collectively.

Being part of the broader Central Group ecosystem, close affiliation and strong synergies with other members enhance Central Retail's competitive position in the retailing industry, delivering numerous benefits to the customer, partner and overall business.

Customer Relationships

Central Retail participates in Central Group's The 1 loyalty program in Thailand, which grew from 13.1 million members in 2017 to approximately 18.5 million members as of 31 December 2021, representing approximately 28% of the total Thai population. Approximately 3.0 million members were the active monthly users who had made at least one purchase on the platform per month. Central Retail believes that such a strong loyalty program helps to deepen customer's engagement and increase average spending per customer. Acquisition of new members is carried out in-store, through omnichannel platform, webstores, Mobile application of each business segment (such as Central Application, Tops Application, and Supersports Application) and The 1 Application, and the ability to earn points through purchases with other external partners, such as gas stations, digital banking platforms and other businesses help make the program more attractive to new users.

Real Estate

Central Retail also has access to some of the most prestigious shopping mall locations in Thailand through its synergy with Central Pattana Public Company Limited ("CPN"), a subsidiary of Central Group. Certain of Central Retail's retail banners, particularly Central Department Store, enjoy anchor tenant status in the shopping malls owned by CPN, which are typically located in prime locations with strong foot traffic. Given the close working relationship with CPN, Central Retail is at times provided with the early-stage opportunities to evaluate the commercial feasibility of establishing a store at a particular site where CPN intends to build a shopping mall, which allows Central Retail to more easily secure prime locations while also influencing store concepts and customer experiences planned for the shopping mall. Additionally, the close relationship with CPN and Central Group allow Central Retail to be nimble in adapting and renovating its retailing space to better respond to changes in consumer spending patterns.

Additional Benefits

Further, Central Group has shown its continued support through HCDS, Central Retail's major shareholder, and its subsidiaries, by providing Central Retail with certain Rights of First Refusal and call options allowing Central Retail certain preferences in negotiating mergers and acquisitions, either in whole or in part and on arm's length terms, with respect to certain of its retail assets, including the KaDeWe, Oberpollinger and Alsterhaus department stores in Germany, the ILLUM department store in Denmark and the Central Department Store in Indonesia,



subject to certain limitations. Central Group has also provided Central Retail with certain Rights of First Refusal with respect to the JD Central JV, subject to certain limitations. HCDS has designated Central Retail as the flagship company for its retail business, and therefore has a policy not to invest in any retail business, whether in Thailand or abroad, which may be of the same nature as Central Retail's business and may compete with Central Retail's business, except where Central Retail's Board of Directors has resolved that Central Retail does not wish to invest, whether in whole or in part, in such business. These benefits, combined with opportunities in overseas markets that come with Central Retail's global relationships, can help to further support rapid growth and scale business to another level.

4. Success of Track Record of Acquisitions and Expansion into Other Markets in Asia and Abroad

Central Retail has replicated the success of its retail story in Thailand in other global markets by adopting local know-how and approaching each new location in its own right. Central Retail has a strong track record of international expansion, primarily through acquisitions and joint ventures in Italy and Vietnam. International revenue represented 25.0%, 27.9%, and 27.9% of Central Retail's total revenue in the years ended 31 December 2019, 2020, 2021, respectively. The outbreak of COVID-19 periodically occurs in Vietnam and Italy since 2020 till now and all stringent control measures are implemented, thereby being inevitably affected to the Company performance. However, Central Retail has adjusted operational plans by focusing on formulating proactive strategies in combination with reactive ones. Moreover, the operational plans have been regularly followed up. Additionally, the availability of the omnichannel for all segments in every country helped enable the Company to continue providing services of product purchasing through various channels and adjusting products to meet customers' needs, all of which contributed to the Company's sales, i.e., 2% growth in overseas sales in 2021 compared to 2020, despite the intermittent COVID-19 outbreak. The proven execution track record has increased confidence in being able to apply operational excellence and adapt to other markets all around the world.





Central Retail entered the Vietnam market 8 years ago with fashion category offerings, formed joint ventures with Nguyen Kim (and acquired the remaining shares of Nguyen Kim in June 2019) and Lan Chi Mart in 2015, then acquired Big C Vietnam in 2016. Central Retail spent the two years following Big C Vietnam acquisition revamping the brand and restoring customer confidence in the quality of products and services. Central Retail did this by sourcing almost all of food products locally and cancelling the majority of the prior owner's private label food products, enabling Central Retail to offer customers better value for money while ensuring the freshness of food items. Additionally, Central Retail upgraded its software and set internal limits to provide customers with a speedy shopping experience. Central Retail also acquired and invested in an experienced team of devoted individuals to operate each store independently. As a result, Central Retail successfully turned around Big C Vietnam, achieving an increase in revenue every year, the first full year of results after the acquisition, to 2018. In November 2018, Central Retail opened its first Big C location, and as a result of its strong performance, local authorities from around the country have contacted Central Retail to discuss opening GO! stores in their respective provinces, which Central Retail expects will help to expedite its land procurement processes in the future. Central Retail believes that Central Retail's market position in Vietnam is comparable to the position in Thailand, with leadership across numerous retail banners and store formats in the most attractive retail categories, including Big C / GO! Lan Chi Mart, Tops market, go!, Supersports, and Nguyen Kim in Vietnam.

Central Retail entered Italy in 2011 with the acquisition of Rinascente Department Store till now and was achieved by adapting offerings in response to the demands of Italian customers to increase domestic sales while also catering to tourist demand in key Italian tourist centers, where Central Retail has successfully applied its valuable experience with Chinese tourists shopping in Thailand to capture the similar market in Italy. For instance, Central Retail successfully refreshed the Rinascente Department Store brand by moving away from a predominantly "private label" orientation to an "affordable luxury" and "luxury" position, offering brands such as Louis Vuitton, and others, and implemented the "flagship" store concept in certain locations, which has helped Central Retail deliver a differentiated experience for the customer while also attracting luxury and affordable luxury brands.

Central Retail also has a proven and robust track record of broadening its portfolio of retail banners through successful acquisitions, such as Robinson Department Store and Tops, and joint ventures, such as FamilyMart and Lan Chi Mart. Recently, in May 2020 Central Retail acquired an additional 49% interest in Central FamilyMart Co., Ltd, increasing its ownership interest from 51% to 100%. In addition, Central Retail made a tender offer for all COL Public Company Limited (COL) (Completed acquisition in February 2021) bringing in the strengths of CRC's retail portfolio as a leader of office supplies, stationaries, lifestyle products, books and e-books, to expand Central Retail's leading omnichannel retailing platform in hardline segment and expand customer base to corporate customers, creating added value from synergy between Central Retail's business units.



In addition, in December 2021, the Company acquired 67% stake in Porto Worldwide Limited (Porto WW), of which Porto WW has 40% stake in GrabTaxi Holdings (Thailand) Co., Ltd., which is the leader of an online-to-offline service platform that provides a wide range of services to customers. Moreover, it is growing rapidly, especially in Thailand. This acquisition is an aim to strengthen the Ecosystem and Omnichannel Platform of Central Retail, including collaborating with Grab to help improve the service to better meet the needs of customers.

Central Retail believes the success of the above acquisitions and overseas business expansions has enhanced Central Retail to grow significantly in the national and international levels. Moreover, Central Retail has personnel with expertise and the capabilities of acquiring and integrating retail brands into its retail business network, and Central Retail is an attractive and trustworthy partner for other businesses given its solid financial status.

5. A Capable and Experienced Management Team Comprising Professional Management from the Retail Industry and the Chirathivat Family

The Chirathivat family is the pioneer of modern trade retailing in Thailand. It was the first in Thailand to start a sizeable department store in Bangkok's Wang Burapha district in 1956 and then the Central Chidlom Department Store in 1974. It founded the highly successful Big C hypermarket in Thailand in 1994 and founded Thailand's number one mall developer Central Pattana in 1995. It also opened Thailand's first specialty retail stores in 1996 and has been a leader in online innovation in Thailand since the early 2000s.

Central Retail boasts an experienced and dedicated professional management team consisting of retail industry veterans and top professionals from other disciplines, who work hand-in-hand with Chirathivat family sponsors, as well as well-qualified managers from the Chirathivat family itself. The majority of managers have over twenty years of retailing experience in Thailand, Vietnam and Italy.

As an industry leader and pioneer, Central Retail has consistently been able to attract the most talented employees locally and globally that also align with its customer-centric operating model. Central Retail engages professional managers from both Thailand and abroad to join in management team and Central Retail believes that now Central Retail has a strong and diverse management bench. Managing the diverse portfolio of retail banners, store concepts and formats (from large department stores to small convenience stores and brand shops) requires specialized management and execution skills, and Central Retail believe there are few other retailers with a management pool that could match our expertise and experience.



1.1.2 Business Strategies

In 2021, Board of Directors had reviewed the Company's business strategies to be in accordance with its competitive strengths to drive the Company's performance as follows:





1. Extend Domestic Leadership through Organic Growth

Although Central Retail is a leader in retail business of a variety of products through various formats and channels in Thailand. However, Thailand is the market with fragmented competitors in all types of retail business, ranging from department stores, supermarkets, hypermarkets, convenience stores to specialty stores. Therefore, Central Retail's primary goal in extending its leadership is to maximize its retail space utilization, expand the store network rapidly, and integrate with its omnichannel platforms to increase market share and support higher customer spending volume, especially in the areas outside Bangkok. The access to secondary markets is deemed as a good opportunity for its business growth. During the past few years, Central Retail has noticed the growing volume of customer spending in such areas than that in greater Bangkok. For this reason, Central Retail aims to increase its market share significantly in those areas through organic growth.

Central Retail believes that its continuous intention in providing services to customers and adapting to the tastes and preferences of customers plays a key role in helping Central Retail to gain more market share and customer spending share. To accomplish the goal, Central Retail has offered the management at the local level more opportunities to get involved, give opinions and make business decisions. Central Retail has begun to implement the management plan according to its centrality principle in different local areas, allowing the local management to jointly make decisions, and participate in local activities of the society. Central Retail is believed that this helps it to respond to the changing tastes and preferences of local customers better.

For Thailand, in 2021 Central Retail opened 1 Robinson Department Store, namely Ayutthaya, and 5 stores of Thai Watsadu, namely Suksawat, Bowin, Ayutthaya, Songkhla and Srisamarn. In addition, Central Retail has also opened a supermarket and other specialty stores. Moreover, 3 stores of Central Department Store have been renovated, namely Chidlom, Ladprao and Rama 2, and renovation of 2 Robinson Lifestyle, namely Chachoengsao and Sri Saman.



For Vietnam, it is a market that is strategically important for Central Retail's future business growth, due to country's positive macroeconomic outlook and potential target customers. In addition, according to General Statistics Office in Vietnam, gross domestic product (GDP) in 2021 continued to expand by 2.6% compared to last year. The population and the growth of middle-income consumers is the main driver of retail business in Vietnam.



Central Retail has stores expansion plan for Big C / GO! Vietnam as a channel to accelerate the business growth in Vietnam. Big C / GO! Vietnam consists of Big C / GO! hypermarkets as the key brand and is currently the largest hypermarket operator in Vietnam in terms of market share. Moreover, Big C / GO! operates space rental business to third parties and Central Retail's retail brands such as Nguyen Kim and others. Central Retail believes that the hypermarket model combined with the plaza can enhance the potential of its business growth in Vietnam. Also, Central Retail has developed new concepts and store formats due to the changing tastes of consumers in Vietnam who are now demanding for more classy and specialized shopping experiences according to their higher income. To cater to such changes, Central Retail used the success of Big C / GO! Vietnam and Nguyen Kim to introduce Central Retail's new and creative specialty retail brands in the same way as Central Retail had responded to the changes in consumer preferences in Thailand. Central Retail has opened go! model in the secondary provinces of Vietnam, and has rebranded GO! to Tops market Vietnam in Vietnam's major cities. In addition, Central Retail has introduced new concepts and store formats. This includes a lifestyle store 'LookKool,' a DIY home appliance store 'Home Mart' with the Shop-in-Shop model within the Big C / GO! hypermarket in Vietnam, a food court 'GO! Daily' offering international food at reasonable prices, located in plaza Big C / GO! in Vietnam, and a children's playground 'Kubo.' Central Retail continues innovating new specialty retail brands as more and more customers become interested in the specialty store, offering a wider range of products, and providing sales staff to give product recommendation. Central Retail aims to open stores under all of its retail brands throughout 55 provinces in Vietnam. In addition, Central Retail has begun the rebrand of "Big C" to "GO!" since 2020 to re-image of the hypermarket and shopping mall business in Vietnam, with plans to gradually rebrand the Big C brand to the GO brand! in the following years. Finally, Central Retail has a plan for internal structure improvement, including work procedures, for more operational efficiency.

In 2021, Central Retail opened 3 stores of GO! (including hypermarkets), namely Thai Nguyen, Ba Ria and Thai Binh, along with other specialty stores. Additionally, Central Retail also changed the image of "Big C" brand to "GO!", which consists of 8 stores of shopping center and 7 stores of hypermarket and rebranding the medium hypermarket in Ho Chi Minh City and Hanoi to Tops market to penetrate the urban supermarket market and attract new customers.





For Italy, Central Retail is the leading luxury department store operator of the country, with 9 Rinascente Department Store in 8 cities across the country as of 31 December 2021. The prestige, sophistication and heritage of Rinascente Department Store provide compelling opportunities in expanding the business. The flagship stores, located in Milan and Rome, are one of Europe's premier shopping destinations for tourists. With the data analysis of customers in Italy, Central Retail has applied the findings to its businesses in other countries in the area of tourism, luxury brands and affordable luxury markets. Additionally, the expansion of tourist customer base is a key factor towards Central Retail's continuous business growth in Italy, and is also essential to its business growth in Thailand. Hence, Central Retail plans to adopt effective marketing strategies to attract more tourists continually. Nevertheless, the COVID-19 situation and the country's lockdown measure have placed a huge impact on the tourism market. Central Retail therefore has turned its attention to domestic customers while preparing for the tourism sector expected to be recovered. Central Retail intends to expand its business in Italy by focusing on providing customers with superior in-store shopping experiences by constant store renovation and decoration, which will attract more well-known brands as well.

For Italy, in 2021, Central Retail has completed the renovation of the Florence store under the Store of Craft concept, which represents the concept of Florence as the birthplace of unique fashion trends. Also, Central Retail is preparing for the renovation of the Roma Fiume store to become a mini-flagship store, as well as the renovation of the Milan store. The store renovation is expected to enhance the exclusivity of the shopping experience and help attract both luxury and affordable luxury brands to these renovated stores. This also increases the number of visitors to the store as well as the sales revenue of Central Retail.





2. Continue to Improve Omnichannel Platforms to Enhance Customer Experiences

Central Retail's omnichannel strategies focus on bringing both convenience and peace of mind to the customer in the digital era, combining the best aspects of e-commerce and traditional in-store retailing by leveraging its comprehensive retail network with its online shopping portals to create a seamless shopping experience, which ultimately leads to increases in sales. Central Retail is already Thailand's leader in omnichannel retailing but has yet to deploy the full suite of omnichannel features across all of its store locations and retail banners. Achieving full coverage of Central Retail's omnichannel platforms across its entire retail ecosystem and extracting operational synergies and efficiencies is a key strategy for driving its growth going forward.

Central Retail believes that its seamless integration of in-store and online experience is better suited to shopping habits for customers in Thailand and other developing countries in Asia rather than selling product while other competitors currently offered by its online-only including other players. Through Omnichannel platforms, customers can enjoy the convenience of online shopping, being able to browse, research and purchase items at home or on-the-go, and also enjoy peace of mind, knowing that there is a physical store nearby that can provide customer service, allow inspection and trial use prior to purchase or process returns or exchanges. Data from The 1 loyalty program shows that our omnichannel customers spend 4-5 times more than single-channel customers. Moreover, interaction with salespersons at pickup point also increases the chances for salesperson to introduce other related products and increases sales volume. Therefore, omnichannel platform can drive sales both online and offline (in stores).

2021 Omnichannel Sales

20%

of total gross sales

+109% vs 2020

Operationally, Central Retail plans to continue to scale up omnichannel capabilities to achieve network effects and other efficiencies, further accelerating growth. Central Retail continues to improve the online and mobile portals through which customers can access its retail banners from anywhere and has hired dedicated technical personnel to drive improvements to e-commerce infrastructure. Central Retail continues to leverage its physical network, such as through store clustering, to lower fulfillment costs for online orders. Central Retail also plans to aggressively promote omnichannel platforms in-store, helping to convert retail foot traffic into online traffic to realize much lower online customer acquisition costs than competitors.

3. Introduce New Brand or New Format

Central Retail has continually developed its business model to better respond to consumer behavior and the changing needs of customers. With that aim, Central Retail has a strategy to introduce new retail brands or new store format to meet the needs and capture new customers, and expand the existing customer base, such as:

- **Hardline segment** launched go! WOW, a home convenience store with its first store at Baan & Beyond Khon Kaen. As of 2021, it has a total of 15 stores. In addition, Central Retail has launched go! Power, a comprehensive shop for electrical appliances, IT products, mobile phones, gadgets, and electronic devices focusing more on the provincial market with promotions that can reach customers such as delivery within 5 hours, microfinance, etc. The first store opened in Hua Hin and 3 other stores had opened in 2021.



- **Food segment** has launched CHEF YIM Application, providing a full range of services for restaurants on the platform E-commerce provides access to good quality food ingredients at affordable prices. Another application launched was CHO YIM, which provides services for grocery stores, both goods and technology. Baby & Me located inside Tops Supermarket, equipped with a variety of baby products. THE BAKER, a bakery shop which can be purchased online via Tops Online or Grab Food. In addition, Central Retail has also launched Tops Vita, a vitamin and dietary supplement store both domestically and internationally. In 2021, it also launched PET 'N ME, a fashion and lifestyle store for pets, plus utensils and food.
- **Fashion segment** launched KIKO Milano, an Italian makeup and skincare brand's first store at Siam Center. Moreover, Garmin and Clark brands have been launched under Central Marketing Group business.

4. Extract Synergies across Businesses

Due to the Central Retail's various businesses segments, consequently, synergies were formed in many projects to increase revenue, reduce costs, and create a supportive society among business units. The synergy includes improvement of the operations by increasing more cooperation management within Central Retail to reduce product cost, increase bargaining power due to higher purchase volume, reduce the operational process and cost through efficient business operations, offer more variety of products to meet the needs of customers, and enhance sales opportunities. These synergies have been carried out across all segments. In addition, Central Retail has synergized the purchasing and selling power within its network, allowing the business units to purchase and sell more products within the network. For example, the construction materials and services from Thai Watsadu (Baan & Beyond / BNB Home) are sold to other business units for their new store construction.



5. Optimize Customers Data Analytics to Foster Customer Loyalty and Drive Sales

Data aggregation and newly introduced analytics enable Central Retail to offer a more personalized and holistic shopping experience for the customers, which helps to strengthen customer loyalty and ultimately drive increases in sales. Central Retail's participation in loyalty programs across Thailand, Vietnam and Italy and the breadth and depth of its multi-format and omnichannel platforms provide Central Retail with multiple channels to collect and aggregate customer data, including age, income, occupation, geographical location and spending patterns. Central Retail plans to utilize data analytics provided by The 1 loyalty program and its internal sources to process customer data into increasingly individualized profiles that can help to determine consumption patterns, levels of wealth and other customer attributes. Data from The 1 loyalty program also informs Central Retail's strategic decision making, allowing its management to determine membership penetration down to the district level in many cities, thereby showing where Central Retail can leverage customer data to drive sales in high penetration areas (where the number of The 1 members is high as compared to the local population), such as Bangkok, and leverage its omnichannel and delivery capabilities to (i) extend its reach into areas where Central Retail has few or no physical stores, where stores have limited coverage or where the number of The 1 members is low, and (ii) drive increases in the number of The 1 members to improve the penetration rate. Central Retail then plans to make this data available



to managers at the store level so they can make better decisions with respect to pricing, merchandising, promotions, cross-selling and targeted offers and communications, helping them to provide an increasingly differentiated and enhanced customer shopping experience. Furthermore, Central Retail plans to make this data available to its brand and merchandise partners on a selective basis and subject to certain conditions, in order to assist its brands in improving their pricing, merchandising, inventory management and other decisions, which Central Retail believe will benefit in the form of stronger partnerships with suppliers, enhanced customer engagement and ultimately increased sales from its own customers.

Central Retail analyzed in-depth information of this customer group based on The 1 loyalty program database to understand the needs and offer products along with promotions derived from the collaboration of all business units among Central Retail, whether being fashion, hardline, and food segments by selecting particular brands and product types in which this customer group is interested. In 2021, various features of The 1 Application have been developed to help create engagement with members, making The 1 a popular application among customers. As of 31 December 2021, there are approximately 4.9 million downloads of the application. In addition, Central Retail's approach to understand customer needs was done through The 1 loyalty program database analysis, to offer products, services as well as promotions that can respond to behaviors and needs of each member via proper channels, thus increasing the number of spending customers and sales volume both at physical stores and online webstores that help drive business growth. As a result, the number of customers participation, spending and sales volume have been increased both through the offline store and web store. For example, the Double-Digit or Twin Day campaigns resulted in an increase in omnichannel sales of more than 50%, and the number of customers participating increased to 70% compared to the previous year during the same period.



6. Continue Exploring Future Growth Opportunities in Asia and Globally with Merger, Acquisition, and Joint Venture

Central Retail has been seeking opportunities for business growth both domestically and internationally, which the merger acquisition including joint venture have been an attractive opportunity for future growth to create added value from such investments. In addition, the acquisition enables strengthening from companies Central Retail invests in, as well as create competitive advantages for Central Retail.

In the past, Central Retail's domestic and international acquisitions have been one of the key strategy to expand its business to new markets. Central Retail has always looked for expansion and acquisition opportunities,



including targeted acquisition, joint investment, business partnership, and other attractive and appropriate growth opportunities both in Thailand, Asia, and other regions. Central Retail strives to become the leader in both the overall market and the niche market, a high-value, high-growth and defensible market emerging in the new markets. Central Retail pays close attention to investment in businesses that Central Retail can utilize its operational expertise to synergize with targeted enterprises. In this regard, Central Retail gives the opportunity to the founder or the original management team of the potential targeted business to be involved in the management to keep existing personnel with expertise in the business and maintain smooth business operation.

In regard to past acquisitions or joint ventures in Thailand, Central Retail has acquired various businesses in order to expand its retail brands, including fashion segment such as Robinson Department Store, Food segment such as Tops and FamilyMart. In 2021, acquisitions in hardline segment were made, such as OfficeMate, B2S and MEB, the retail brands under COL, to further their leadership in omnichannel retailing platform and strengthening the hardline segment. This includes the aim to expand its Business-to-Business Market (B2B) due to COL's strong corporate customer base. In addition, Central Retail has invested in start-ups such as Mercular to expand sales channels and business to cover all groups, including Hobby & Lifestyle products, etc. Moreover, on 1 December 2021, Central Retail acquired 67% of Porto WW's total shares, a holding company in GrabTaxi Holdings (Thailand). Co., Ltd. with 40% shareholding. This investment has helped to develop and strengthen the ecosystem and the omnichannel platform of Central Retail to fully meet the needs of customers from the beginning to the end by partnering with Grab, the leading fast growing online-to-offline service platform across Southeast Asia, especially in Thailand. Grab provides a variety of services, including food delivery, travel services, logistics system services, hotel booking services, and financial services. Such cooperation will benefit and complement Central Retail's services to be the perfect Digital Retailer. (Please find more details of disclosed information to the Stock Exchange of Thailand, regarding the acquisition of Porto Worldwide Limited, an investor of Grab business in Thailand).



Furthermore, Vietnam provides a valuable case study for Central Retail's acquisition strategy. After initiating Nguyen Kim (on June 7, 2019, Nguyen Kim joint venture became Central Retail's wholly owned subsidiary after purchase of the Company shares held by Central Retail's joint venture partner) and Lan Chi Mart joint ventures, the scale in Vietnam remained insufficient for optimal performance. The acquisition of Big C Vietnam presented an ideal opportunity to achieve the scale Central Retail wanted and allowed Central Retail to strengthen its existing banners in Vietnam. Central Retail then concentrated its efforts to make sure the acquisition was successful. Big C is now a clear leader in the Vietnamese hypermarket space. Therefore, Central Retail has put all efforts into successful acquisition, and currently, Big C / GO! Vietnam is clearly the leader in the hypermarket of Vietnam.



1.1.3 History and Major Development

In 1947, the Central Group began as a small family shop run by Mr. Tiang Chirathivat in the city of Bangkok. In 1956, his son, Mr. Samrit Chirathivat, expanded the general merchandise business with the establishment of the first Central Department Store in Bangkok's Wang Burapha district. Both father and son, the Central Group's founders, were fully engaged in running the business, and were also helped by other family members. The era was one of bustling trade and growth, and the visionary Mr. Tiang and Mr. Samrit quickly established businesses that were characterized by many "firsts" in Thailand: the first to import international cosmetic brands; the first to focus on customer services, the first to introduce a fixed price tag, the first to utilize barcodes for payment and the first to institute a loyalty program among Thai retailers.

Under the stewardship of the Chirathivat family, the Central Group has grown to become one of Thailand's most recognizable brands and among the most successful retail conglomerates in Southeast Asia. The Chirathivat family's vision for the retail business has been passed on from generation to generation. Our expansion into the omnichannel arena has helped to drive our growth and strengthen our leadership positions across multiple retail categories.

On 29 August 2019, the Extraordinary General Meeting of Shareholders No. 2/2019 approved (i) the conversion of Central Retail Corporation Limited into a public company and (ii) the capital increase of THB 1,620 million, increasing our registered capital to THB 6,320 million from THB 4,700 million by way of the issuance and offering of 1,620,000,000 newly issued ordinary shares with a par value of THB 1.00 each to accommodate the Combined Offering.

On 20 February 2020, Central Retail, the country's retail industry leader in both domestic and overseas markets, celebrated its first day of trading and raised THB 78,124 million (including shares offered to the shareholders of 'ROBINS' who accepted the tender offer and over-allotment of greenshoe option) with total market capital at IPO price of THB 253,302 million (excluding over-allotments).

MAJOR DEVELOPMENT

1947

Small shop house opens in Bangkok.

1956

The first Central Department Store opens in Wang Burapha district.

1990

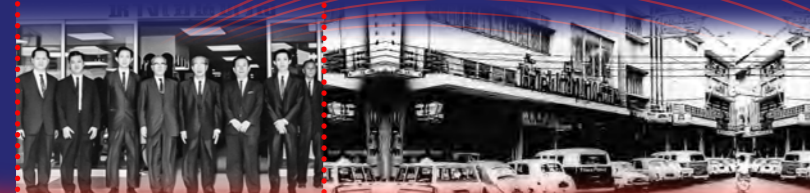
Zen Department Stores (Now "CENTRAL@centralwOrld"), a lifestyle department store opens, and Central Retail Corporation Limited is incorporated.

1995

The Company acquires majority stake in Robinson Department Store.

2005

His Majesty King Bhumibol Adulyadej the Great grants Central Department Store permission to use the Royal Garuda Emblem in their business.



Importing business begins as "Central Trading," which later becomes a part of Central Marketing Group (CMG).



The now iconic Central Chidlom flagship store opens.



The First Central Department Store outside of Bangkok opens in Chiang Mai, the first step of the Company's expansion to upcountry in Thailand.



As new specialty shops open, the Company starts its retail business with the opening of Tops (in 1996), Power Buy (in 1997) and Supersports (in 1997).



The first large standalone specialty formats open - Thai Watsadu (in 2010) and Baan & Beyond (in 2013).

1950

1974

1992

1996
2005

2010
2013

MAJOR DEVELOPMENT

2010

The first Robinson Lifestyle opens in Trang, establishing model for expansion and penetration in upcountry markets.



2012

The Company starts investment in FamilyMart Thailand as a Joint Venture.



2015

The Company begins its joint venture business with Nguyen Kim and Lan Chi Mart in Vietnam.



2017

Launches the new digital shopping assistance services on omnichannel platforms such as “Rinascente ON DEMAND” and “Chat & Shop”. Central Retail restructures its business in preparation for an Initial Public offering (IPO) and a listing of its shares on the Stock Exchange of Thailand (SET).



2019

The Company was converted into a public company limited and made a tender offer for all securities of Robinson Public Company Limited (ROBINS) as well as delisted the securities of ROBINS from the SET. Moreover, the Company acquired the remaining shares of Nguyen Kim in Vietnam. In Italy, the Company also opens Rinascente Department Store Turin store after its renovation.



2011

Acquisition of Rinascente, leading luxury department store in Italy which marks the Company's entrance to European market.



2013

Launches the first webstore www.central.co.th for Central Department Store.



2016

Acquisition of Big C in Vietnam.



2018

The Company launches Big C rebranding with the first “GO!” retail banner for hypermarkets in Vietnam as part of expansion strategy.



2020

The Company makes a debut on the SET on 20 February 2020 and becomes not only the largest ever IPO in the history of the SET, but also the second largest IPO in retail business, which meets the fast-track criteria for the SET 50 and MSCI Global Standard Indexes. The Company also executes “5 Prompt Strategy” to respond to the challenges of New Normal. 1 Robinson Lifestyle and 4 Thai Watsadu stores are opened in Thailand. In Vietnam, 4 GO! malls and hypermarkets, and the first go! supermarket are opened. In addition, it also launches Central Application in Thailand and Rinascente's e-commerce website, www.rinascente.it in Italy.



MAJOR DEVELOPMENT 2021



⁽¹⁾ PBHD Company Limited (The Company's subsidiary where it holds 100% stake) has completed a tender offer for all securities of COL Public Company Limited (COL) in February 2021.

⁽²⁾ Mercurial is a community commerce platform. In cooperation with Power Buy, the Company aims to extend sales channels from E-Commerce to Omnichannel platform and expand the market for Hobby & Lifestyle products by focusing on creating good shopping experiences to customers.

⁽³⁾ The Company acquires 67% stake of Porto Worldwide Limited (Porto WW), and 40% stake of Grab Taxi Holdings (Thailand) Co., Ltd. This particular investment and collaboration with Grab will be a key player in strengthening Central Retail's ecosystem and omnichannel platform, including service development to better meet the needs of customers.



1.1.4 Central Retail's Obligations to the Registration Statement

-None-

1.1.5 Head Office, Type of Business, Registration Number, Number and types of shares sold

Company's name	: Central Retail Corporation Public Company Limited
Type of Business	: Retail business operation with Multi-Format and Multi-Category Retailing Platform through Holding Company
Registration Number	: 0107562000386
Information of Securities	: Ordinary shares of Central Retail Corporation Public Company Limited were listed and traded on the Stock Exchange of Thailand in 2020 under the name "CRC"
Registered Capital As of 31 December 2021	: THB 6,320,000,000 (Six Thousand Three Hundred Twenty Million Baht)
Paid-up Capital As of 31 December 2021	: THB 6,031,000,000 (Six Thousand Thirty-One Million Baht) (Consists of 6,031,000,000 ordinary shares)
Par Value	: THB 1 (One Baht)
Head Office	: 22 Soi Somkid, Ploenchit Road, Lumpini Sub-District, Pathumwan District, Bangkok
Website	: http://www.centralretail.com
Telephone Number	: 02-650-3600



1.2 Nature of Business

1.2.1 Nature of Business and Revenue Structure

Central Retail is the leading multi-format, multi-category retailing platform in Thailand. Central Retail is also growing internationally, securing leadership status in Italy and becoming one of the leaders in Vietnam. Central Retail's business is organized into 4 operating segments based on business units;

- (1) Hardline, which focuses on selling decorative and home improvement products, electronic products, stationery and office supplies, books and e-Books under various retail brands such as Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, OfficeMate, B2S, MEB, and Nguyen Kim.
- (2) Food, which focuses on groceries and items typically found in convenience stores under portfolio of retail banners, for example, Central Food Hall, Tops, FamilyMart, Big C / GO! Vietnam, Lan Chi Mart, Tops market Vietnam, and go!.
- (3) Fashion, which focuses on apparel and accessories under portfolio of retail banners, for example, Central Department Store, Robinson Department Store, Rinascente Department Store, Supersports, and brandshops.
- (4) Property segment, which focuses on leasing retail property to third parties and to its own stores at retail plazas, for example, Robinson Lifestyle, Tops Plaza, and Big C / GO! Vietnam.

Each segment hosts a portfolio of retail banners under which Central Retail sells a wide range of merchandise, and each of its retail banners is distinguished based on a variety of characteristics, including store network, store format, merchandise offerings, branding strategy and market positioning. Certain of key retail banners have been in operation for decades, such as Central Department Store, but Central Retail routinely introduces new banners and retire old banners as the retail landscape continues to evolve.

Based on the financial statement, Central Retail's business can be categorized into 3 segments: (1) Hardline (2) Food, and (3) Fashion. The revenue from property segment such as Robinson Lifestyle will be recorded in Fashion segment and the revenue from Tops Plaza and Big C / GO! Vietnam will be recorded in Food segment. The table below shows Central Retail's revenue structure, classified into 3 business groups within a specified period.

Total Revenue	Year Ended 31 December					
	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Hardline segment	54,277	24.4	55,654	28.6	67,950	34.7
Food segment	91,018	40.8	85,413	44.0	78,271	40.0
Fashion segment	77,442	34.8	53,245	27.4	49,433	25.3
Total revenue	222,737	100.0	194,311	100.0	195,654	100.0



KEY RETAIL BANNERS OF CENTRAL RETAIL

As of 31 December 2021

Hardline Segment



Specialty Store **466** stores
Omnichannel Platforms

Thai Watsadu / Baan & Beyond

Thailand

65 Stores

Thai Watsadu is a one-stop / integrated shopping center supplying complete construction materials.

Baan & Beyond / BNB Home is a home decoration and furnishings retailer. Currently, it's being rebranded to "BNB Home"



www.thaiwatsadu.com www.bnbhome.com

B2S

Thailand

143 Stores

B2S is a retailer for books, stationery supplies, art, learning materials for children of all ages, and lifestyle products.



www.b2s.co.th

Power Buy

Thailand

130 Stores

Power Buy is a leading electronics and appliances specialty store in Thailand.



www.powerbuy.co.th

MEB Corporation

Thailand

MEB Corporation is a distributor of electronic books (e-Books) and consultant on e-Books creation, software equipment supplies, and other related programs including electronic reading devices (e-Reader).



www.mebmarket.com

OfficeMate

Thailand

77 Stores ⁽¹⁾

OfficeMate focuses on being a retailer of complete product lines for stationery, equipment, and office furniture. Their main customer markets are corporates and entrepreneurs.

OfficeMate

www.officemate.co.th

Nguyen Kim

Vietnam

51 Stores

Nguyen Kim is a specialty electronics store in Vietnam with emphasis on product quality, providing topnotch electronic appliances to customers throughout Vietnam.



www.nguyenkim.com

Note : ⁽¹⁾ Excluding OfficeMate Plus stores (Franchise store under OfficeMate business).



KEY RETAIL BANNERS OF CENTRAL RETAIL

As of 31 December 2021



Food Segment

Supermarket and Hypermarket **350** stores
Convenience Store **805** stores
Omnichannel Platforms

Tops and Central Food Hall

Thailand

281 Stores

Tops is a flagship grocery, offering a variety of store formats from Tops market, Tops Superstore, and Tops daily.

Central Food Hall is a unique dine-in and grocery concept, focusing on offering high-quality food and other consumer products for pleasant shopping experience.



www.tops.co.th

www.centralfoodhall.com

Big C / GO! and go!

Vietnam

38 Stores

Big C / GO! is flagship hypermarket in Vietnam, focusing on high-quality food and other consumer products. Currently, it's being rebranded to "GO!".

go! is a small-size supermarket which focuses on selling consumer products in the category of clothing and costume with the aim to reach and meet the needs of customers in provincial areas in Vietnam.



www.bigc.vn

FamilyMart

Thailand

805 Stores

FamilyMart is a convenience store, conceived to meet the daily food and other needs of customers.



www.familymart.co.th

Tops market Vietnam

Vietnam

7 Stores

Tops market Vietnam is a medium supermarket in major cities of Vietnam, penetrating customers in all markets by focusing on providing quality food and consumer products.



<https://topsmarket.vn>

Lan Chi Mart

Vietnam

24 Stores

Lan Chi Mart is a medium-to-large supermarket in rural and suburban northern Vietnam, emphasizing on sourcing locally-produced and high-quality products.



www.lanchi.vn



KEY RETAIL BANNERS OF CENTRAL RETAIL

As of 31 December 2021

Fashion Segment



Department Store **83** stores
Specialty Store **98** stores
Brandshop **378** stores
Sales Counters **1,419** counters
Omnichannel Platform

Central Department Store

Thailand

25 Stores

Central Department Store is a flagship retail banner showcases a broad range of products catered to various customer segments, coupled with quality customer service.

CENTRAL 

www.central.co.th

Supersports

Thailand

247 Stores ⁽²⁾

Supersports is a medium-to-large specialty stores, leading retailer of sports apparel and equipment responding to all exercise trends.



www.supersports.co.th

Robinson Department Store

Thailand

49 Stores ⁽¹⁾

Robinson Department Store focuses on offering a wide range of products with good quality and reasonable price that can respond to the needs of all customer groups. It's a brand with the largest number of branches covering all parts of Thailand.

ROBINSON

www.robinson.co.th

Central Marketing Group

Thailand

229 Stores ⁽³⁾

Central Marketing Group or CMG is an international fashion and beauty distribution business, offering products through retail sales counters located in major department stores and other retail outlets as well as standalone brandshops and wholesaling.



www.cmg.co.th

Rinascente Department Store

Italy

9 Stores

Rinascente Department Store is a 150-year-old high-end Italian department store, one of Europe's leading retailer which has their branches in major cities across Italy.

RINASCENTE

www.rinascente.it

Note : ⁽¹⁾ Excluding 2 Robins department store in Vietnam.

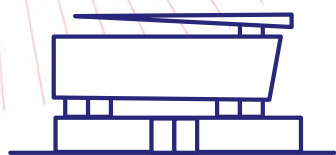
⁽²⁾ Store count for Supersports comprises 149 brandshops and 98 specialty stores.

⁽³⁾ Store count for CMG does not include sales counters.



KEY RETAIL BANNERS OF CENTRAL RETAIL

As of 31 December 2021



Property Segment

Plaza **69** stores

Robinson Lifestyle

Thailand

24 Stores

Robinson Lifestyle is a retail plaza with branches nationwide, mainly targeting customers in secondary cities who enjoy shopping lifestyle under the Eat-Shop-Play concept.



www.robinson.co.th

Big C / GO!

Vietnam

40 Stores

Big C / GO! is a large-scale retail plaza that focuses on catering to various lifestyles of customers, aiming to become an all-in-one destination offering rental spaces for Central Retail and third-party stores and services.



www.bigc.vn

Tops Plaza

Thailand

5 Stores

Tops Plaza is a retail plaza for the customers in small provinces, offering leasable space for Central Retail, and stores and services of outsiders to respond to the needs of diverse customers.



www.tops.co.th



1.2.1.1 Retail Store Network and Omnichannel Platforms

Central Retail's retail network reaches all the major regions of Thailand as well as the major regions of Vietnam and Italy. As of 31 December 2021, Central Retail operated 2,051 stores under its key retail banners across 57 provinces in Thailand, 120 stores and across 40 provinces in Vietnam and 9 department stores in 8 cities in Italy. As of 31 December 2021, retail stores had a total net selling space of approximately 3,255,795 square meters and retail plazas had a total net leasable space of 659,550 square meters.

Store Numbers and Geographic Reach

The following table presents overall number of stores and retail plazas, as well as net selling space and net leasable space in retail store network under the key retail banners, by business segment, for each of the dates indicated.

	As of 31 December		
	2019	2020	2021
Total number of stores ⁽¹⁾			
Hardline segment ⁽²⁾	234	239	466
Food segment	1,248	1,202	1,155
Fashion segment ⁽³⁾	601	597	559
Total	2,083	2,038	2,180
Total net selling space (sq.m.) ^{(3) (4)}			
Hardline segment ⁽²⁾	1,106,896	1,159,469	1,346,359
Food segment	627,437	643,253	661,518
Fashion segment	1,275,068	1,265,630	1,247,918
Total	3,009,401	3,068,353	3,255,795
Total number of retail plazas			
Food segment	38	42	45
Fashion segment	23	24	24
Total	61	66	69
Total net leasable space (sq.m.) ⁽⁵⁾			
Food segment	179,244	200,621	236,614
Fashion segment	365,295	399,202	422,937
Total	544,538	599,823	659,550

⁽¹⁾ Store counts do not include sales counters but store counts include stores located at retail plazas.

⁽²⁾ Includes stores of OfficeMate and B2S as of 31 December 2021

⁽³⁾ Includes 8 brandshops and 7 brandshops in Malaysia as of 31 December 2019 and 2020, respectively.

⁽⁴⁾ Net selling space is attributable only to store locations.

⁽⁵⁾ Net leasable space is attributable only to retail plaza locations



The following table presents information on the geographic reach of stores under Central Retail's key retail banners as of the dates indicated.

Location	As of 31 December					
	2019	2020	2021	2021		
	Store Count ⁽¹⁾		Population ⁽²⁾		Area covered	Total Net Selling Space
	(Store)		(Million people)			(sq.m.)
Thailand	1,934	1,898	2,051	70.1	57 provinces	2,865,197
<i>Bangkok Metropolitan Region</i>	864	884	1,000	-	6 provinces	1,195,497
<i>Upcountry</i>	1,070	1,014	1,051	-	51 provinces	1,669,699
Vietnam	132	124	120	99.2	40 provinces	329,562
Italy	9	9	9	59.5	8 Cities	61,036

⁽¹⁾ Excludes 8 branshops and 7 brandshops in Malaysia as of 31 December 2019 and 2020, respectively.

⁽²⁾ Population data according to International Monetary Fund (IMF)

The following table presents total revenue from the sale of goods by region for the periods presented.

Year Ended 31 December						
	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Thailand ⁽¹⁾	144,940	74.2	124,449	71.9	126,425	71.8
Vietnam	35,691	18.3	40,131	23.2	38,592	21.9
Italy	14,537	7.4	8,461	4.9	10,937	6.2
Others	187	0.1	97	0.1	21	0.0
Total	195,355	100.0	173,138	100.0	175,975	100.0

⁽¹⁾ Sales from the Bangkok Metropolitan Region accounted for 54.4%, 53.8%, and 54.2% of sales in Thailand and sales from upcountry Thailand accounted for 45.6%, 46.2%, and 45.8%, respectively, for the periods presented.

Multi-Format Retailing Model

Central Retail operates its retail business through various channels in the form of omnichannel, covering both online and offline channels of its stores. There are a variety of shops, including department stores, brandshops, specialty stores, supermarkets, hypermarkets, convenience stores, and brand counters. Some of the revenue comes from lease space in various plazas, such as Robinson Lifestyle, Tops Plaza and Big C / GO!, including other leased spaces under Central Retail's management. A part of revenue also comes from selling products through the omnichannel platform as well.

The term "Multi-Format" that Central Retail refers to means having a variety of styles and types of retail outlets, enabling Central Retail to respond to the diverse needs of customers in purchasing products in its entirety. This includes a wide variety of products in department stores, specialty items in electronics stores, DIY decoration and home improvement store, stationery and office supplies, books, e-Books and lifestyle products, miscellaneous goods for Home products, specific brand products in the Brandshop, complete selection of consumer products in the hypermarkets, products in convenience stores, or fully equipped stores in the lifestyle center of the community or plaza. Moreover, these Multi-Format of retail business help Central Retail adapt to changing tastes and



needs of customers with a wide selection of products, well-selected to respond to current and future trends. The multi-format retailing model also enables the flexibility for a new store location or improvement of an existing store layout to capture customers' attention or to respond to emerging retail trends. Central Retail utilizes the clustering method, combining different types of stores in the same area. This allows each store to draw customers into each other's stores, resulting in efficiency in management which increases Central Retail's ability in logistics and marketing.

1. Stores

These different retail store formats are designed to cater to varied customer preferences and localities across Central Retail's network as well as the requirements of the particular retail banner and business segment to which the store belongs. The following table presents a description of store formats.

Store Format	Description	Typical Size (sq.m.)	Demonstrative Retail Banners or Brands
Department stores	Large retail establishments offering a wide range of fashion and other merchandise in different product categories.	20,000-40,000 6,000-8,000 3,000-22,000	Central Department Store Robinson Department Store Rinascente Department Store
Specialty stores	Shops that respond to the unique needs of the consumer and retail market. This includes home furnishings and improvements, sporting goods, health and beauty goods, electronic products, stationery and office supplies, and books.	700-1,000 500-1,000 8,000-20,000 100-1,000 2,000-14,000	Supersports Power Buy Thai Watsadu / Baan & Beyond (BNB Home) OfficeMate / B2S Nguyen Kim
Brandshops	Shops dedicated to specific brands that Central Retail is distributing with specific condition, whether through an exclusive partnership or a general distribution agreement.	100-600	Crocs, Skechers, New Balance, G2000, Calvin Klein, Guess, Polo Ralph Lauren, Dyson, Garmin, Clarks and numerous others, operated primarily under CMG or Supersports business units.
Supermarkets	Retail stores that focus on selling food and other products or consumer products that respond to the tastes and needs of customers in the area.	3,500-4,000 1,400-2,800 250-300 3,000-3,500 2,000-5,000	Central Food Hall Tops market Tops daily Tops market Vietnam Lan Chi Mart and go!
Hypermarkets	Hypermarkets are generally large-sized supermarkets that offer a broader range of product types than supermarkets.	4,000-7,000 4,000-4,500	Big C / GO! Tops Superstore
Convenience stores	Small retail business which sells various types of products used in daily life, such as consumer goods, snacks, confectionery and other goods.	100-150	FamilyMart
Sales counters ⁽¹⁾	Sales counters or Shop-in-Shop type of stores located in the retail area, mainly selling a particular brand belonging to Central Retail.	20-100	Casio Watch, Lee, Wrangler, Clarins Aesop, Dyson, and others, operated primarily under CMG or Supersports business unit.

⁽¹⁾ Sales counters do not contribute to store count figures



The following table presents Central Retail's store format in terms of overall number of stores under its key retail banners as of the dates indicated.

	As of 31 December		
	2019	2020	2021
Total Number of Stores			
Department stores	82	82	83
Specialty stores ⁽¹⁾	332	341	564
Brandshop	421	413	378
Supermarkets and Hypermarkets	280	301	350
Convenience stores	968	901	805
Total	2,083	2,038	2,180
Total Number of Sales Counters	1,750	1,733	1,419

⁽¹⁾ Includes stores of OfficeMate and B2S as of 31 December 2021

2. Retail Plazas

Central Retail leases retail property to third parties and to its own stores at retail plazas such as Robinson Lifestyle, Tops Plaza, and Big C / GO! Vietnam.

The following table presents information about Central Retail's retail plazas as of the dates indicated.

	As of 31 December		
	2019	2020	2021
Retail Plazas			
Total number	61	66	69
Total gross floor area (sq.m.)	1,391,504	1,518,248	1,583,354
Total net leasable space (sq.m.)	544,538	599,823	659,550
Average net leasable space per location (sq.m.)	8,927	9,088	9,559
Total occupancy rate (%) ⁽²⁾	93	91	88

⁽²⁾ Average 12-month occupancy rate

3. Omnichannel Platform

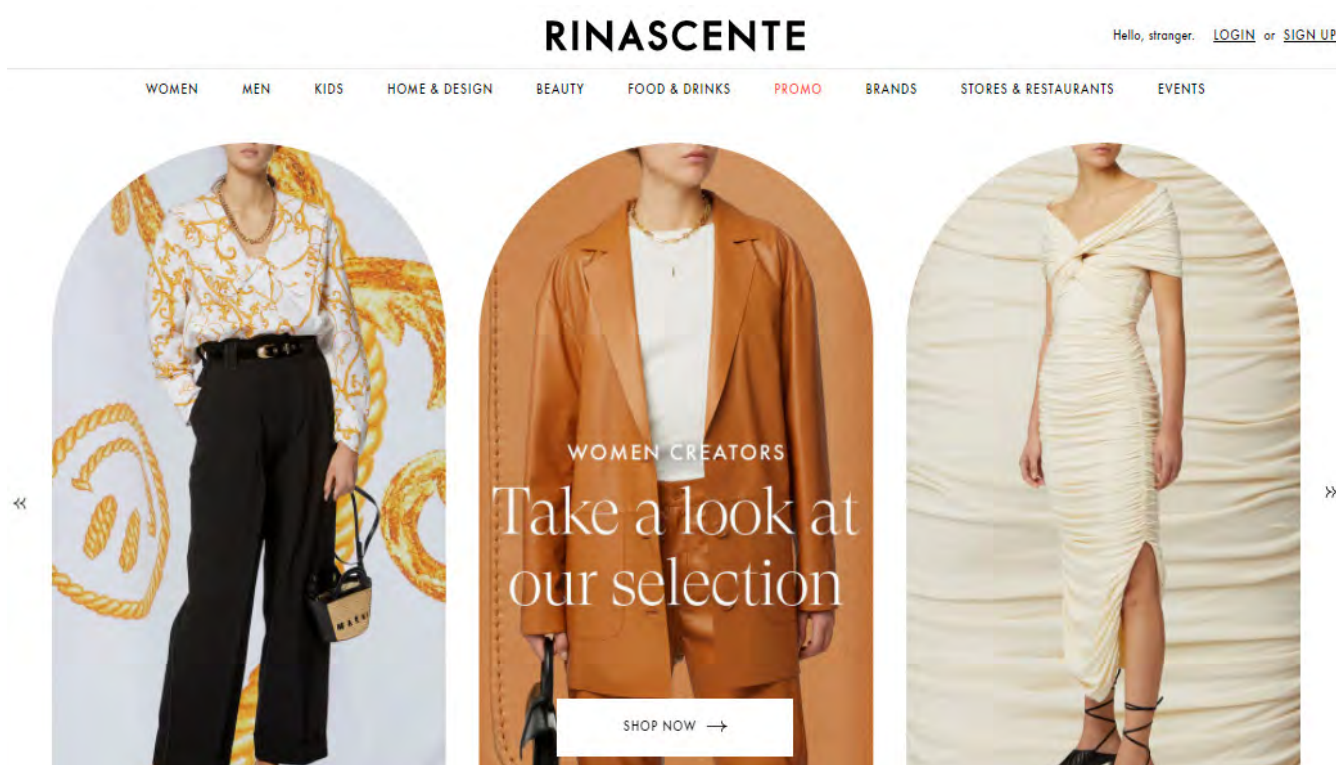
Omnichannel refers to the confluence of the various shopping channels used by customers in modern retailing, including in-store, online, personal shopper, mobile phone and social media. Customer behavior is trending towards a shopping experience that seamlessly integrates both online and in-store channels. Omnichannel platforms enable Central Retail to take advantage of these trends to deliver a new and increasingly popular shopping experience to its customers.



Key omnichannel platforms include the following features as of 31 December 2021:

1) Digital Channel

1.1) Webstores are websites that allow customers to browse, choose and purchase in both desktop and mobile-friendly formats from a selection not limited to the merchandise available at a particular store location. Furthermore, webstores provide various necessary features for E-Commerce such as customer reviews, refunds, cross-selling, product description, fast checkout, participation in various store promotions, including credit cards promotions. At present, Central Retail has webstores for Central Department Store, Robinson Department Store, Supersports, Power Buy, Thai Watsadu, Baan & Beyond / BNB Home, OfficeMate, B2S, MEB, Tops, and websites of overseas business units in Italy and Vietnam, including Rinascente Department Store and Nguyen Kim. Several business units of Central Retail offer the online marketplace service available on their webstores, which enable Central Retail's suppliers and third-party sellers to offer more products other than those showcased in the stores of Central Retail. Those products will not only help increase choices of products that have already been recognized, but also help Central Retail presents new product groups which will help fulfill Central Retail's retail business.



- **Click & Delivery** is a feature that allows customers to make purchases online with express home delivery within 3 hours. Payments can be made by online credit card, cash on delivery, or installments. Moreover, Central Retail provides a free delivery for purchases through the omnichannel platform exceeding certain thresholds and offers the express delivery service as its collaboration with Grab in Thailand. This service is available at Central Department Store, Robinson Department Store, Supersports, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, B2S, OfficeMate, Tops, Big C / GO! Vietnam and Nguyen Kim.
- **Reserve & Collect** is a feature that allows customers to reserve their orders online and collect and pay for the items in-store. Using this feature, the customers will be able to receive benefits from promotions and other deals available while also enjoying the flexibility of inspecting or trying on their desired items before making the final commitment to purchase them. For products available in stores, Central Retail aims to provide 1-hour pick up service and the orders are held up for 24 hours upon notification that an order is ready for collection. Currently, this feature is available at Power Buy and Tops.



- **Click & Collect** is a feature that allows customers to make purchases online then collect the items at their preferred store location or other collection point. Central Retail believes that customers using this feature will appreciate having the opportunity to make immediate purchases online, especially when it helps them enjoy time-sensitive promotions without needing to travel to a store. and that this feature will be especially popular among customers who live or work near one of Central Retail's locations. After placing an order, customers can choose a preferred collection point for example stores of Central Department Store, Robinson Department Store, Supersports, Power Buy, and OfficeMate. The merchandise will be delivered there at no additional charge within 3-5 days in Bangkok and 4-6 days in upcountry Thailand for Central Department Store, Robinson Department Store and Supersports, or within 6 days for Power Buy nationwide. In addition, in the case where customers collect products at the stores, it will create an opportunity for sales representatives to drive cross-sells. Central Retail provides this feature for Central Retail currently provides Click & Collect service for Central Department Store, Robinson Department Store, Rinascente Department Store, Supersports, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, OfficeMate, Nguyen Kim, and Tops.



1.2) Mobile Application is an online sales channel developed for customers to make a purchase through the application on mobile phones or tablets. The statistical survey on Thais' internet usage behavior shows that they spend an average of 8 hours 44 minutes using internet per day, which has been ranked 9th in the world and higher than the global average at 1 hours 9 minutes per day. If compared with internet usage on mobile phones, Thailand has been ranked 3rd in the world for high daily usage (Data from the statistical report on technology users worldwide prepared by We are social, the social media agency). This is then an opportunity for Central Retail to develop applications to increase sales channels for customers in the current era.



- Central Application** is an online sales channel developed for customers to make a purchase through the application of Central Department Store. It is a connection between physical stores and online application to strengthen and drive Central Retail towards perfectly becoming the omnichannel player. Central Application is like converting a department store to a mobile store, which offers the same products of more than 5,000 brands as those displayed in the department store as well as exclusive brands only for sale at Central Department Store. The customers can trust in authentic products directly from the manufacturers, check sales promotions of both physical stores and online stores daily as well as real-time activities held in each store. Moreover, Central Retail has a plan to upgrade this application to become a Super App with over 1 million items of non-food products and extend its services through the application where the customers can make bookings for restaurant tables and services rendered by Central Department Store in advance and a plan to include the products from Robinson Department Store, Supersports, Power Buy and OfficeMate through this application.



- Tops Application** is an online sales channel developed for customers to make a purchase through the application of Tops where they can purchase products conveniently on their mobile phones or tablets. The application offers more than 20,000 items of consumer goods with daily home delivery service, either instant delivery via Grab or scheduled delivery, that customer can schedule the delivery date up to the next 7 days in advance. Customers can choose to pay by cash on delivery or credit card payments through the application or e-wallets such as Dolfi.



- **Supersports Application** is an online sales channel for customers to make a purchase through the application of Supersports, which offers products from leading sports brands worldwide such as Adidas, Nike, Skechers, Fila, New Balance, K-Swiss, Asics and many more.
- **OfficeMate Application** is an online sales channel for office supplies such as stationery, office equipment, computer and IT equipment, furniture and industrial products, which provides more convenient shopping experience for customers.
- **GO! Application** is an online sales channel developed for customers to make a purchase of consumer goods through the application of Big C / GO! in Vietnam with the same day delivery service. It supports both payment by cash on delivery or online payment.

1.3) Quick Commerce is an application for online shopping of consumer products through the leading delivery platform providers both in Thailand and Vietnam, e.g. Grab, GrabMart, or Foodpanda within the designated service area. This is another channel to access and facilitate customers as well as respond to consumer behaviors in the new era. Central Retail has expanded its business in Food segment through the quick commerce channel, e.g., Tops market, Tops daily, FamilyMart as well as Big C / GO! Vietnam and in Hardline segment via GrabMart, such as OfficeMate and B2S.





1.4) Online Marketplace which Central Retail has started providing this feature for Central Department Store and Robinson Department Store in August and October 2019, respectively. In addition, Central Retail has started this feature for Supersports and Power Buy in 2020. The online marketplace provides more variety of products than the products in the stores and offers more convenience for customers who purchase through webstores.

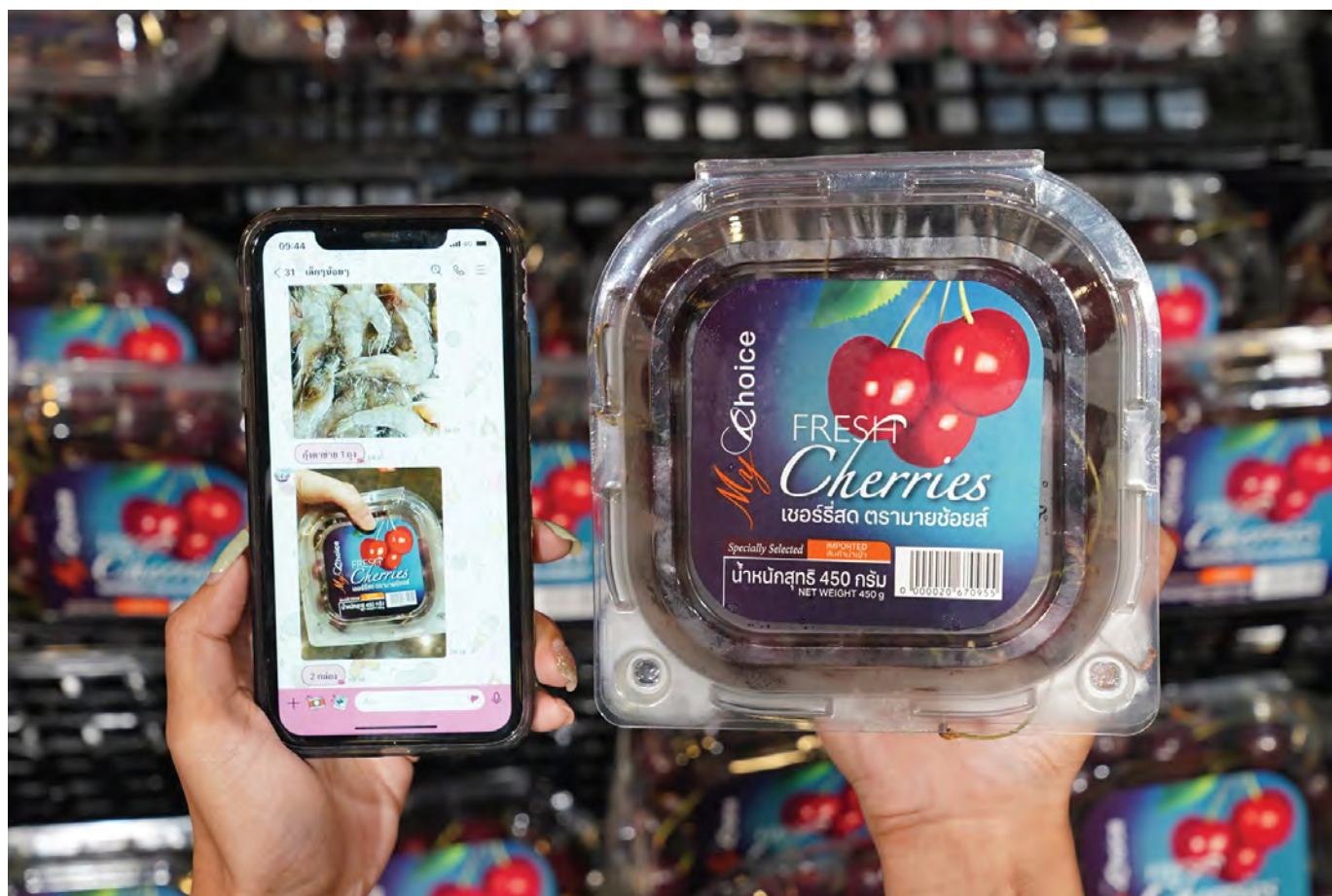
Central Retail's online marketplace differ from those of JD Central. Central Retail focuses on increasing the suppliers' products for sale through online channels, similar to selling products on consignment. Central Retail will take part in choosing products and setting prices for products sold through consignment on Central Retail's website. The customers who choose and make orders through websites will not know whether which product belongs to either Central Retail or consignment from the suppliers. While JD Central's online marketplace is a virtual shopping center by allowing different stores to sell products through the website. Each store is responsible for its own product categories selection and price setting whereby the customers choosing and purchasing products through the website will see which store sell such product and the same product category may be displayed by many stores.

2) O2O Channels

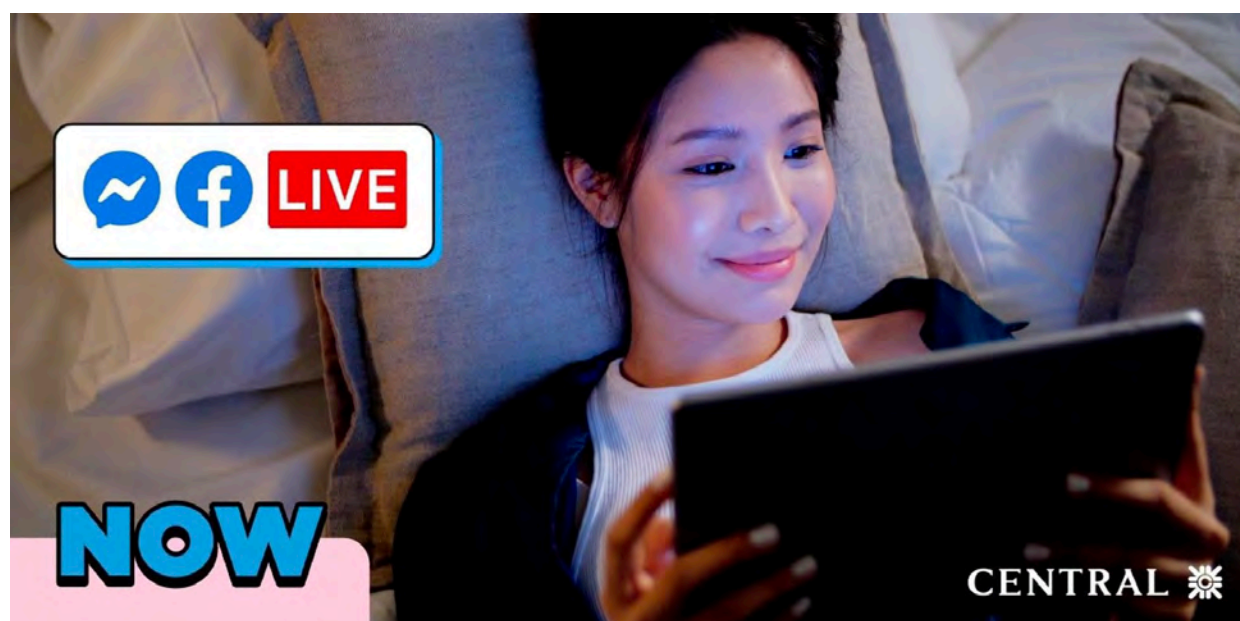
O2O channels are supplementary channels, other than major sales channels, to increase customer convenience as follows:

2.1) Personal Shopper and Call & Shop are sales channels where purchases are made over the phone. The customers can purchase products by calling the phone numbers of each business unit such as 1425 for product pickups of Call & Shop service of Central Department Stores, Robinson Department Stores and Tops. This is a new service that allows customers to easily make their orders through a personal assistant who helps supply the products, offer promotion and various privileges. The customers can get free shipping and choose their shipping destination when their purchases reach the specified amount or pick up their orders at the preferred stores. Payment can be made via money transfer, credit card, or cash on delivery. In addition, Central Retail provides the Call & Shop service in other business units such as Supersports, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, and OfficeMate, etc. Moreover, there are service channels available for sales representatives or cosmetics sales representatives to call regular customers to present various sales promotions or call exclusive member customers to offer more convenient channels for them. The sales representatives can recommend the products that meet the needs of customers by considering their past shopping records as well as practice cross-selling for customers.





2.2) Social Commerce



- **Chat & Shop and Rinascente ON DEMAND** are instant messaging services (hosted by the social networks LINE, WeChat, and WhatsApp) that directly allows customers to shop through text with the assistance of one of its sales representatives. With access to customers' chat history and other profile data, the sales representatives can assist in the selection of merchandise and provide a link for online purchases or arrange for other purchase methods, such as Click & Collect, Click & Delivery or Reserve & Collect. In the future, Central Retail plans to use this instant messaging system to notify customers of new product arrivals based on their personal tastes, interests and purchase history, and to provide an online concierge that can direct them to how and where purchases can be made. Central Retail accepts payments in bank transfers and credit cards. Customers can pick up their purchases at stores or request for home delivery via GrabBike. The Chat & Shop is available for Central Department Store (which also offers products from Supersports, Power Buy and Central Food Hall), Robinson Department Store, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, OfficeMate, B2S and Tops, and Rinascente ON DEMAND is available for Rinascente Department Store.



- **Brand LINE and Store LINE** are instant messaging services via social network LINE where stores or brands use their LINE Official accounts to contact the customers. They can make a purchase for customers through such channel as well as present real-time sales promotions to the customers. This channel serves as an extension to connect with LINE, a key communication channel of current consumers in Thailand. Customers can choose to pay for products by bank transfer or credit card. Central Retail provides Brand LINE and Store LINE services in many business units such as Central Department Store, Robinson Department Store, Supersport Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, B2S, OfficeMate and Brandshops under CMG.
- **Facebook Live and Facebook Inbox** is a sales channel through Facebook Live or Facebook Inbox on the social platform Facebook. The customers can buy products while watching live streaming or buy through inbox, which has been promoted on Facebook Official Page of any given business unit, within the specified period. Payment can be made by bank transfer or credit card. Delivery is arranged as specified by the customers. Central Retail has started its Facebook Live and Facebook Inbox services in many business units such as Central Department Store, Robinson Department Store, Supersports, Power Buy, B2S, OfficeMate and Brandshops under CMG.

2.3) e-Ordering is a platform that enhances in-store service capabilities by equipping sales associates with tablet computers, mobile phones and other online channels, which will enable them to respond quickly to in-store customer queries and grant customers access to products that may not be available at the store. This helps to expand Central Retail's retail space beyond its physical stores. In addition, these channels help create opportunities for cross-selling related products, especially products of other business units. Currently, e-Ordering platform is available for Central Department Stores, Robinson Department Store, Supersports, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, B2S and OfficeMate.





Omnichannel sales performance according to The 1 loyalty program data, omnichannel customers' average spending was 4-5 times higher than the single channel customers and they purchase more variety of products, too. Omnichannel sales grew in all Central Retail's business segment and it is summarized as follows:

Omnichannel Sales	2019	2020	2021
Growth YoY (%)			
Hardline segment	31	73	142
Food segment	51	202	171
Fashion segment	91	263	82
Total	57	177	109
%Omnichannel sales to total sales	3	10	20

1.2.2 Business Structure of Central Retail

1.2.2.1 Merchandising and Sales

Central Retail strives to provide customers with a large selection of fashionable and quality merchandise at a variety of price points, housed in an attractive and modern store environment with a focus on delivering premium customer service. Central Retail continually diversifies its merchandise selection in order to appeal to the diverse and evolving tastes and preferences of its customers. Fashion segment is comprised primarily of retail banners operating under department store or retail plaza formats, and its merchandise mix primarily includes categories such as apparel, shoes, accessories, cosmetics and sports equipment, as well as other categories such as household items, kitchenware and consumer electronics, etc. Hardline segment is comprised primarily of retail banners operating under specialty store format, and its merchandise mix primarily includes categories such as consumer electronics, construction materials, DIY products, and household items, stationery, books, IT equipment and office furniture, etc. Food segment is comprised primarily of retail banners operating under supermarket, hypermarket, convenience store or retail plaza formats, and its merchandise mix includes groceries and related items, as well as home appliances, clothes and sports equipment.

During 2020 - 2021, the COVID-19 pandemic, a global health crisis, caused domestic and international lockdowns and impacted Central Retail's operating results both directly and indirectly. However, Central Retail adjusted itself to the situation by increasing sales through omnichannel and implementing cost efficiency measures, for example, the management of staff productivity, the advertising through social media or digital marketing to reduce advertising and public relations costs, and the control of utility costs.



The following table presents certain financial information about operating segments for the periods presented.

Year ended 31 December						
	2019		2020		2021	
	THB million	%	THB million	%	THB million	%
Total sales of goods						
Hardline segment ^{(1) (2)}	50,583	25.9	52,232	30.2	63,565	36.1
Food segment	80,492	41.2	74,684	43.1	69,600	39.6
Fashion segment	64,280	32.9	46,222	26.7	42,810	24.3
Total	195,355	100.0	173,138	100.0	175,975	100.0
EBITDA						
Hardline segment ^{(1) (2)}	4,533	17.6	4,220	22.2	7,683	38.3
Food segment	5,823	22.5	7,734	40.8	5,296	26.4
Fashion segment	15,458	59.9	7,011	37.0	7,080	35.3
Total	25,814	100.0	18,965	100.0	20,059	100.0
Same store sales growth (%) ⁽³⁾						
Hardline segment ⁽⁴⁾	-	-2	-	-14	-	+3
Food segment	-	+2	-	-10	-	-12
Fashion segment	-	-3	-	-34	-	-5

⁽¹⁾ The financial information for a period after 1 January 2019 included the operating results of Nguyen Kim as appeared in the consolidated financial statements since 7 June 2019, while the financial information for a period prior to 1 January 2019 excluded the operating results of Nguyen Kim. More details can be found in the Notes to Financial Statements. The sales volume of Nguyen Kim in the separate financial statements amounted to THB 14.3 billion in 2019. However, no entries occurring between Central Retail and Nguyen Kim were deleted from separate financial statements of Nguyen Kim and from the Company's operating results. Moreover, the separate financial statements of Nguyen Kim were prepared according to the financial reporting standards in Vietnam, while the Company's separate financial statements were prepared according to Thai Financial Reporting Standards (TFRS). For this reason, such information cannot be compared with the information as appeared in the Company's financial statements.

⁽²⁾ The financial information for a period after 1 January 2021 included the operating results of COL as appeared in the consolidated financial statements since 1 February 2021, while the financial information for a period before 1 January 2021 excluded the operating results of COL. More details can be found in the Notes to Financial Statements.

⁽³⁾ Same store sales growth (SSSG) is the change in the contribution to total gross sales between two periods made by the relevant stores on a standalone basis under each of key retail banners.

⁽⁴⁾ COL is excluded for the year 2021 because Central Retail invested in COL after the beginning of the comparative fiscal year.

(1) Hardline Segment

Hardline segment focuses on specialty merchandise offerings, including construction materials, home decorations, DIY products and consumer electronics and appliances, stationery, e-Books, IT equipment and office furniture. Central Retail strives to build customer loyalty in this segment by offering the appropriate mix of merchandise combined with value-add services that help customers maximize the value of their specialty merchandise purchases, which is important in hardline categories such as electronics and home improvement, where after sales services such as installation and maintenance are key purchase considerations

DIY home improvement merchandise selection sold through Thai Watsadu and Baan & Beyond / BNB Home encompasses construction materials, home improvement products, home decorations and consumer electronics. Central Retail intended to attract professional building contractors as well as homeowners working on their own small to large home building and improvement projects. Home decoration offerings include a wide variety of home furnishings, kitchenware, dinnerware, and mattresses and bedding, which could meet the needs of hospitality providers, real estates renters and restaurants, whose business need room or commercial space decorations.



Central Retail offers private labels, such as Giant Kingkong, Giant Tech, Kassa, Kassa Home, Luzino, Zagio, Calina, Murano, Handi and Sandi, to cover all product categories and various usages. Central Retail is also a dealership of leading domestic and international brands of quality products at reasonable prices and with international safety standards, Central Retail also offers a wide range of quality consumer electronics both in Thailand and Vietnam, sold through Power Buy, go! Power and Nguyen Kim, including televisions, electrical appliances, computers, other IT products, phones, gadgets, accessories and related services including delivery, installation, maintenance and repair. Customer preferences for electronics are generally driven by brand popularity, so merchandising

in these business units is characterized by a merchandise mix that is tailored to the brand preferences of the local population. Central Retail provides a variety of popular international brands alongside generic merchandise at affordable prices, which Central Retail can often achieve through direct import given Central Retail's operational scale. Apart from construction materials, decorations and consumer electronics, Central Retail also offers stationery, office equipment and furniture for individual and corporate customers, sold through OfficeMate stores and omnichannel platforms. Stationery and books are offered through B2S and e-Books sold through MEB's platform. To conclude, Central Retail truly supplies various types of products that can meet the diverse needs of customers.





The offering under this segment is grouped into two categories: Hardline retailing in Thailand and Hardline retailing in Vietnam. The following table presents an overview of the key retail categories under Hardline segment as of the dates presented.

As of 31 December

	2019	2020	2021
Total number of stores (stores) ⁽¹⁾			
Hardline retailing in Thailand ⁽²⁾	164	180	415
Hardline retailing in Vietnam	70	59	51
Total net selling space (sq.m.)			
Hardline retailing in Thailand ⁽²⁾	1,025,407	1,080,864	1,272,742
Hardline retailing in Vietnam	81,027	78,606	73,617
Average net selling space per location (sq.m.)			
Hardline retailing in Thailand	6,252	6,005	3,067
Hardline retailing in Vietnam	1,158	1,332	1,443

⁽¹⁾ Store counts include stores located at retail plazas.

⁽²⁾ Includes stores of OfficeMate and B2S as of 31 December 2021

Hardline Retailing in Thailand



Central Retail's Hardline retailing in Thailand consists of Thai Watsadu and Baan & Beyond / BNB Home, Power Buy, OfficeMate, B2S and MEB retail banners. Thai Watsadu comprises of 3 store formats. The large format has an average net selling space of 15,000 – 20,000 square meters. The small format, which is known as “Thai Watsadu: Building, Hardware, Sanitary ware”, following the main strategy of “reducing staff, tightening areas, and using technology” with an average net selling space of 8,000 square meters. This format currently has 2 stores.



The hybrid format, which is a combination of Thai Watsadu and BNB Home to become the center of home decorations. The first hybrid store was opened at the Srisamarn in 2021. Thai Watsadu is the premier DIY home improvement retail banner and seeks to meet the needs of both contractors and homeowners for construction materials, providing more than 80,000 high quality home improvement and related merchandise items under one roof. Thai Watsadu opened its first store at Bangbuathong, Nonthaburi province in 2010 and has since expanded to 39 provinces throughout Thailand. Baan & Beyond / BNB Home retail banner offers a wide selection of home decor and furnishings to customers seeking classic, modern and fashionable home interiors. Baan & Beyond opened its first store in Chiang Mai

province in 2013 and has since expanded to 5 provinces throughout Thailand (Baan & Beyond has planned to change its name and its logo to BNB Home from 2022 onwards). Additionally, Central Retail has AUTO1, a car care service rendered by professional technicians while providing the vFix service for comprehensive home repairs and improvements, ranging from inspections, installations, repairs to improvements. In addition, in 2021, Central Retail has introduced go! WOW, a convenience home and lifestyle products shop with an average net selling space of 200-500 square meters, which offers over 14,000 items, such as kitchenware, stationery, toys, cleaning supplies, outdoor and gardening, car accessories, IT and electronics.





Power Buy is the leading retailer of consumer electronics in Thailand. Power Buy opened its first store in Bangkok in 1996 and has since expanded to 50 provinces throughout Thailand. In addition to being the overall leader in its market segment, a significant portion of sales at Power Buy are in the high-end home appliances from leading brands, which deliver higher profit margins than other brands. In addition, Power Buy continues to improve its Power Care service to provide better and faster services for customers, and also extends the services including Big Cleaning service for customers. In 2021, Power Buy launched go! Power, which is the consumer electronics shop focusing on expanding and penetrating the upcountry market by offering products and promotions to meet local customer's needs.

OfficeMate is Thailand's leading business supplies retailer, which provides office supplies, equipment and furniture for corporate clients. OfficeMate began with its first store at Seacon Square Srinakarin in 1995, and it currently has stores across 30 provinces in Thailand. B2S is a leading retailer distributing stationery, books and lifestyle products. B2S opened its first store at Central Bangna in 2001, and it currently has covered 51 provinces in Thailand. MEB is a distributor of e-Book and offers consulting services in relations to publishing e-Books as well as procuring relevant software programs and equipment and e-Readers. It is the leader in the e-Book market with its strong online platform and more than 6 million users.

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Hardline Retailing in Vietnam

Central Retail's Hardline retailing in Vietnam includes consumer electronics and appliances stores operated under Nguyen Kim retail banner. Nguyen Kim opened its first store in 1996 and has since expanded to 27 provinces throughout Vietnam. Central Retail's partnership and subsequent success with Nguyen Kim helped establish its credibility in Vietnam, and in June 2019 Central Retail purchased the remaining shares of Nguyen Kim and became its wholly-owned subsidiary. Nguyen Kim is differentiated from its competitors because it offers premium products and diverse assortments, and its large selling space allows it to carry bulk merchandise such as televisions and refrigerators in-store.

Prior to 7 June 2019, Central Retail operated Nguyen Kim business as an associate company and its results of operations were not consolidated into Central Retail's total revenue. Revenues attributable to Nguyen Kim joint venture were reflected in the share of profit from associates and joint ventures in the consolidated financial statements.

Sales and Productivity

The following table presents the total sales of goods, average sales per square meter and same store sales growth for key retail categories under hardline segment for the periods presented.

	Year ended 31 December		
	2019	2020	2021
Total sales of goods (THB millions) ⁽¹⁾			
Hardline retailing in Thailand ⁽²⁾	42,768	41,295	54,576
Hardline retailing in Vietnam ^{(3) (4)}	7,815	10,937	8,990
Total	50,583	52,232	63,565
Average sales per square meter (THB / month)			
Hardline retailing in Thailand ⁽²⁾	3,464	3,236	3,711
Hardline retailing in Vietnam ^{(3) (4)}	14,864	11,439	10,372
Same store sales growth (%) ⁽⁵⁾			
Hardline retailing in Thailand ⁽⁶⁾	+2	-11	+8
Hardline retailing in Vietnam	-12	-25	-17

⁽¹⁾ Includes both in-store and online sales.

⁽²⁾ The financial information for a period after 1 January 2021 included the operating results of COL as appeared in the consolidated financial statements since 1 February 2021, while the financial information for a period prior to 1 January 2021 excluded the operating results of COL. More details can be found in the Notes to Financial Statements.

⁽³⁾ The sales volume of Nguyen Kim in the separate financial statements amounted to THB 14.3 billion in 2019. However, no entries occurring between Central Retail and Nguyen Kim were deleted from separate financial statements of Nguyen Kim and from the Company's operating results. Moreover, the separate financial statements of Nguyen Kim were prepared according to the financial reporting standards in Vietnam, while the Company's separate financial statements were prepared according to Thai Financial Reporting Standards (TFRS). For this reason, such information cannot be compared with the information as appeared in the Company's financial statements.

⁽⁴⁾ Nguyen Kim business is conducted through NKT New Solution and Technology Development Investment Joint Stock Company ("NKT"). Prior to 7 June 2019, NKT was Central Retail's associate and its results of operation were accounted for under share of profit of associates and joint ventures. Central Retail purchased the shares of NKT held by the joint venture partner on 7 June 2019, and from such date it has been consolidated into Central Retail's results of operations as a wholly-owned subsidiary. More details can be found in the Notes to Financial Statements.

⁽⁵⁾ SSSG is the change in the contribution to total gross sales between two periods made by the relevant stores on a standalone basis under each of key retail banners.

⁽⁶⁾ COL is excluded for the year 2021 because Central Retail invested in COL after the beginning of the comparative fiscal year.

Sales of goods under Hardline segment are primarily comprised of in-store sales, with additional sales generated through omnichannel. Omnichannel contributions to Hardline has increased by 31%, 73%, and 142% in 2019, 2020 and 2021, respectively.



The majority of Hardline segment merchandise is sold on a credit basis, including private labels, with the balance as consignment sales. Private labels, including direct import products under private label brands, accounted for 10%, 11% and 13% of total sales from Hardline Thailand in 2019, 2020 and 2021, respectively. Private labels have been a strong driver of growth in Hardline segment in recent years.

Hardline segment's EBITDA amounted to THB 4,533 million, THB 4,220 million and THB 7,683 million for 2019, 2020 and 2021 respectively.

In Hardline segment, retail prices are generally set by suppliers. Central Retail may be able to charge a premium for popular brands though. Central Retail earns its highest margins from its private label brands, which can help boost overall margins, and Central Retail seeks to offer a variety of services in conjunction with merchandise sales to make it easier for customers to make purchases, thereby driving sales. Central Retail's home improvement formats tend to have more choices of suppliers than other formats, which Central Retail believes improves its bargaining position and makes it easier to manage margins. Consumer electronics tend to include more "big ticket" merchandise and more premier brands, and Central Retail believes that Power Buy's and Nguyen Kim's reputation for reliability provide customers with peace of mind should there be any issues with their merchandise after purchasing, thereby driving sales. Thai Watsadu and Baan & Beyond / BNB Home also generate revenue through leasing space to third party vendors in their stores.

(2) Food Segment

Central Retail's Food segment focuses on capturing the latest trends in food and consumer goods by offering a wide selection of high quality food, grocery, organic products, health products and other products and consumer staples through supermarket, hypermarket and convenience store formats. In addition, Central Retail leases retail space and generates rental income through retail plazas in Thailand and Vietnam. Each of food segment retail plazas is anchored by a hypermarket and a mix of other offerings including Central Retail's own retail banners, restaurants and third-party outlets with various merchandise and service offerings.

Merchandising at supermarkets and hypermarkets is driven by the tastes and preferences of the local population. Supermarkets and hypermarkets can be found throughout Thailand and in the key areas of Vietnam, so the selection of groceries and non-food items at Central Retail's stores can vary widely, reflecting the diversity of the customer base. Likewise, Central Retail's in-store displays, store formats and overall presentation can vary based on location in order to more closely match the expectations of customers in the communities where Central Retail's supermarkets and hypermarkets are located. For example, in Vietnam, customers in the north are generally more driven by seasonality and brand, whereas customers in the south are generally more responsive to promotions. Merchandising is also driven by immersive shopping, when dine-in options help drive take-out and other grocery sales.





Central Retail uses a number of private label and in-store brands in food segment merchandising, which Central Retail believes differentiates its offerings and provides a competitive edge in the market. Private label brands such as My Choice, Smart-R, My Choice Thai, Tops, and Love the Value allow Central Retail to deliver a product that is tailored to its customer's tastes and preferences as well as that cannot be found at the competitors' store. The use of private label and in-store brands plays an important role in the establishment of new stores, where provide a foothold for the business in new areas by offering something novel to the local community. Central Retail's private label products are built around the principles of quality, consistency, credibility, trust, traceability and best of origin. Through this Central Retail has developed a diverse range of outstanding products that stand out for their quality, variety, and innovation.

Central Retail's large grocery store formats, such as Central Food Hall and Tops market, are built around the "modern supermarket" concept, which combines traditional grocery offerings such as fresh produce, staples and Fast-Moving Consumer Goods (FMCG) with immersive offerings, such as dine-in options. Customers at Central Food Hall, for example, can browse traditional grocery selections but also enjoy a variety of dine-in options, and the store includes ready-made meals that customers can order and enjoy at dedicated areas for dining or at food counters. Customers can also purchase meals to take away and enjoy outside of the store.



The grocery and non-food offerings in Thailand comprise direct imports, locally sourced items and exclusive offerings. By offering imported products, as well as seeking exclusive arrangements with grocery distributors, Central Retail can help to fill gaps in the local market and provide rare items. For certain items, such as wine and fresh fruits and vegetables, Central Retail deals directly with vineyards and farmers for supply. Importing and exclusive distribution arrangements also play an important role in the establishment of new stores by allowing Central Retail to fill gaps in the local market.

As a store matures, Central Retail can generally increase its portion of locally-sourced foods to serve a growing customer base. Where possible, Central Retail embraces “Farm to Table” merchandising concept and seeks to ensure freshness and quality products through local suppliers. When sourcing locally, particularly for fresh goods, Central Retail employs rigorous quality control guidelines and requirements. This is particularly important for Central Retail’s businesses in Vietnam, where Central Retail actively sources more than 90.0% of its products locally. In addition, customer demands

for health and beauty merchandise continue to increase, and Central Retail has responded by expanding its offerings of health and beauty merchandise across all of food segment formats, including the introduction of LOOKS, a new health and beauty concept seeking to build a “one stop shop” for beauty brands in the FMCG category. Additionally, the business under Food segment introduces at TASTE - a fresh-meal restaurant with a wide variety of menu items; Thai Favorites - a zone features tourists’ most wanted products from all regions of Thailand; Asian Flavors - a special zone selling products of food materials, ready to eat products and condiments from 5 major countries (Japan, Korea, China, India and Vietnam), Coffee Arigato - a Japanese coffee corner at FamilyMart; THE BAKER - a bakery zone in the form of “Artisan Bakery” or the handmade bakery which is made by using the finest quality ingredients from original. In 2021, Central Retail introduced Baby & Me, a new zone in Tops market, which offers a wide selection of products for babies and Tops Vita, which is a vitamin and supplements store with various famous domestic and international brands.





Also, CHEF YIM, an application of an all-in-one service on e-commerce platform for fresh food businesses at affordable prices, was introduced under the slogan of “high quality, affordable prices, bring your smile,” providing service to order fresh food, especially vegetables, fruits and meat, from local farmers and imported products from abroad, together with dried goods, beverages, other imported products and miscellaneous goods. In addition, CHO YIM application under the slogan “easy to buy, easy to sell, must be CHO YIM” which is a source of good quality products with affordable price for mom and pop grocery stores.



In addition, PET 'N ME, a fashion and lifestyle pet products and their owners, was also launched. It consists of Food Zone for pet food, PET SUPPLIES for pet accessories, and GROOMING for hair care products up to 5,000 items offering. It aims to be a new Pet Lover Community where customers can spend time with their whole family in one place with all-in-one services provided for dogs and cats, including health check-ups, bathing, hair cutting, and spa.





The offerings under this segment are grouped into two categories: Food retailing in Thailand and Food retailing in Vietnam. The following table presents an overview of the key retail categories under Food segment as of the dates presented.

As of 31 December

	2019	2020	2021
Total number of stores (stores) ⁽¹⁾			
Food retailing in Thailand	1,186	1,137	1,086
Food retailing in Vietnam	62	65	69
Total net selling space (sq.m.)			
Food retailing in Thailand	401,160	405,244	405,573
Food retailing in Vietnam	226,278	238,009	255,945
Average net selling space per location (sq.m.)			
Food retailing in Thailand	338	356	373
Food retailing in Vietnam	3,650	3,662	3,709
Plaza under Food Segment in Thailand			
Tops Plaza			
Total number of stores (stores)	5	5	5
Total gross floor area (sq.m.)	76,162	77,374	77,374
Total net leasable space (sq.m.)	33,278	33,737	35,440
Average net leasable space per location (sq.m.)	6,656	6,747	7,088
Total occupancy rate (%) ⁽²⁾	84	83	81
Plaza under Food Segment in Vietnam			
Big C / GO! ⁽³⁾			
Total number of stores (stores)	33	37	40
Total gross floor area (sq.m.)	501,844	566,673	631,778
Total net leasable space (sq.m.)	145,966	166,884	201,173
Average net leasable space per location (sq.m.)	4,423	4,510	5,029
Total occupancy rate (%) ⁽²⁾	83	79	71

⁽¹⁾ Store counts include stores located at retail plazas.

⁽²⁾ Average 12-month occupancy rate

⁽³⁾ Excludes go!



Food Retailing in Thailand





Central Retail's Food retailing in Thailand primarily comprises Central Food Hall, Tops, and FamilyMart retail banners. Central Retail operates Central Food Hall and Tops retail banners under Central Food Retail business unit. Central Retail operates a variety of store formats under Tops retail banner, with Tops market as its key supermarket brand, offering mainstream reliability with a wide selection of quality consumer staples food and grocery items to a broad cross-section of the general population. The other Tops formats include Tops Superstore, a hypermarket, and Tops daily, which delivers grocery along with ready-to-eat food offerings such as in-store baked goods and fresh sandwiches. The network of Tops stores has grown to reach 42 provinces across Thailand as of 31 December 2021, with Tops market alone having locations across 38 provinces, including 78 stores in the greater Bangkok and 49 stores in upcountry Thailand. Central Retail owns and operates Tops Plaza, which are retail plazas anchored by a Tops Superstore that also offer a variety of other stores catering to basic needs of the local community. Central Retail also sources organic products locally to give back to the community, and Central Retail has launched Jing Jai Farmers' Market in Udon Thani province in Thailand as a new retail concept, which works directly with local farmers, granting them higher income to provide customers with high quality, organic and chemical free products at the best price exclusively. As of 31 December 2021, Central Retail has expanded Jing Jai Farmers' Market to 27 Tops locations.

Central Food Hall delivers a highly innovative and immersive grocery shopping experience for customers in Thailand. With locations in major provinces and cities, including Bangkok, Chiang Mai, Pattaya and Phuket, Central Food Hall caters to an urban population and delivers a rich variety of specialty and international foods as well as local favorites. Central Food Hall epitomizes the modern supermarket concept, offering traditional grocery alongside dine-in options, including both table and counter service, and a wide variety of ready-made take-away meals, as well as a personal shopper service at 140 stores of Central Food Hall and Tops market nationwide.

The following table presents an overview of Central Food Hall, Tops, and FamilyMart stores as of the dates presented.

	As of 31 December			Retail brands
	2019	2020	2021	
Total number of stores (stores)				
Supermarket and Hypermarket	218	236	281	Central Food Hall, Tops market, Tops Superstore, and Tops daily
Convenience store	968	901	805	FamilyMart
Total net selling space (sq.m.)				
Supermarket and Hypermarket	278,868	288,506	304,047	Central Food Hall, Tops market, Tops Superstore, and Tops daily
Convenience store	122,292	116,738	101,527	FamilyMart
Average net selling space per location (sq.m.)				
Supermarket and Hypermarket	1,279	1,222	1,082	Central Food Hall, Tops market, Tops Superstore, and Tops daily
Convenience store	126	130	126	FamilyMart



The first FamilyMart store in Bangkok opened in 1993. Central Retail acquired FamilyMart in Thailand through a joint venture in 2012, when it had only 782 stores in 16 provinces. As of 31 December 2021, FamilyMart had 805 stores in 17 provinces throughout Thailand. FamilyMart stores are strategically located and are operated pursuant to the agreement with Central Retail's joint venture partners, a structure which Central Retail believes showcases its ability to forge strong business relationships. FamilyMart banner is concentrated in the greater Bangkok and tourist areas such as Pattaya and

Samui, where Central Retail believes it has a stronger competitive position. Central Retail's positioning differs from its competitors in that Central Retail focuses on locating a significant number of its stores within a given area to achieve economies of scale and a cluster effect. As a convenience store, FamilyMart also rounds out Central Retail's portfolio of retail formats, helping Central Retail further extend its customer reach. In May 2020, Central Retail acquired an additional 49% interest in Central FamilyMart Co., Ltd, increasing its ownership interest from 51% to 100%.

Food Retailing in Vietnam



Central Retail's Food retailing in Vietnam comprises Big C / GO!, go!, and Lan Chi Mart retail banners. Big C Vietnam opened its first store in 1998. It was acquired by Central Retail in 2016 and has since expanded to 29 provinces throughout Vietnam as of 31 December 2021. Through its varied offerings and localized approach, Big C / GO! positions its outlets to positively impact the entire community. Following the acquisition of Big C in 2016, Central Retail has been working on revamping the brand by restoring better value for money, ensuring that Central Retail is serving fresh and quality products, improving customer experience, and shortening wait times, upgrading its store system, and growing an experienced team of people to operate its stores. Central Retail also believes its operational experience with Big C in Thailand, which Central Retail originally established, has helped make its business in Vietnam much more successful. Central Retail is actively

using Big C / GO! as an incubator for new retail banners by showcasing Dyson, LookKool, Hello Beauty and other specialty sales counters. As a result, Big C is now ranked first in the food hypermarket category in terms of store count, and second in the retail plaza category in terms of gross floor area according to the internal data. Central Retail has developed brand image of Big C in Thailand during 1990 to 1999 and later sold it to a third party. This helps Central Retail to develop its operations in Vietnam to the "GO!" retail banner. Central Retail is in the process of rebranding Big C in Vietnam to "GO!". During 2020 to 2021, the Company has rebranded 13 shopping plaza and 7 hypermarkets to GO! retail banner and rebranded 7 Big C to Tops market. This rebranding project has included reformatting outlets and has been part of Central Retail's strategy since Central Retail acquired Big C, and Central Retail expects the brand transition to be completed in 3 to 4 years.





go! is a small-sized supermarket, with space of approximately 2,500 – 3,500 square meters, located in the vicinity of the community and countryside residential areas. The products offered at go! are consumer goods and clothing and apparel, which have a high percentage of sales volume compared to Lan Chi Mart and Big C / GO!. The first go! store was open in Tam Ky in Central Vietnam in September 2020. According to the plan, more new stores will be expanded in the countryside areas of Northern and Central Vietnam in the future.

Tops market Vietnam is a medium-sized supermarket with space of approximately 3,000-3,500 square meters, located in big cities, which are the center of the country's major economy to cover all customer groups, and aim to be the Central to Life that meets the lifestyle of all Vietnamese. The products offered at Tops market Vietnam are more than 20,000 items, guaranteed with both freshness and quality at reasonable prices. The interior stands out with modern and elegant designs on space of over 2,000 square meters, divided into 11 highlight zones, namely organic fruits and vegetables, bakery, seafood, meat, ready-to-eat meals, frozen food, cold cuts, wine, flowers, consumer goods and health and beauty, with staff to facilitate and give advice to customers in every zone.





Lan Chi Mart stores are medium to large supermarkets that bring a variety of unique product options and local items to rural communities in the north of Vietnam, all under one roof. Central Retail locates Lan Chi Mart stores near local communities and residential clusters in rural areas, bringing modern retail settings to the community and ensuring that customers are able to find items that they would have otherwise had to travel far to obtain, and for good value. In addition to grocery offerings, Lan Chi Mart provides a variety of soft goods which are a large contributor to overall sales, and which Central Retail believes is a testament to the confidence consumers have in its brand. Central Retail has also introduced small food stalls in its stores, usually serving international food, to introduce new cultures and experiences to its customers. Lan Chi Mart opened as a small enterprise selling merchandise on the outskirts of Hanoi in 1995, expanded into supermarkets in 2007, was acquired by Central Retail through a joint venture in 2015, and has since expanded to 10 provinces throughout Vietnam as of 31 December 2021.

The following table presents an overview of Lan Chi Mart, Tops market Vietnam, and Big C / GO! as of the dates presented.

	As of 31 December			Retail brands
	2019	2020	2021	
Total number of stores (stores)				
Supermarket	25	24	32	Lan Chi Mart / go! / Tops market
Hypermarket ⁽¹⁾	37	41	37	Big C / GO!
Total net selling space (sq.m.)				
Supermarket	47,031	45,031	61,683	Lan Chi Mart / go! / Tops market
Hypermarket	179,247	192,978	194,262	Big C / GO!
Average net selling space per location (sq.m.)				
Supermarket	1,881	1,876	1,928	Lan Chi Mart / go! / Tops market
Hypermarket	4,845	4,707	5,250	Big C / GO!

⁽¹⁾ Rebranding Big C Hypermarket to Tops market Vietnam in 2021



Sales and Productivity

The following table presents the total sales of goods, average sales per square meter and same store sales growth for key retail banners under food segment for the periods presented.

Year ended 31 December

	2019	2020	2021
Total sales of goods (THB millions) ⁽¹⁾			
Food retailing in Thailand	52,071	45,020	39,642
Food retailing in Vietnam	27,650	29,109	29,547
Others ⁽²⁾	771	555	411
Total	80,492	74,684	69,600
Average sales per square meter (THB / month)			
Food retailing in Thailand	10,688	9,289	8,183
Food retailing in Vietnam	10,231	10,368	10,095
Same store sales growth (%) ⁽³⁾			
Food retailing in Thailand	-0.5	-15	-16
Food retailing in Vietnam	+8	+0.1	-6
Plaza under Food Segment in Thailand			
Tops Plaza			
Rental income (THB millions)	160	126	123
Average rental income per square meter (THB / month)	468	371	356
Plaza under Food Segment in Vietnam			
Big C / GO!			
Rental income (THB millions)	1,169	1,010	811
Average rental income per square meter (THB / month)	824	683	531

⁽¹⁾ Includes both in-store and online sales.

⁽²⁾ Includes Matsumoto Kiyoshi

⁽³⁾ SSSG is the change in the contribution to total gross sales between two periods made by the relevant stores on a standalone basis under each of key retail banners

Sales of goods under Food segment are primarily comprised of in-store sales, with additional sales generated through online channel. Omnichannel contributions to food has increased by 51%, 202%, and 171% in 2019, 2020 and 2021, respectively. Central Retail opened its first distribution center dedicated to servicing online orders in 2017 with the goal of becoming a “best in fresh” food delivery provider for local community residents.

Private labels under Food segment in Thailand accounted for 7%, 10%, and 11% of total sales from Food Thailand in 2019, 2020 and 2021, respectively.

EBITDA of the Food segment of Central Retail amounted to THB 5,823 million, THB 7,734 million and THB 5,296 million in 2019, 2020 and 2021, respectively.



A close working relationship with international and local suppliers is particularly important in Food segment given the importance of freshness to customers. Central Retail holds regular meetings with suppliers on a monthly or quarterly basis depending on their contribution to its business. Supporting local OTOP and SMEs is also an important consideration for Central Retail. In all cases, Central Retail expects its suppliers to understand its business direction and to be committed to drive growth together with Central Retail. Central Retail normally consults them as its partner and share with them certain plans and strategies for its business.

All of Food segment suppliers have to meet Central Retail's standards with respect to costs, product specifications, marketing plans, production capacity and replenishment and logistics. Central Retail also requires that they adhere to ethical business practices and comply with food safety standards, laws and regulations. They are responsible for certain customer issues in accordance with consumer protection laws.

Pricing for consumer goods depends on demand and supply in each region. Central Retail constantly monitors market prices to ensure its own prices are competitive. Central Retail seeks to match pricing for generic or national third-party brands but generally targets lower price points for its private label products. Central Retail may charge higher prices as a result of higher logistical costs or for premium market positioning for certain items or retail banners, such as Central Food Hall. Central Retail also frequently uses promotions to drive customer traffic, and generally attributes approximately 30% of Central Retail's sales to promotional pricing. For Big C / GO!, go! and Lan Chi Mart business in Vietnam, Central Retail aims to provide its customers with great value for their money on groceries by emphasizing local sourcing.

(3) Fashion Segment

Central Retail's Fashion segment focuses on apparel, shoes and accessories, cosmetics and household items, sold primarily through department stores and specialty stores formats. Central Retail also leases retail space and generates rental income in this segment through department stores and through retail plazas, which Central Retail positions as lifestyle centers offering affordable merchandise to customers in second-tier provinces which are rapidly urbanizing but are still underserved by large-scale shopping malls. Each of retail plazas is generally anchored by department store and supermarket along with a mix of other offerings, including Central Retail's own retail stores, restaurants, and third-party retail stores with various product and service offerings.

Merchandise mix in Fashion segment caters to the diverse preferences of customers, offering a wide variety of merchandise ranging from international luxury brands to general brands at a variety of price points. Central Retail also provides a variety of shopping experiences across its differentiated selection of fashion retail banners, from everyday shopping to luxury experiences. Merchandise mix also includes a large selection of private labels such as Defry 01, Expressions, Alumnus, Esquire, Minimono, Undergear, Angel Baby, Angel Kids, Central Home, Cuizimate, Haven, Just Buy, Pacific Union, Thompson, Proofs, F.O.F (Freedom of Fashion), etc, which Central Retail has conceived and developed in-house. Central Retail has been increasing the proportion of private labels and imports in its merchandise mix as part of its plan to help drive margin improvements in the future. Central Retail also engages third party brands for licensing rights, which allows Central Retail to market products that Central Retail has designed and developed in collaboration with international partners to leverage their brand appeal, such partners include Lee, Wrangler, Jockey, Hush Puppies and Sanrio. In addition, Central Retail offers merchandise under exclusive distribution arrangements, where third party labels agree to sell their items in the store only. By using a combination of these arrangements in the merchandising, Central Retail is able to strategically adjust its brand and merchandise mix within different stores to account for variances in income levels and customer demographics across its retail network.



The offerings under this segment are grouped into 4 categories: department stores in Thailand (which includes retail plazas), specialty stores in Thailand, department stores in Italy and others (which include Robins Department Store in Vietnam and Komonoya). The following table presents an overview of the key retail categories and business units under Fashion segment as of the dates presented.

As of 31 December

	2019	2020	2021
Total number of stores (stores) ^{(1) (2)}			
Department stores and specialty retail in Thailand ⁽³⁾	592	588	550
Department stores in Italy	9	9	9
Total net selling space (sq.m.)			
Department stores and specialty retail in Thailand ⁽³⁾	1,213,825	1,203,379	1,186,882
Department stores in Italy	61,243	62,251	61,036
Average net selling space per location (sq.m.)			
Department stores and specialty retail in Thailand ⁽³⁾	2,050	2,047	2,158
Department stores in Italy	6,805	6,917	6,782
Plaza under Fashion Segment in Thailand			
Robinson Lifestyle			
Total number of stores (stores)	23	24	24
Total gross floor area (sq.m.)	813,497	874,202	874,202
Total net leasable space (sq.m.)	365,295	399,202	422,937
Average net leasable space per location (sq.m.)	15,882	16,633	17,622
Total occupancy rate (%) ⁽⁴⁾	98	96	95

⁽¹⁾ Store count includes stores located at retail plazas.

⁽²⁾ Store count includes 8 branchshops and 7 brandshops in Malaysia as of 31 December 2019 and 2020, respectively.

⁽³⁾ Includes department stores and CMG brandshops.

⁽⁴⁾ Average 12-month occupancy rate.



Department Stores in Thailand



Central Retail's department stores in Thailand comprises Central Department Store, Robinson Department Store and Central Marketing Group ("CMG") business units. Located in 12 provinces throughout Thailand, the highly reputable flagship Central Department Store retail banner offers customers Thailand's leading shopping experience, including an expansive selection of exclusive and premium merchandise, a modern yet welcoming ambience and excellent customer service with add-ons such as personal shoppers. Central Retail also operates unique CENTRAL@centralWorld (formerly, Zen Department Store) under this business unit, located in Bangkok's premier Ratchaprasong shopping district. Robinson Department Store retail banner offers the same customer-centric merchandising as Central Department Store, but with a wider selection of everyday items at lower prices on average, delivering quality merchandise in a modern store ambience and with a presence in 36 mostly second-tier provinces throughout Thailand both inside and outside of Robinson Lifestyle, which is Central Retail's plaza. CMG's portfolio includes about 53 of the leading international brands in apparel, beauty and accessories such as Guess, Casio Watch, Polo Ralph Lauren, Calvin Klein Jeans, Lee, Wrangler, Clarins,

Aesop, Dyson, Garmin, Clarks, KIKO Milano, Cellreturn and numerous others, and has a synergistic relationship with department store and retail plaza businesses, which generally host most CMG sales counters and brandshops. CMG operates sales counters and brandshops dedicated to specific leading global merchandise brands or other partners with which Central Retail has a licensing or distribution arrangement, many on an exclusive basis; including Three, Clarins and The Body Shop. With its over 1,400 points of sale and strategic position within Central Retail's network, CMG is Thailand's leading international fashion and beauty brand distributor, providing international brands with superior access to customers in Thailand while also supplying premium merchandise to Central Retail's other retail banners.

In addition, in 2021, Central Retail introduced My Little Club for Central Department Stores and Robinson Department Stores, which designed to fit every shopping lifestyle of the parents in the new generation who carefully choose the best for their children, in terms of good quality products, value for money promotion and the most convenient services.



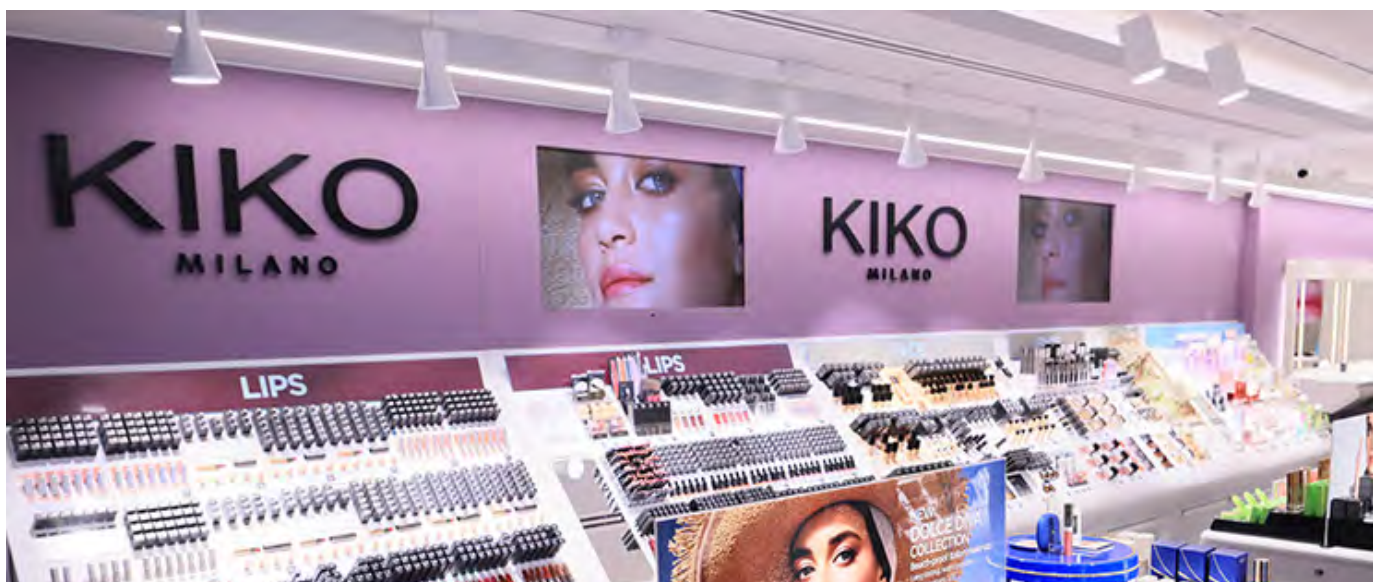


Since 2020, Central Retail has changed the operating structure of the department store business in Thailand. Central Department Store and Robinson Department Store are now merged together to adjust work system to be more efficient, as well as to reduce operating expenses. As of 31 December, 2021, 3 stores have started their operation, namely, Mega Bangna, Udon Thani and Khon Kaen.





Specialty Retail in Thailand





Central Retail's Thailand specialty retail highlights sports apparel and sport equipment's retail business. Central Retail operates specialty sporting merchandise stores under Supersports as well as other brandshops, including Velo Supersports, a bike corner in Supersports, to build upon its business to keep up with the current working out trends. Supersports is also Thailand's exclusive distributor and retail partner for brands such as Crocs, Skechers, New Balance, Speedo, K Swiss, Fila and Liverpool FC, and has a robust wholesale business as well as retail offerings. In addition, Central Retail expanded its specialty business for cosmetics and beauty items by launching KIKO Milano from Italy, a specialty stores for cosmetics under both standalone format in department store and online channel – Milano website and Central Online, to catch up with the Millennial and Gen Z market, with over 1,000 items of skincare, makeup, etc. The first store was launched at Siam Center.

Department Stores in Italy





Central Retail's department stores in Italy comprises collection of Rinascente Department Store, the premium department stores, which serves as the flagship luxury fashion retail banner, befitting one of Europe's premier retailers. Rinascente Department Store's first flagship store in Milan was opened more than 150 years ago, and is now one of the "must visit" shopping destinations in Europe, given its proximate location to the Duomo, the most visited landmark in Milan for locals and tourists. Most of Rinascente Department stores are located in prestigious historical buildings in city centers or recognized heritage sites. Rinascente Department Store is positioned at the forefront of the luxury and affordable luxury retailing market and offers a premier shopping experience to its customers that includes food and dining options alongside an optimized mix of merchandise offerings. Rinascente Department Store constantly adapts to changes in the luxury market, frequently renovating and refreshing stores while maintaining a historical ambiance designed to attract the most prestigious international luxury brands. Rinascente Department Store's specialized offerings in the luxury and tourism arena constitute a niche retail segment that can be found throughout Europe. As of 31 December 2021, Central Retail operated 9 Rinascente Department Stores in major cities across Italy.

Sales and Productivity

The following table presents the total sales of goods, average sales per square meter and same store sales growth for the key retail categories under Fashion segment for the periods presented.

	Year ended 31 December		
	2019	2020	2021
Total sales of goods (THB millions) ⁽¹⁾			
Department stores and specialty retail in Thailand ⁽²⁾	49,145	37,366	31,587
Department stores in Italy	14,537	8,461	10,937
Other ⁽³⁾	599	395	286
Total	64,280	46,222	42,810
Average sales per square meter (THB / month)			
Department stores and specialty retail in Thailand ⁽²⁾	3,405	2,583	2,225
Department stores in Italy	20,304	11,332	14,719
Same store sales growth (%) ⁽⁴⁾			
Department stores and specialty retail in Thailand ⁽²⁾	-4	-29	-16
Department stores in Italy	+2	-46	+33
Plaza under Fashion Segment in Thailand			
Robinson Lifestyle			
Rental income (THB millions)	3,298	2,649	2,702
Average rental income per square meter (THB / month)	808	585	560

⁽¹⁾ Includes both in-store and online sales.

⁽²⁾ Includes department stores and CMG brandshops.

⁽³⁾ Includes The Outlet 24 (which ceased operations during the third quarter of 2019), LOOKSI, ROBINS Department Store in Vietnam, and Komonoya

⁽⁴⁾ SSSG is the change in the contribution to total gross sales between two periods made by the relevant stores on a standalone basis under each of key retail banners.



Sales of goods under Fashion segment are primarily comprised of in-store sales, with additional sales generated through omnichannel. Omnichannel contributions to Fashion has increased by 91%, 263%, and 82% for 2019, 2020, and 2021, respectively.

Central Retail offers numerous private labels under Fashion segment, which primarily comprise credit sales. Private labels accounted for 6%, 6%, and 5% of Fashion segment's total sales revenue for 2019, 2020, and 2021, respectively.

EBITDA of the Central Retail's Fashion segment amounted to THB 15,458 million, THB 7,011 million and THB 7,080 million for 2019, 2020 and 2021 respectively.

1.2.3 Marketing and Competition

1.2.3.1 Customers and Marketing

(1) Customer Base

Central Retail aims to reach the full spectrum of customer cohorts in Thailand, Vietnam and Italy. Central Retail's analysis of local customer tastes and preferences helps to drive its decisions with regard to store openings, including the appropriate brand, store format and merchandise mix to deploy at a particular location. Tourists are also an important cohort of Central Retail's customer base in select locations, especially in Fashion segment.

The current customer base represents a broad cross-section of the public in each of Thailand, Vietnam and Italy. According to data obtained from Central Retail and The 1 loyalty program, Central Retail had approximately 18.5 million loyalty member customers in Thailand as of 31 December 2021. Although Central Retail's network in Thailand is nation-wide, the level of market penetration in upcountry areas is relatively low compared to Bangkok, so expansion in upcountry areas is among Central Retail's key growth strategies. Central Retail also had approximately 4.1 million loyalty member customers in Vietnam and approximately 2.8 million loyalty member customers in Italy as of 31 December 2021.

Loyalty Programs

Central Retail's principal loyalty programs comprise The 1 loyalty program in Thailand, the Big Xu Card in Vietnam and the Rinascentecard in Italy. Central Retail believes that having strong loyalty programs offering valuable benefits helps to improve customer loyalty and drive repeat visits within Central Retail's retail ecosystem. Under The 1 loyalty program, the customer retention rate for active users was 80.0%, 75.9%, and 76.6% for the years ended 31 December 2019, 2020, and 2021, respectively.

• The 1 Loyalty Program

Central Retail participates in The 1 loyalty program, which is the Central Group's flagship customer loyalty program in Thailand. The 1 loyalty program members are able to collect points through every purchase made from business units under the Central Group and its platform partners in Thailand, including all of Central Retail's business units. Points may be redeemed for vouchers or discounts on future purchases at participating retailers, including Central Retail's business units and platform partners. The 1 loyalty program members are also entitled to special privileges and offers for travel, entertainment, beauty, financial services, restaurants, hospitals, music, schools and sports through its business partnership network.



Central Retail joins the privilege program for The 1 membership, the number one Digital Lifestyle & Loyalty Platform in Thailand under The 1 points management contract between Central Retail and The One Central Company Limited, a subsidiary of HCDS, which specifies important key terms with respect to managing marketing, program benefits, cost, member data utilization and analytical programs. Central Retail has a duty to pay for the service according to the conditions specified in the membership card service agreement. Central Retail's data collection and the privilege program of The 1 membership reveal that the customers consider multi-format stores to be able to satisfy their shopping needs.

Each The1 loyalty program member provides customer specific data upon registration with the program. The 1 loyalty program data base also collects additional information about each purchase made by its members, including the business unit, the product, the payment type and selling period. Subject to relevant legal and contractual conditions, it then provides Central Retail with an access to this information and analytical tools that help Central Retail to deliver a better customer experience, particularly with respect to omnichannel platforms. More details can be found in the topic "Nature of Business - Omnichannel platforms". As of 31 December 2021, there were more than

18.5 million The 1 loyalty program members (as compared to 13.1 million members as of 31 December 2017).

Currently, The 1 has discontinued the use of The 1 Card and paper coupons and compiles all the shopping experiences on The 1 Application instead. In 2021, The 1 has developed The 1 Application to be version 4.0 under the concept "Your Everyday Lifestyle Application" that members can access daily. It consists of new features that are more than collecting, redeeming, checking points, such as the E-Payment feature by integrating the Dolphin Wallet, which allows members to instantly scan and pay via The 1 Application. The 1 Today's feature offers interesting news and lifestyle content to inspire and main engine to help customers shopping. The success of The 1 Exclusive, The 1's Top Members customer care program was highlighted with the new launch of The 1 Exclusive Hub on The 1 Application for all services and benefits to facilitate premium customers more effectively. The 1 Family Hub, an Online Community Hub for the new generation of families was also launched on The 1 Application, compiling knowledge, rewards, missions and promotions for families and babies from partners and leading stores, especially for mothers and children. This is considered as an extension of the special experience which creates better engagement for both groups of customers.





• Other Loyalty Programs

Central Retail manages other member privilege programs, namely Big Xu Card in Vietnam, which has the main objective for offering promotional campaign and discounts. Big Xu Card provides special offers and discounts such as in-store gifts and coupons to members without accumulating points. Due to the steady growth of Central Retail's online business in Vietnam, Central Retail therefore looks for opportunities by using customer database from the Big Xu Card to provide the customers discounts and offers that can apply to all business units of Central Retail. Exclusively for Rinascentecard members and International Visitor Card ("IVC") for all Rinascente Department Stores in Italy, the privilege program does not accumulate points but will offer discount, invitations to special events, exhibitions, and any special offers to members. Rinascentecard grants privileges to members residing in Italy only, while IVC offers exclusive privileges to members who are tourists from all over the world. As of 31 December 2021 Central Retail has more than 4.1 million, 2.4 million and 0.4 million members of Big Xu Card, Rinascentecard and IVC, respectively. Nguyen Kim Card in Vietnam is in the process of updating its customer database, and is expected to be available again once the customer database update is completed.

(2) Data Analytics

Central Retail collects information about its customers through a variety of methods, including points-of-sale, webstores, mobile applications and loyalty programs such as The 1 loyalty program. In particular, online and omnichannel platforms provide powerful data collection technologies, with the ability to access online search for history, location, customer profile, purchase history and other information. Central Retail has access to analytical tools that can process this data into unique profiles that can help to determine a customer's consumption patterns, level of wealth, lifestyle, life-stage or other characteristics, and how they change over time. All business units can use the data collected by any business unit through The 1 loyalty program. This information is utilized to improve the services and merchandise offerings that Central Retail provides to its customers, ascertain changes in consumer trends, tastes and preferences and helps to arrange marketing campaign with target or general customers.

(3) Customer Satisfaction

Central Retail highly prioritizes its customers, thus having a process of listening to their opinions. Central Retail conducts customer satisfaction surveys for each business segment on a regular basis through a variety of channels. For example, online surveys, where customers can express their opinions; face-to-face and telephone interviews with customers, all of which is to listen to both regular customers and non-customers of Central Retail to measure the level of expectation, customer satisfaction, and customer needs. In addition, Central Retail also has a mystery shopper program to assess or measure the level of availability of products and services. The data received shall be further developed to create a better experience for customers and to ensure that Central Retail will be able to constantly meet the preferences of the existing and new customers.

Central Retail conducted the 2021 customer satisfaction and loyalty survey by shifting the survey method to an online survey, which enable to conduct such survey throughout the year and cover all sampling channels and more sampling collection across the country. The sample groups were customers of retail business units in Central Retail, namely Central Department Store, Robinson Department Store, Supersports, Thai Watsadu, Baan & Beyond / BNB Home, Power Buy, OfficeMate, B2S, Central Food Hall and Tops, totaling 249,500 samples. The summary of customer satisfaction and loyalty is as follows:

Customer satisfaction and loyalty survey	2020	2021	Changed (%)
Satisfaction towards offline shopping experience	88%	90%	+2%

Source: 2021 customer satisfaction and loyalty survey

The results of the survey found that the overall customer satisfaction with in-store purchases increased compared to that of last year. This is because, during the past year, Central Retail activated purchases through many new channels, whether online platforms, new sales channels, or in-store purchase, in order to respond to the needs of customers amidst the COVID-19 outbreaks. Moreover, in 2021, Central Retail had conducted additional satisfaction surveys over omnichannel sales strategies (Online and New Sales Channels). It was found that the overall satisfaction was higher than 85%. Central Retail has leveraged the survey results to improve its products and services to resonate with consumers' needs and create customer satisfaction continuously.



(4) Promotions and Events

Central Retail regularly conducts promotional programs and special events to help boost product demands and sales. In this regard, there are various forms of promotional and event activities, which demonstrate innovations in implementing marketing strategies of Central Retail and are believed to create excitement and draw customers' interest in the brands under the roof of Central Retail. Although each business segment is responsible for its own sales promotion strategies and activities, there are coordination at Central Retail's group level to manage nationwide promotion and inter-brand promotional campaigns that are held each year. Under the Central Group and The 1 membership privilege program, all business units of Central Retail also participate in the promotional campaign.

The table below provides examples and promotional activities information that occurred over a specific time period.

Activities and Promotions	Date	Offer	Result
Special promotion for Online Channels (Double Day)	Sep – Dec 2021 (9.9 / 10.10 / 11.11 / 12.12)	<ul style="list-style-type: none"> Offering various discounts and special privileges to both in-store and online customers. This is regarded as a big omnichannel campaign of Central Retail. In addition, there is The 1 points redemption program for a special discount rate, which can only be redeemed via The 1 Application Additional special promotions to motivate customers who are likely to make their first purchase online. 	<ul style="list-style-type: none"> Sales of online channels and O2O channels increased by more than 50% compared to the same period last year. There is a 70% increase in the number of customers participating in online channels and O2O channels.
The 1 Exclusive	Throughout 2021 (officially launched in July 2021)	<ul style="list-style-type: none"> An extension of the privilege program for special customers who have accumulated their spending within Central Retail of 250,000 baht per year. Central Retail's first VIP customer care program that covers the benefits of both Central Retail's affiliates and partners Special privileges of The 1 Exclusive customers specially selected such as exclusive parking, executive lounge access, exclusive checkout, personal assistance, special discounts on every spending, special privileges in the birthday month, and invitation to participate in various activities of Central Retail and many more both in Thailand and abroad. In addition, The 1 Exclusive Page is available on The 1 Application to be a collection point for privileges with easy access 	<ul style="list-style-type: none"> The 1 Exclusive Member customer group generates up to 21% of the total sales through The 1 The 1 Exclusive Members have viewed products 4 times higher than the regular The 1 members and achieved 25 times higher spending than the latter.

Source: The above spending and sales data are based on research data from The 1 membership database and The 1 membership privilege program



(5) Advertising

Central Retail utilizes a variety of media in advertising and promotional activities, including social media, online advertising, SMS, direct mail, billboards, newspapers and magazines. Each of business units is responsible for its own advertising strategy though store clusters and may also work together and coordinate on advertising where appropriate. Certain advertising decisions are also subject to the agreement of suppliers where appropriate, and certain advertising costs may be borne by suppliers.

1.2.3.2 Competition

Central Retail's competitors comprise of traditional store-based retailers, store-based retailers moving to online and pure online e-commerce players. For in-store sales, Central Retail competes with competitors in each region that operates retail business in the same or similar retail categories or formats as its business units. For online sales, over the past several years, Central Retail has competed with pure online players who lack of a physical storefront. The rapid technological developments have made significant advancements in E-commerce. As a result, small retailers or new entrants can also compete with large and long-established retailers like Central Retail. Central Retail intends to utilize significant resources to develop and expand the omnichannel platform as a response to all forms of competition. Central Retail believes that Central Retail's comprehensive network and physical stores coverage in nationwide will be a key advantage for omnichannel platforms compared to pure online players (E-Commerce operators who do not have physical stores). More details are on the topic of "Risk Management".

Central Retail believes that its commitment to customer service is the key difference from other competitors. There is a significant strength in terms of names recognition, offering a wide variety of brands, products offerings, shopping experience (either offline, online, or omnichannel), and Central Retail's thorough understanding of fashion trend and the retail industry dynamic. In this regard, Central Retail does not have any competitors in Thailand or Vietnam that can compete with Central Retail at the overall level both in terms of formats, concepts, and stores variety. Nevertheless, considering the level of business unit level, major competitors in Thailand are The Mall (for fashion products), Lotus's, Big C Thailand and 7-11 (for food products),

HomePro, Global House, DoHome and Boonthavorn (for DIY decoration and home improvement products). Apart from aforementioned, there are also online marketplace competitors such as Shopee, Lazada, as well as brands that reach customers directly through online or omnichannel. Central Retail's main competitors in Vietnam are Mobile World JSC and Media Mart (for electronic products), Lotte Group and Saigon COOP (for hypermarkets). As for the main competitors in Italy, Gruppo Coin (for fashion products). Considering fashion segment, Central retail also competes with global fashion retailers such as Uniqlo, Zara, and H&M.

(1) Business and Network Expansion

Central Retail has historically expanded its business in terms of geography, formats, and retail categories through the opening of new stores as well as through acquisitions and partnerships. Central Retail's earliest retail banners, such as Central Department Store, expanded largely through the opening of new stores. However, Central Retail also has a strong record of successful joint ventures and acquisitions, which Central Retail has used to grow its business.

(a) Store and Network Optimization

Store-based retailing is more dynamic than in the past, and the approach has evolved beyond simply opening stores, to also constantly adjusting the store mix to optimize sales, logistics and operating costs. Central Retail has the flexibility to increase and decrease its selling space continuously based primarily on sales performance. Where performance is declining, Central Retail can choose to swap in new stores or new concepts, sublease, or close a location, and where sales are strong, Central Retail can increase the selling space of existing stores, add higher-margin stores or concepts or cluster other retail banners to help achieve better network efficiency.

Central Retail dedicates considerable resources to identifying and securing locations for new stores that meet its selection criteria, which include but are not limited to areas with high population density, customer mobility and potential for customer growth. Central Retail also considers network effects, such as the benefits of store clustering, both for driving cross-selling and efficient logistics.



The decision to locate a store within a shopping mall, at a standalone location or even to use a sales counter is made on a case-by-case basis with consideration of all the above factors, as well as local conditions. The typical catchment area for a new store varies widely depending on the store format to be deployed. For example, for Tops daily, the catchment area usually hosts a population of 10,000 individuals within a one kilometer radius of the customer's profile in the office building, a small shopping mall, condominium or fresh market, whereas for Tops market, the catchment area hosts a population of 20,000 households within a three to five kilometer radius.

In Thailand, the length of time needed to open a new store from initial site identification to actual openings depends on a number of factors, including availability of licenses, which can take anywhere from 6 to 24 months. In Vietnam, each Big C / GO! hypermarket takes approximately one year from initial site identification to actual opening. In Hanoi, Ho Chi Minh City, Da Nang, Hai Phong and Dalat, where the demand is higher compared to other urban cities, Central Retail plans to open supermarkets under Tops retail banner, which takes about eight months from initial site identification to actual opening. For rural areas, Central Retail will expand Lan Chi Mart and go!, which takes six to eight months from initial site identification to actual opening.

In addition to new store roll-outs, Central Retail constantly seeks to improve its existing stores and review each store's refurbishment needs on an annual basis, which are usually done every 3 to 8 years, depending on each store, to ensure that Central Retail's stores always have the modern store ambience. For example, in 2021, Central Retail has rebranded "Big C" to "GO!", a shopping center with 8 stores, 7 stores of hypermarkets and 7 stores of Tops market. In the past, store refurbishment may take from 2-3 weeks to 18 months to complete, depending on the store format. Central Retail generally does not close its stores during refurbishment and, where necessary, refurbishment activities are phased to minimize service disruption. Moreover, Central Retail believes that the refurbishment activities are key to ensure the continuing productivity of its existing stores.

(b) Acquisition, Joint Ventures, Partnerships, and Alliances

Central Retail has an institutionalized approach to mergers and acquisitions with dedicated in-house business development teams focusing on them. Many of senior executives have conducted multiple mergers and acquisitions and understand their importance in growing business. Central Retail seeks opportunities to acquire businesses when Central Retail plans to enter a new market where an existing business has a close familiarity with the tastes and preferences of local customers, and as such international expansion is generally done on an acquisition basis.



The following table presents an overview of major acquisitions, joint ventures and other business partnerships.

Retail Banner or Brand	Year	Business Model
Robinson Department Store	1995 2019	Acquisition of existing business in Thailand Tender offer for all securities of Robinson Public Company Limited (ROBINS)
Tops	1996	Acquisition of existing business in Thailand
Watsons	1996	Joint venture formed with Watson's The Chemist (Thailand) Holdings Limited and other parties
Nike	1999	Preferred Sporting Goods Strategic Partner for Southeast Asia
Marks & Spencer	2002	Exclusive partnership for the opening of physical brandshops in Thailand and non-exclusive partnership to operate an internet website or a multi-channel ordering system
Samsonite	2006	Joint venture formed with Samsonite Corporation for existing business in Thailand
Rinascente Department Store	2011	Acquisition of existing business in Italy
FamilyMart	2012 2020	Joint venture formed with FamilyMart Co., Ltd. and other parties for existing business in Thailand Acquisition of an additional 49% interest in Central FamilyMart Co., Ltd, increasing its ownership interest from 51% to 100%
Muji	2012	Joint venture formed with Ryohin Keikaku Co., Ltd. for existing businesses in Thailand
Komonoya	2013	Joint venture formed with Watts Co., Ltd. for existing businesses in Thailand
Sunglass Hut	2014	Joint venture formed with Luxottica Group S.p.A and Luxotica S.r.l for the opening of Sunglass retail stores in Thailand
Lan Chi Mart	2015	Joint venture formed for existing business in Vietnam
Matsumoto Kiyoshi	2015	Joint venture formed with Matsumotokiyoshi Holdings Co., Ltd. for the opening of health and beauty stores in Thailand
Nguyen Kim ⁽¹⁾	2015 2019	Joint venture formed for existing business in Vietnam Nguyen Kim became Central Retail's wholly owned subsidiary
Big C Vietnam	2016	Joint venture formed for existing business in Vietnam
Gucci	2017	Acquisition of existing business after cooperative venture in Vietnam
Bottega Veneta	2017	Joint venture formed with G Distribution BV for existing businesses in Thailand
OfficeMate, B2S, and MEB	2021	Acquisition of existing business in Thailand
GrabTaxi Holdings (Thailand) (Central Retail indirect hold through Porto Worldwide Limited)	2021	Acquisition of existing business in Thailand by acquiring stake in Porto Worldwide Limited (or Porto WW), which invests in Grab business (Thailand), Porto WW holds a 40 % stake in the Company. GrabTaxi Holdings (Thailand) Co., Ltd., a Grab operator with a wide range of services in Thailand.

**(c) The JD Central Joint Venture**

In September 2017, HCDS entered into a joint venture with JD.com, Inc. (being Central JD Commerce Co., Ltd., herein referred to as the “JD Central”) which establishes an online-only retailing business in Thailand. The business sells merchandise through both a webstore and a mobile application, with the goal of becoming a leading online marketplace in Thailand. The JV agreements contain various reciprocal obligations of JD.com and HCDS concerning their respective businesses and the operation of the JD Central itself, and each party has agreed not to engage in a similar venture with any third party in Thailand. Unlike Central Retail’s omnichannel platforms, the JD Central lacks any corresponding physical stores, so its offerings are only available online and the site lacks independent omnichannel capabilities.

Although Central Retail is not a party to the joint venture, Central Retail, in its capacity as an affiliate of HCDS, expect to benefit from the JD Central in several ways. The JV agreements contain provisions allowing Central Retail to generate revenue from the JD Central by providing certain supporting services, such as (i) by acting as a merchandise supplier for the JD Central, (ii) by establishing “flagship stores” on the JD Central webstore and mobile app, which gives Central Retail access to shoppers targeted by the JD Central, and (iii) by providing logistics and fulfillment services for orders made through the JD Central. Central Retail also expects the JD Central website to include links to its own webstores to help drive online traffic and sales. Central Retail also expects to support the JD Central’s proprietary payment system, which is currently under development.

Other important benefits that Central Retail expects from JD Central is the access to the distribution and promotional channels of JD.com, Inc., one of the largest online retailers in China. This will enable Central Retail a special channel to access Chinese customers and Chinese suppliers and which can help to differentiate its merchandise mix with unique offerings at price points generally lower than those of other international suppliers and brands.

Certain terms of the JD Central may limit the flexibility in the omnichannel retailing business.

(d) Expansion Pipeline

Central Retail plans to continuously open new stores in all segments and expects to open approximately 400-500 stores per year within the next 5 years in Thailand and Vietnam. At the same time, Central Retail will continue to survey the area suitable for stores opening according to Central Retail’s business expansion plan both in the area where Central Retail has existing presence and in new locations across Thailand and Vietnam, particularly in underserved markets, that are not so many retail outlets, with growth potential. In Italy, Central Retail has refurbished the Rinascente Department Store Roma Fiume store in 2021 to increase overall sales.

Regarding new store expansion for the fashion segment, Central Retail has set a goal to expand stores in Thailand, namely, 2-3 department stores per year, and 20-30 specialty stores and brandshops per year respectively. For Hardline segment, Central Retail plans to expand 25-35 stores per year in Thailand, distributing electronics equipment, and specialty stores for home and DIY products, excluding the brands of small-sized stores. In addition, for the food segment, Central Retail aims to expand 100-120 stores of supermarkets and convenience stores in Thailand per year and expand 10-15 stores of hypermarket and supermarket in Vietnam. The goal is to increase the net salable area for all segments approximately by 8-10% per year and the net leasable area for property segment approximately by 10-15% per year within the next 5 years. The plan may be subjected to change depending on the situation in any given period.



1.2.3.3 Industry

In 2021, the epidemic situation of COVID-19 affected and tremendously slowed down the global retail industry as it limited economic activities with control measures, lockdown measures, domestic and international travel restriction implemented to mitigate the spread of the disease, resulting in declining consumer confidence. In addition, COVID-19 has also been a factor that changes consumer behavior as they rely more on digital platforms to purchase goods and engage in activities; for example, food delivery, remote meetings, or streaming movies via applications. This cause led to retailers in the global retail industry adapting their businesses to accommodate and mitigate the impacts of the shifting consumer behavior. Even though many businesses gradually recover, some might not be able to fully recover to the same level of pre COVID-19.

(1) Overview of the Thai Retail Industry

The retail industry in Thailand is growing steadily as a result of economic growth, rising youth population, higher middle-income people, coupled with developed standard of lifestyle and urbanization, expansion of investment in the business and government investment in various infrastructures is another factor that increases the chances of economic expansion in the region.

The middle to high income consumers remains the key target segment for many retailers, driven by a desire for premium products and services. The increase of purchasing power and growth of young generation has also created opportunities for channels such as online retailing, as these consumers seek novel brands and products to cater their needs.

The National Economic and Social Development Council (NESDC) reported that Thai economy (GDP) in 2021 grew by 1.6% despite COVID-19 pandemic, recovering from a 6.2% contraction in 2020. The export of goods, private consumption, and investments expanded by 18.8%, 0.3%, and 3.4%, respectively. In addition, the manufacturing sector, wholesale and retail trade sector grew by 4.9%, and 1.7%, respectively. For the economic stability, the headline inflation was at 1.2% and the current account registered a deficit of 2.2% of GDP. In addition, the survey from Thai Retailers Association demonstrated that the COVID-19 pandemic has adversely affected Retail Sentiment Index. The Retail Sentiment Index (RSI) gradually declined since late March which belowed the average level of 50 and sharply declined during lockdown period in July and August. However, Retail Sentiment Index gradually recovered after ease lockdown and many businesses have resumed their operation. The Retail Sentiment Index in December was at level of 68 which reflected the anxiety of Omicron (new strain) outbreak in many provinces. Nevertheless, the government stimulus package would stimulate overall purchasing power of consumers.

Nevertheless, the online retail industry in Thailand is thriving at a faster pace as Internet access in Thailand continues to grow while consumers demand more convenience in their daily lives. The way consumers are able to buy products anywhere, anytime and have products directly delivered to their home, shall help boost sales of the online retails. Rapid growth in smartphone penetration will also allow more Thais across the country to access the internet at their convenience and at fast speeds. The COVID-19 pandemic situation in 2020 also served as a driving factor for rapid growth in online retail.



Example: Key Retail Players in Thailand

Group / Key Banner	Store Format	Group / Key Banner	Store Format
TCC group		CP Group	
Big C / Big C Extra	Hypermarket	7-eleven	Convenience Store
Big C Market	Supermarket	CP Freshmart	Convenience Store
Mini Big C	Convenience Store	Makro	Wholesale store
The Mall Group		Lotus's	Hypermarket
The Mall	Department Store	Lotus Express	Convenience Store
Gourmet Market	Supermarket	Talad Lotus	Supermarket
Land & House		Other Groups	
HomePro	Specialty Store	Foodland	Supermarket
Mega Home	Specialty Store	CJ Express	Convenience Store
Saha Pathanapibul			
Lawson 108 (inc. 108 shop)	Convenience Store		

Central Retail believes that Thai retail industry still possess potential and embrace more marketing opportunities, especially in the upcountry. Thanks to multi-format, multi-category retailing platform, Central Retail can satisfy the full spectrum of its customers' shopping needs through comprehensive merchandise offerings and its diversified portfolio of retail banners. Central Retail believes that the comprehensive services and privilege programs for The 1 members of the Central Group is also another factor that helps Central Retail gain better understanding of the consumer behaviors, and turning it into a strategy to differentiate itself from other retail operators. Central Retail focuses on improving shopping malls, plazas and opening new stores continuously, offering more complex models such as restaurants, cafes, and educational zones in order to offer complete lifestyles and lengthen the duration of times spent by customers in its stores as well as adjust new trends of merchandise to suit with customers' need that would stimulate sales. Customer-Centric Omnichannel Platform seamlessly connects in-store and online shopping experiences to digital lifestyles, creating opportunities and potential for continuous and sustainable growth, such as online shopping services, Click & Collect and 1 Hour Pick-Up where customers can place an order online and pick it up in-store within an hour. The development of specific promotional campaign (Personalization), including adoption of new technologies such as Big Data, in-depth analysis will increase the competitive advantage and maintain profitability in the long term.

(2) Overview of the Vietnamese Retail Industry

Vietnam is the fastest growing economy in Southeast Asia, based on gross domestic product growth in 2021. Despite the COVID-19 pandemic, General Statistics Office of Vietnam (GSO) reported that Vietnam's gross domestic product (GDP) in 2021 continued to grow by 2.6% compared to last year. According to the World Bank report, the retail industry has grown exponentially in recent year with supporting factors are improvement of economic condition, population growth, and an increase in middle-income consumers. In addition, bilateral and multilateral trade agreements will stimulate foreign investment and support the overall sectors of the consumer market in Vietnam in the future.



Key retail players that operate in the same business segments in Vietnam as Central Retail are as follows

- Hypermarket / Supermarket / Convenience Store: Saigon Co.op, VinGroup, Lotte Group, Masan Group
- Electronic business: MobileWorld JSC, FPT, Media Mart
- Retail Plaza: VinGroup, AEON Mall, and Lotte Group

Central Retail plans to leverage Big C / GO! Vietnam's leading hypermarket retailer, as a platform to accelerate growth in the country. Big C / GO! retail plazas in Vietnam are anchored by Big C / GO! hypermarkets and lease space to third party stores as well as its own retail banners. Central Retail intends to apply a similar concept in rural areas anchored by go! supermarket, with a modified retail category mix catering specifically to rural consumers. Central Retail believes that the hypermarket and supermarket model combined with retail plaza will become a powerful force multiplier that drives business growth.

Central Retail believes that as incomes increase, Vietnamese consumers will demand increasingly more sophisticated and specialized retailing experiences. In anticipation of such changes, Central Retail continues to introduce variety of merchandise. Central Retail has introduced a new retail brand to Vietnam, such as Dyson, an electrical appliance store. Central Retail will rely on the success of Big C / GO! Vietnam as a way to introduce innovative niche retail brands in a similar manner of Central Retail responds to changes in consumer preferences in Thailand.

(3) Overview of the Italian Retail Industry

Although, COVID-19 pandemic affected economy and society in numerous ways since 2020. However, Italy's 2021 GDP expanded at a slightly faster-than-expected rate of 6.6% last year as investment, consumption and export bounced back, according to the Italian National Institute of Statistics (ISTAT) while the consumption has significantly recovered in all sectors, especially industrial and retail businesses.

Central Retail is the leader in department store business in Italy under the Rinascente brand with 9 stores in 8 cities across Italy. Flagship stores located in Milan and Rome are one of the leading places for shopping in Europe. Central Retail focuses on providing customers with a superior in-store shopping experience by constantly renovating and decorating their stores, in the hope to attract reputable brands. In addition, Central Retail highlighted the extension of omnichannel platforms as a strategy to drive business growth through full scale E-commerce website of Rinascente at www.rinascente.it and Rinascente ON DEMAND service. Apart from that, Central Retail focus on increasing domestic customers to minimize the impact of lower foreign tourists.

1.2.4 Supply, Inventory, and Distribution

As of 31 December 2021, Central Retail had more than 20,000 supplier networks, of which the first 20 networks provide products to 3 business units of Central Retail, thereby leading to sufficient variety of products and reducing concentration risks. As of the year ended 31 December 2021, none of the suppliers distributed products to Central Retail, accounting for 10% of the total purchase volume of Central Retail. Central Retail believes that it has good and robust relationship with the suppliers since it places priority on all suppliers and that it is a reliable, fair and reasonable business alliance. For those reasons, its relationship with most suppliers has lasted for over 15 years.

(1) Selection and Relationships

Central Retail is highly selective in choosing suppliers and typically receives substantially more requests from suppliers and brands than Central Retail can accommodate. In selecting suppliers, Central Retail carefully considers numerous factors, such as quality, reliability and scale. Additional factors considered include whether the brand fits the tastes of target customers and whether its price points match their means, as well as financial status of the supplier and its operating model. Supporting local OTOP and SMEs is another consideration for suppliers.



Central Retail generally receives an indemnity from suppliers for merchandise, under standard terms and conditions. Central Retail also requires suppliers for most of its merchandise to comply with its standard purchase terms and conditions, to understand its business direction, and to be committed to driving growth with Central Retail. Relationships with suppliers are generally managed at the business unit level. Large scale of operations provides Central Retail with a strong bargaining position when negotiating with suppliers. For example, where merchandise under the same segment is sold at stores across two or more business units, Central Retail seeks to procure merchandise at favorable terms.

All of food segment suppliers have to meet the standards with respect to costs, product specifications, marketing plans, production capacity, replenishment and logistics, and they also need to adhere to ethical business practices and comply with food safety standards, law and regulations. They are responsible for certain customers' issues in accordance with consumer protection laws.

(2) Sales Models

Central Retail works with suppliers on either a credit sales or consignment sales basis, though some suppliers may use both models. For credit sales, Central Retail is fully responsible for merchandise mix and inventory management, and Central Retail determines retail prices and conducts market research on pricing to ensure the prices that Central Retail sets are competitive. For consignment sales, Central Retail and the supplier must negotiate aspects such as merchandise mix, pricing and promotions. For both credit and consignment sales, Central Retail may offer promotions including discounts, with the amount of the discount taken from its expected margin on the discounted merchandise.

The choice between using a credit sale or consignment model depends on a number of factors that vary by category. For credit sales, Central Retail sources and sells its own directly purchased merchandise, either under third party brands or private labels that are sold exclusively in its stores, and Central Retail tends to stock essential, repeats items that are

competitively priced and has long life cycles with high stock turnover. Central Retail also uses credit sales for top brands when agreements require them, as well as to ensure that Central Retail has enough stock of certain brands and can use a credit sale model for its private labels, and generally sells them at a higher margin than third party brands. The value of merchandise is represented as inventory on balance sheet. Central Retail is therefore exposed to risks of obsolescence, which Central Retail can mitigate by offering discounts or increasing marketing activities.

Central Retail uses consignment sales for more seasonal which are high turnover rate and require high inventory holdings as well as high levels of customer service to drive sales. Consignment suppliers are generally responsible for their merchandise, inventory management and sales associates. Consignment suppliers are also responsible for the design, display and fitting out of their store areas (both physical and online) at their own cost under certain specified conditions, set out by Central Retail. In addition, consignment suppliers are also responsible for repairing and maintaining their sales areas. Central Retail can use consignment sales to optimize its merchandise mix and inventory management depends in large part on the sales potential at individual locations and ability to negotiate with relevant suppliers.

However, Central Retail does not record the value of consignment goods as inventory on balance sheet. Central Retail is therefore not exposed to risks of obsolescence with respect to consignment inventory. credit sales, by contrast, provide Central Retail with more freedom in deploying its merchandise to sell.

(3) Logistics and Distribution

Central Retail manages the flow of merchandise and supplies throughout its retail network through 14 distribution and logistics centers in Thailand, 11 distribution centers in Vietnam and a single distribution center in Italy, having an aggregate area of approximately 379,000 square meters, 40,000 square meters and 35,000 square meters, respectively.



Since 2020, Central Retail has opened a modern, world-class Omnichannel Distribution Center in Thailand, with an area of over 75,000 square meters and a variety of storage systems to support supply chain trends and the rapid growth of omnichannel channels, which is a key strategy of Central Retail. This distribution center is a warehouse for Non-Food group from all business units of Central Retail, such as Central Department Store, Robinson Department Store, Supersports, Power Buy, B2S and CMG, as well as responds to all sales channels, both physical platform and digital platform, making it convenient to distribute products to Bangkok and across the country which is an important force to achieve the goal of fast delivery, creating customer satisfaction and good shopping experiences in all shopping channels. In addition, OfficeMate has 2 warehouses to support demand from both corporate and general customers.



Distribution centers handle various types of inventories with different management methods depending on the type of merchandise ranging from directly imported to locally sourced. In addition, distribution centers are split generally by business type, with business units or retail banners with similar merchandise mixes sharing certain facilities.



The following table provides an overview of distribution center network as of 31 December 2021.

DC Group	Business Unit	Approximate Size (sq.m.)	Composition
Group 1	Central Department Store Robinson Department Store Supersports B2S	86,000	Import warehouses, domestic warehouse and cross docks
Group 2	Central Marketing Group	12,000	Single facility
Group 3	Thai Watsadu Baan & Beyond / BNB Home	126,000	Single facility
Group 4	Power Buy OfficeMate	75,000	3 distribution centers
Group 5	Central Food Retail FamilyMart	80,000	Four dry distribution centers and three fresh distribution centers
Group 6	Big C / GO! Nguyen Kim Lan Chi Mart	40,000	11 distribution centers
Group 7	Rinascente Department Store	35,000	Single facility

For most of Central Retail's stores, cargo is delivered to the store every day depending on the sales volume. The stores are received the products within 1-5 days from the date of purchase. Nevertheless, the faster delivery time is generally set for the transportation and distribution systems in the Food Segment business units, expecting 24-hour shipping and handling to deal with all high turnovers, bulk items, as well as fresh food products. In addition, Central Retail has hired third party to manage the transportation and distribution at some distribution centers. This ensures timely delivery of goods from each distribution center to Central Retail's network of stores. Some suppliers will deliver products directly to Central Retail's stores. Central Retail is responsible for the distribution center management for Central Department Store, Robinson Department Stores, Thai Watsadu, Power Buy, B2S, OfficeMate and CMG, and the fresh food distribution center for Central Food Retail, while the distribution center for FamilyMart and the distribution center of non-fresh food products for Central Food Retail are managed by third parties. All business units outsource their distribution functions (except Thai Watsadu and CMG, which do so in some cases), allowing greater flexibility to manage fluctuations in demand. In addition, engaging third parties gives Central Retail greater flexibility to manage across the supply chain without tying up investment in underutilized vehicles.

(4) Inventory Management

Inventory management starts prior to the initial purchase order. Central Retail conducts thorough market research ahead of making any orders, including the current economic conditions, marketing trends, and customer purchasing power in order to evaluate and make sales forecast. Central Retail generally places small quantities of orders for appropriate and flexible product management. Central Retail utilizes computer system to control the inventories management for the entire stores network, which enables Central Retail to systematically store and track inventories and ensure that the numbers shown in the financial statements are accurate and completeness. The daily report (separated by store), can be accessed by each individual department according to the rights defined, such as senior management (for accounting section), store management department (for store operations) and purchasing department, etc. In addition, there are personnel at the stores responsible for monitoring the levels of inventories and slow-moving merchandise. Central Retail has set clear driving sales policy in order to achieve sales target including organizing various promotional programs to sell obsolete products and reduce the number of obsolete inventories from stores.



Central Retail controls slow-moving merchandise in store and through its systems and take action where necessary through either transfer or price reduction as deemed necessary. All of the stores in food segment monitor their stock position daily by reviewing the books and making appropriate adjustments where discrepancies are founded. Apart from that, Central Retail performs inventory checking on an average two times per year and any discrepancies are adjusted in financial statement.

1.2.5 Management, Operation, and Long-Term Goal

Central Retail believes that success in retailing is primarily driven by local factors and familiarity with the local community, so Central Retail strives to delegate management to individual business units and local stores rather than centralizing management at the group level. Central Retail's business units therefore are responsible for certain key functions, while central management is responsible for others.

(1) Group Management

Headquarters are currently located in Bangkok. While Central Retail strives to focus on local decision-making, Central Retail also believes that Central Retail achieves numerous synergies by combining all of its business units under a single group structure. The table below presents the core functions that are undertaken at Central Retail level.

Function	Description
Logistics	Central Retail uses centralized logistics centers for fashion segment and hardline segment. Otherwise, logistics is generally handled at the business unit level, though Central Retail tries to coordinate among business units whenever possible to consolidate transportation for the distribution of merchandise and supplies in order to save costs.
Suppliers and sourcing	By combining the buying power of numerous business units, Central Retail can achieve strong bargaining positions with suppliers to lower costs and improve margins.
Managerial Talent	Central Retail has historically identified key managerial talent with successful track records in one business unit and assigned them to other business units.
Back-Office Services	Each of business units share back-office support functions provided by HCDS such as management, finance and accounting and legal services, and including certain aspects of human resources and other functions to achieve economies of scale. ⁽¹⁾
Information technology	Each of business units joins a common technology platform, such as omnichannel platforms, and also share valuable IT talent ⁽²⁾
Investments and funding	Each of business units can leverage common financial resources to support capital investment for store expansion and new businesses.

⁽¹⁾ A portion of such functions may be procured through corporate services agreements. The detail was demonstrated in "Nature of business section - Corporate Services"

⁽²⁾ IT Group level functions with respect to IT infrastructure and IT services are provided to Central Retail by RIS Company Limited pursuant to certain shared service agreements, while omnichannel platforms' services are in-house.

(2) Business Unit Management

Central Retail organizes its business operations by business units, each of which is responsible for one or more retail banners. Central management for Thai, Vietnamese and Italian business units are located in Bangkok, Ho Chi Minh City and Milan, respectively. Business unit management is responsible for merchandising, strategic marketing and branding, space optimization (referring to the choice of store formats, banners and brands across the retail network),



sales and selling techniques, supplier relationships, among others. Merchandising system is managed at the business unit level, and links to the inventory, point-of-sale and accounting system at all the business unit's stores and it handles sales, issuing receipts, sales and promotions. Certain functions, such as logistics, are managed among and between business units to help optimize network effects. In keeping with the initiative to increase focus on customers at the local level, Central Retail is encouraging local management in Thailand to provide input and participate in decision-making. Each business unit is also responsible for the design of its own webstore, though certain key technologies and processes are carried out at the central management level.

(3) Local Store Management

Each of stores has its own manager, who is responsible for store operation, management of sales staff and other store employees and management of supplier employees who work on site in connection with consignment sales. Individual stores also manage on-site inventory and inventory orders. By delegating more decision-making power to individual stores, Central Retail reinforces its ability to respond to the tastes and preferences of its customers at the local level.

(4) Information Technology

Information technology ("IT") system assists in the operation of omnichannel, online sales, data analysis, merchandising, inventory control, security, cash control, financial management, human resources management and other key business functions across entire business.

Central Retail prioritizes cyber security readiness and the protection of customer data as its first priority and Central Retail believes that cyber security infrastructure is sufficient for such purposes. Central Retail engages third party consultants to provide cyber security monitoring for its IT systems and provide monthly reporting. Most of Central Retail's business units have their continuity plans and system in place at store level and point-of-sale (POS) system has a multi-tiered structure, which enables appropriate security and operational controls to be in place of prevention from fraud and theft of personal information. Central Retail's Business Intelligence System is a big data storage system which manages the data of all business units in an aggregated manner for sales analysis purposes,

in-store inventory monitoring, accounting, comprehensive Customer Data Management Automation, tailor-made proposal for each customer, and automatic system analysis, etc. Such information in each store and online data base is automatically transferred to a central analytics system. Moreover, the business intelligence system can produce several different reports that enable management to closely monitor the operation of stores throughout the markets in which Central Retail operates. This analysis can also assist Central Retail in responding to any issues that may arise in a timely manner, so that Central Retail can take the necessary measures or formulate strategies to improve the overall performance of online and offline stores.

In developing omnichannel platforms, Central Retail has sourced software from third parties and tailored them to the functionalities of omnichannel platforms for online and offline systems. In addition, Central Retail also employs full-time employees who are proficient in Central Retail's information technology to build out specific features and functionalities that address customer needs.

(5) Cash Management

Customers pay for merchandise at stores using cash, credit card or other money substitutes, such as debit card, E-wallet, Dolfon, gift voucher, gift card, coupons and sales on credit. In the case of sales on credit, Central Retail considers each customer's credit and provide corresponding standard terms. Stringent cash control measures are therefore very important to our operations. At stores, all cash receipts are deposited daily with banks, except for a few stores with no cash pick up services on specific days. For those stores, cash is kept in-store overnight inside secure safes in the strong room, to be deposited with banks within one to three days. Reconciliation is carried out routinely by each store's cashier department or by the central financial accounting function to reconcile sales data with cash, credit card and other money substitutes receipt records. Central Retail has also taken out insurance policies to cover money in premises and money in transit and fidelity guarantee insurance policies which cover finance and management staff, including cashiers.



In managing cash and liquidity, Central Retail implements a cash pooling system, which pools cash from various bank accounts opened at different locations of the business units into a single bank account of the parent company of such business units on a daily basis. This is to ensure that there is no surplus of cash or bank deposits that are not utilized for liquidity management purposes and to ensure that business units do not suffer from liquidity issues or have to incur interest expenses from lacking liquidity.

(6) Quality Control

All products sold in stores are subjected to inspection by each store at the time they are delivered by the suppliers. The same standard of quality is adopted for merchandise sold through both consignment and credit sales. If any defects are detected, the relevant product will be returned to the supplier for replacement. Central Retail will permit any products that need governmental's approval only. Under standard supply agreement, suppliers are responsible if any claims arise from the quality of their products. The agreement also stipulates that only genuine products can be sold in stores.

Under the terms of standard supply contracts with suppliers, they are required to give Central Retail product quality assurance. In addition, all product liability in respect of any products supplied to Central Retail by any supplier and sold at stores is borne by such supplier. By carefully selecting suppliers, Central Retail believes Central Retail can also reduce the risks arising from quality problems.

(7) Corporate Services

Central Retail has entered into several corporate services agreements with HCDS, Central Retail's major shareholder, pursuant to which it has agreed to provide Central Retail with certain corporate services with respect to management, finance and accounting and legal services, and including certain aspects of human resources and other functions. Central Retail also engages RIS Company Limited to provide Central Retail with IT services.

(8) Long-Term Business Plan

Central Retail has still set long-term strategic goals to achieve sustainable growth in revenue and profits with customer-centric omnichannel platforms with various formats and channels in Thailand Vietnam and Italy (Multi-Category, Multi-Format and Multi-Market). To achieve the aforementioned goals, Central Retail has established business expansion guidelines by developing an omnichannel platform to offer innovative retail formats to provide diverse and convenient experiences to meet the lifestyles of all groups of customers in Thailand and expand to overseas business in the future.

Central Retail is committed to improving efficiency in its work processes in all units, carrying out financial management tasks to maintain liquidity and focusing on strategic growth projects both domestically and internationally to ensure future growth in according to the goals. Examples can be seen in expansion of stores of Thai Watsadu, Robinson Lifestyle, Big C / GO! Vietnam, etc., including the development of new stores format or new brands that can respond to customer needs and build synergy among each business units in Central Retail.

In addition, Central Retail has studied mergers and acquisitions (M&A) opportunities including high growth potential business to generate new revenue channels and strengthen its business in accordance with the growth plan and future goals in a stable and sustainable manner.



1.2.6 Operating Assets

Central Retail has a policy to invest in and manage subsidiaries and associates by investing in retail businesses with products that are related, similar, or beneficial and in support of Central Retail's business operations to strengthen its security and operating results. Additionally, in overseeing the operations of subsidiaries and associates, Central Retail will send out its representatives with qualifications and experience that are suitable for the businesses in which Central Retail will invest to hold director positions in subsidiaries and associates to oversee their operations in the direction that is proper and beneficial to Central Retail as a whole.

The key operating assets are right-of-use land, buildings, and equipment owned by the Company. Such assets include land, buildings, and building improvements. In addition, the Company still has intellectual property created by internal personnel. The Company's key operating intellectual property includes trademarks and service marks. Since trademarks and service marks represent identity and create recognition which allows consumers to acknowledge and confide in the products or services of the Company. The trademarks and service marks, therefore, distinguish or differentiate the Company's products or services from other operators. The intellectual property, especially trademarks and service marks, is then deemed as another driving factor of domestic and international economy and investment. Since the investors can recognize trademarks and service marks from the actual market, they are therefore confident to invest in the products or services of such companies. More details can be found in the topic "Enclosure 4 - Operating Assets and Details of Assets Assessment"

1.2.7 Undelivered Tasks

-None-

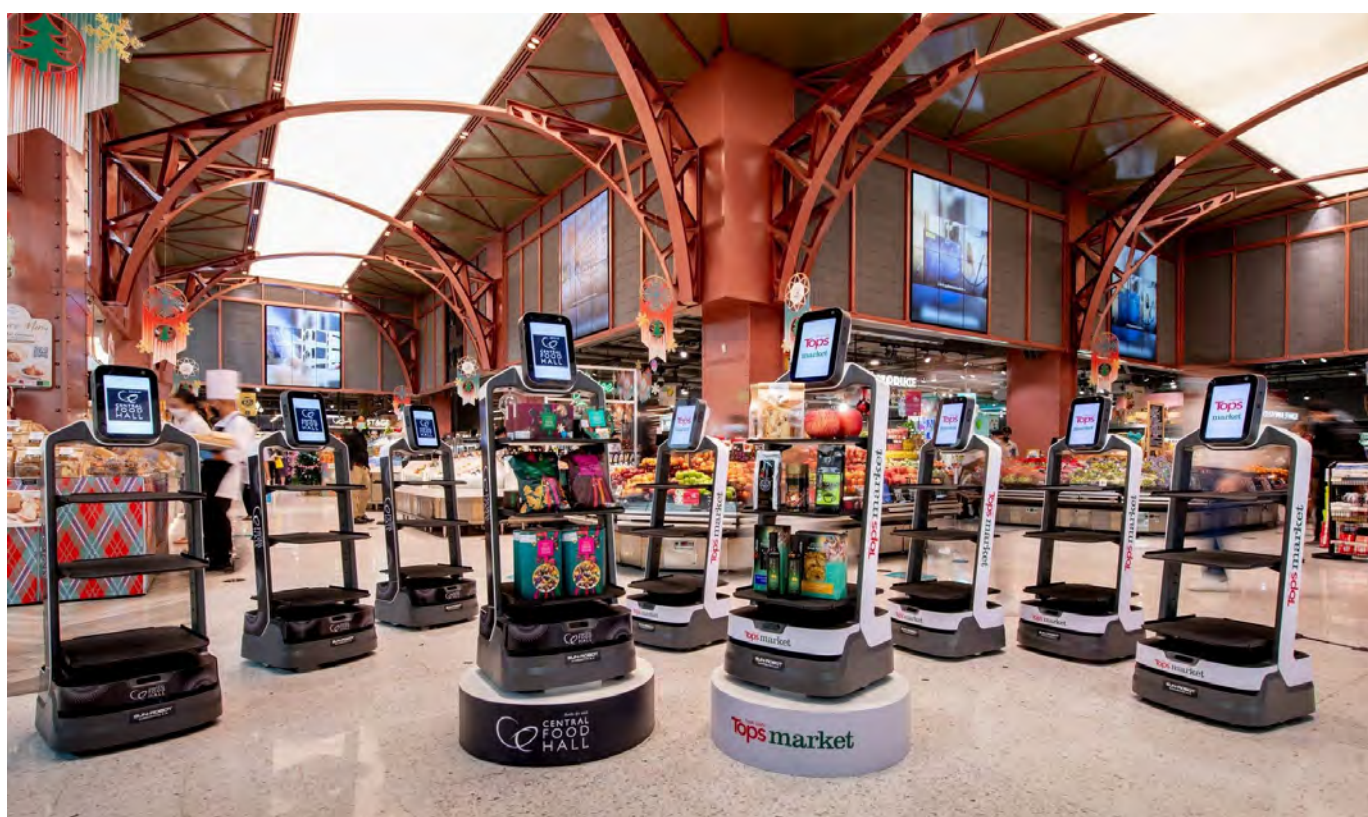
1.2.8 Environmental Impact

Central Retail's business operations are subject to many relevant environmental laws and regulations. More details can be found in the topic "Other Significant Information - Significant Laws Relating to Central Retail's Business Operations"



1.2.9 Business Innovation Development

Central Retail has developed innovations that enable them to deliver excellent experiences and services and better respond to the needs of customers, as well as enhancing customer experience, in order to bring great convenience, prompt services, novel impressions and seamless shopping experience through the Intelligent service assistant (AI Service Robot) or “Nong Tem Jai” to facilitate customers in various fields. The AI service robot will provide two main modes. Firstly, Cruising Mode, where the robot serves as an assistant to store staff to hand out the promotional product, new product, product sample to customers so they can taste promotional products. Nong Tem Jai robot will be moving around the store, slow down and stop so that customers can pick up the product, by using Facial Detection – AI Based Technology to detect the face of the customer in front. Secondly the Navigation Mode, in this mode, the robot can help lead customers to where they want to go. Customers can select the zone that they want to visit, and the AI Service Robot will take them there, making it easier for customers to find what they are looking for and save time. This mode utilizes Lidar sensor and Vision Positioning technology, similar to a self-driving vehicle. Moreover, Mobile POS payments help to increase service efficiency, reduce queuing time, and provide faster payments including service development through Digitalized Operations & Data Analytics. The Video Analytics was one of example to uplift store efficiency by tracking real time of customer’s queueing and making analysis to determine the opening and closing time for cashier counter to accommodate the number of customers in each period. In addition, Central Retail has developed various innovation to create a circular economy to achieve our sustainability goal. With this regard to an emphasis on food waste management and reduction of greenhouse gas emission, for example, the corporation between Tops and MuvMi, Electric Tuk Tuk (EV Tuk Tuk) to provide transportation service for passengers and products. Tops Kaset is used as transportation hub for round trip EV Tuk Tuk. These provides a convenient way to customers and reduce greenhouse gas emissions from other channel of transportation. The investment of those aforementioned projects were over THB 9 million in 2021.





1.3 Shareholding structure of the Group of Company

1.3.1 Shareholding structure of the Group of Company

Central Group was established in 1948 by Mr. Tiang Chirathivat (“Mr. Tiang”) which was a small family-run shop in the city of Bangkok. In 1956, Mr. Samrit Chirathivat (“Mr. Samrit”), son of Mr. Tiang, expanded his father’s general merchandise business with the establishment of the first Central Department Store in Bangkok’s Wangburapha district. Both father and son, the group’s founders, were fully engaged in running the business, and were also helped by other members of the family. Then, Central group expanded the business by the Chirathivat and hired professional to operate the Company. After that, Central Group restructured to a holding company and listed in the Stock Exchange of Thailand on February 2020 which Harng Central Department Store Co., Ltd. hold the major shareholder holding 35.06% of shares.

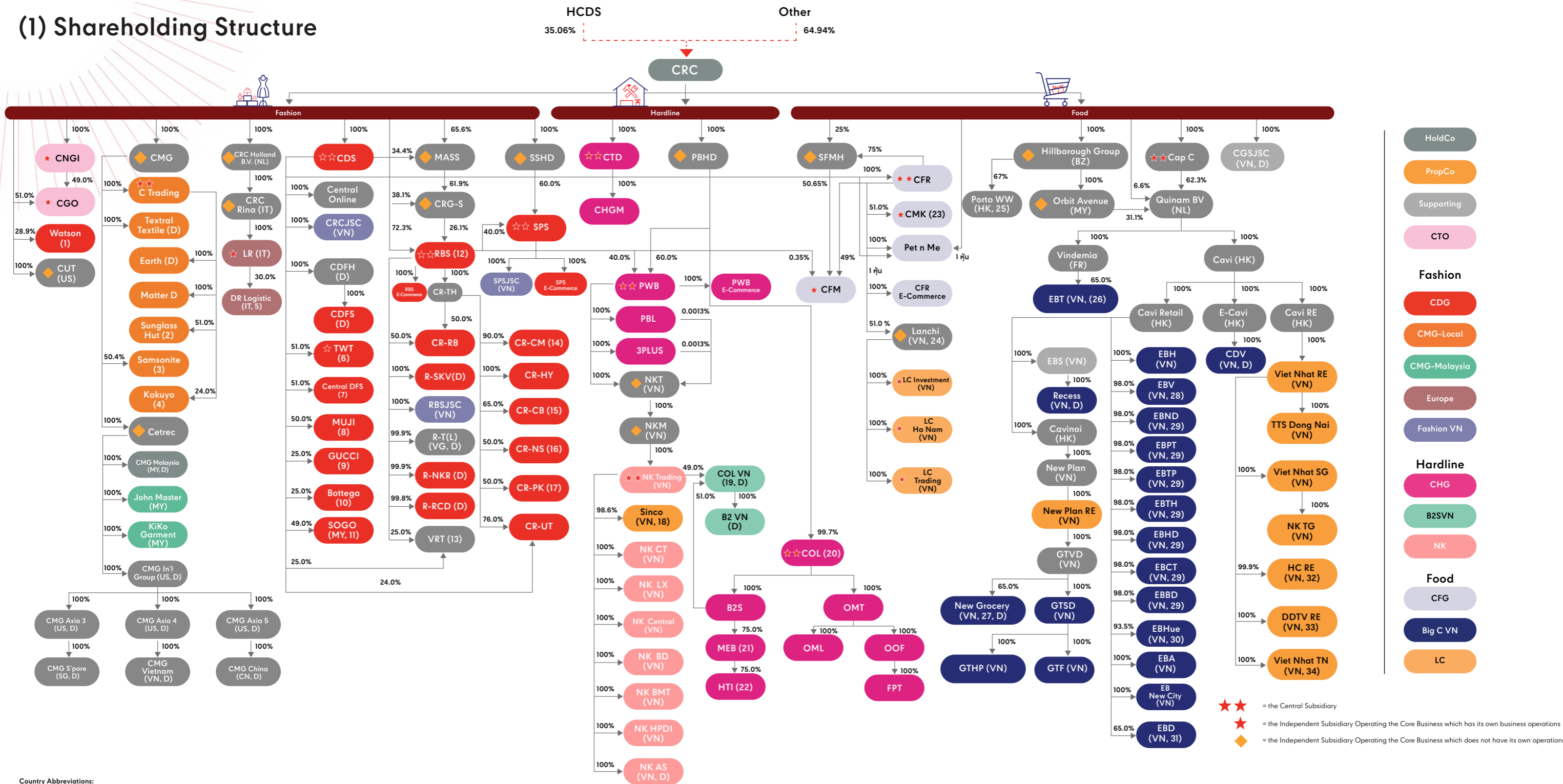
Central Retail’s business is organized into 3 operating segments;

(1) Fashion, which focuses on apparel and accessories under portfolio of retail banners, for example, Central Department Store, Robinson Department Store, Super Sports and Rinascente.

(2) Hardline, which focuses on electronics and home improvement under portfolio of retail banners, for example, Thai Watsadu and Power Buy.

(3) Food, which focuses on groceries and items typically found in convenience stores under portfolio of retail banners, for example, Tops, Central Food Hall, and Big C Vietnam. Each segment hosts a portfolio of retail banners under which we sell a wide range of merchandise, and each of our retail banners is distinguished based on a variety of characteristics.

(1) Shareholding Structure



At the date of this document was published, there are 141 companies owned by the Company, subsidiaries and associate companies that holding at least 10% details as follows:

(1) Fashion

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
Central Department Store					
1.	Central Department Store Co., Ltd. (“CDS”)	Operating Central Department Store	THB 3,335.0 million	100.0	1027 Central Chidlom Department Store, 7 th Fl., Ploenchit Road, Lumpini, Pathumwan, Bangkok
2.	Central Group Online Co., Ltd. (“Central Online”)	Selling goods via online channel	THB 35.0 million	100.0	919/555 South Tower, 14 th Fl, Room 7,8, Silom Road, Silom, Bangrak , Bangkok
Robinson Department Store and Robinson Lifestyle Center					
3.	Mass Concept Co., Ltd. (“MASS”)	Holding Company for Robinson department store and Robinson Lifestyle	THB 262.5 million	100.0	79/3 Sathupradit Road, Chongnonsi, Yannawa, Bangkok
4.	C.R.G. Service Co., Ltd. (“CRG-S”)	Holding Company for Robinson department store and Robinson Lifestyle	THB 1,089.4 million	100.0	22 Soi. Somkid, Ploenchit Road, Lumpini, Pathumwan, Bangkok
5.	Robinson Public Company Limited (“ROBINS”)	Operating Robinson department store and Robinson Lifestyle in Bangkok and provincial area	THB 3,942.9 million	98.4	9/9 Central Plaza Rama 9, 14-17 Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok
6.	RBS E-Commerce Co., Ltd. (“RBS E-Commerce”)	Selling goods via online channel	THB 1.0 million	98.4	9/9 Central Plaza Rama 9, 14-17 Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok
7.	CR (Thailand) Co., Ltd. (“CR-TH”)	Holding Company for Robinson Department Store in 7 provinces	THB 3,201.0 million	98.4	9/9 Central Plaza Rama 9, 14-17 Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok
8.	CR Ratchaburi (Thailand) Co., Ltd. (“CR-RB”)	Operating Robinson Lifestyle in Ratchaburi	THB 645.6 million	98.4	265 Srisuriyawong Road, Na Mueng, Mueng Ratchaburi, Ratchaburi
9.	CR Chiangmai (Thailand) Co., Ltd. (“CR-CM”)	Operating Robinson Department Store in Chiangmai	THB 220.0 million	88.5	2 Mahidol Road, Haiya, Mueng Chiang Mai, Chiang Mai
10.	CR Hatyai (Thailand) Co., Ltd. (“CR-HY”)	Operating Robinson Department Store in Hatyai	THB 202.0 million	98.4	9 Thammanoonvidhi Road, Hatyai, Songkla
11.	CR Udonthani (Thailand) Co., Ltd. (“CR-UT”)	Operating Robinson Department Store in Udonthani	THB 225.0 million	98.8	277/2 Prachak Road, Mak Kaeng, Mueng Udonthani, Udonthani
12.	CR Chantaburi (Thailand) Co., Ltd. (“CR-CB”)	Operating Robinson Lifestyle in Chantaburi	THB 130.0 million	63.9	22/107 Moo 7, Chantanimitr, Mueng Chantaburi, Chantaburi
13.	CR Nakhonsrithammarat (Thailand) Co., Ltd. (“CR-NS”)	Operating Robinson Department Store in Udonthani and Robinson Lifestyle in Nakhonsrithammarat	THB 560.0 million	49.2	89/201 Pattanakarn Road, Kookwang, Klang, Mueng Nakhonsrithammarat
14.	CR Phuket (Thailand) Co., Ltd. (“CR-PK”)	Operating Robinson Department Store in Phuket	THB 177.0 million	49.2	36 Tilokutid 1 Road, Talad Yai, Mueng Phuket, Phuket
15.	Robinson Sukhumvit Co., Ltd. (“R-SKV”)	Dormant	THB 100.0 million	98.4	259 Sukhumvit Road, Klongtoey, Wattana, Bangkok
16.	R-Trading (L) BHD. (“R-T(L)”)	Dormant	THB 50,000	98.3	P.O. Box 2208, Road Town, Tortola, British Virgin Islands
17.	Robinson Nakarin Co., Ltd. (“R-NKR”)	Dormant	THB 105.0 million	98.2	9/9 Central Plaza Rama 9, 14 th Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok
18.	Robinson Ratchada Co., Ltd. (“R-RCD”)	Dormant	THB 75.0 million	98.2	9/9 14 th -17 th Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok



No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
Robinson Department Store (Vietnam)					
19.	Robinson Department Store (Vietnam) JSC (“RBSJSC”)	Operating Robinson Department Store – Hanoi branch	VND 216,500.0 million	98.4	Basement B1, Mega Mall, Royal City Complex, No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi, Vietnam
20.	Central Retail Corporation (Vietnam) JSC (“CRCJSC”)	Operating Robinson Department Store -Ho Chi Minh City branch	VND 105,000.0 million	100.0	No. 163 Phan Dang Luu, Ward 01, Phu Nhuan District, Ho Chi Minh City, Vietnam
Rinascente					
21.	CRC Holland B.V. (“CRC Holland”)	Holding Company for Rinascente Department Store	EUR 100.0	100.0	Luna Arena, Herikerbergweg 238, Amsterdam, 1101 CM, the Netherlands
22.	CRC Rinascente S.p.A. (“CRC Rina”)	Holding Company for Rinascente Department Store	EUR 120,000.0	100.0	Via Washington, 70- 20146 Milan (Italy)
23.	La Rinascente S.p.A. (“LR”)	Holding Company for Rinascente Department Store in Italy	EUR 5.1 million	100.0	Via Washington, 70- 20146 Milan (Italy)
Super Sports					
24.	SSHD Co., Ltd. (“SSHD”)	Holding Company for Super Sports	THB 255.0 million	100.0	306 Silom Road, Suriyawong, Bangrak, Bangkok
25.	CRC Sports Co., Ltd. (“SPS”)	Selling clothes and sport equipment under Super Sports Thailand	THB 370.0 million	99.4	919/555 South Tower, 13 rd Fl., Room 1-6, 10, Silom Road, Silom, Bangrak, Bangkok
26.	CRC Sport E-Commerce Co., Ltd. (“SPS E-Commerce”)	Selling goods via online channel	THB 1.0 million	99.3	919/555 South Tower, 13 rd Fl., Room 1-6, 10, Silom Road, Silom, Bangrak, Bangkok
27.	CRC Sports (Vietnam) JSC (“SPSJSC”)	Dormant	VND 18,375.0 million	99.4	No. 163 Phan Dang Luu, Ward 01, Phu Nhuan District, Ho Chi Minh City, Vietnam
Central Marketing Group					
28.	Central Marketing Group Co., Ltd. (“CMG”)	Holding Company for Central Marketing Group and provide warehouse for Central Trading Co., Ltd.	THB 1,876.0 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
29.	Central Trading Co., Ltd. (“C Trading”)	Manufacturing and importing goods for selling in Thailand for Central Marketing Group	THB 2,500.0 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
30.	Earth Care Co., Ltd. (“Earth Care”)	Dormant	THB 55.0 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
31.	Matter D Co., Ltd. (“Matter D”)	Selling goods via online channel	THB 2.0 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
32.	Textral Textile Co., Ltd. (“Textral Textile”)	Dormant	THB 34.5 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
33.	Cetrec Sakol Co., Ltd. (“Cetrec”)	Holding Company for Malaysian companies	THB 1,400.7 million	100.0	3388/26-37 Sirinrat Tower 9 th -11 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
34.	John Master (M) Sdn. Bhd. (“John Master”)	Dormant	MYR 1.0 million	100.0	Lot No. 15F-1A & 15F-2, 15 th Floor, Tower 4 @ PFCC, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor, Malaysia
35.	Kiko Garments Sdn. Bhd. (“Kiko Garment”)	Dormant	MYR 1.5 million	100.0	Lot No. 15F-1A & 15F-2, 15 th Floor, Tower 4 @ PFCC, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor, Malaysia
36.	CMG International Group Ltd. (“CMG In’l Group”)	Dormant	USD 8.3 million	100.0	5858 South Pecos Road Suit#100 Las Vegas Nevada 89120
37.	CMG Central Marketing Group Malaysia Sdn. Bhd. (“CMG Malaysia”)	Dormant	MYR 2	100.0	Lot No. 15F-1A & 15F-2, 15 th Floor, Tower 4 @ PFCC, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor, Malaysia

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
38.	CMG Asia Three Ltd. (“CMG Asia 3”)	Dormant	USD 0.8 million	100.0	5858 South Pecos Road Suit #100 Las Vegas Nevada 89120
39.	CMG Asia Four Ltd. (“CMG Asia 4”)	Dormant	USD 1.0 million	100.0	5858 South Pecos Road Suit #100 Las Vegas Nevada 89120
40.	CMG Asia Five Co., Ltd. (“CMG Asia 5”)	Dormant	HKD 5.8 million	100.0	RM 1401, 14/F3, World Commerce Centre, Harbour City, 7-11 Canton Road, Tsimshasui, Kowloon, Hongkong
41.	Central Marketing Group Singapore Pte. Ltd. (“CMG S’pore”)	Dormant	SGD 1.0 million	100.0	190 Middle Road, #16-01 Fortune Centre Singapore 188979
42.	CMG Vietnam Limited Liability Company (“CMG Vietnam”)	Dormant	USD 0.5 million	100.0	Unit G-100, HSC Building, 162B Dien Bien Phu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam
43.	Central Marketing Group (Shanghai) Co., Ltd. (“CMG China”)	Dormant and on process of liquidation	RMB 25.0 million	100.0	Zhabei District, Shanghai 200001, China
Komonoya					
44.	Thai Watts Co., Ltd. (“TWT”)	Selling goods under Komonoya	THB 200.0 million	51.0	9/9 Central Plaza Rama 9, 17 th Fl., Rama 9 Road, Huaykwang, Huaykwang, Bangkok

Hardline

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
Thai Watsadu and Baan & Beyond					
45.	CRC Thai Watsadu Co., Ltd. (“CTD”)	Selling construction material and home decoration under Thai Watsadu and Baan & Beyond	THB 5,430.0 million	100.0	88/88 Moo 13, Bangkaew, Bangplee, Samutprakarn
46.	CHG Marketing Co., Ltd. (“CHGM”)	Selling goods via online channel	THB 1.0 million	100.0	88/88 Moo 13, Bangkaew, Bangplee, Samutprakarn
เพาเวอร์บาย					
47.	PBHD Co., Ltd. (“PBHD”)	Holding Company for Power Buy	THB 375.0 million	100.0	306 Silom Road, Suriyawong, Bangrak , Bangkok
48.	Power Buy Co., Ltd. (“PWB”)	Selling electronic gadgets under Power Buy	THB 560.0 million	99.4	919/555 South Tower, 11 th Fl., Silom Road, Silom, Bangrak, Bangkok
49.	PB Logistic Co., Ltd. (“PBL”)	Importing and selling electronic gadgets	THB 675.0 million	99.4	919/555 South Tower, 11 th Fl., Silom Road, Silom, Bangrak, Bangkok
50.	Three Plus Service Co., Ltd. (“3PLUS”)	Provide repairing service for kitchenware, electronic gadgets and Home and garden accessories	THB 1.0 million	99.4	919/555 South Tower, 11 th Fl., Silom Road, Silom, Bangrak, Bangkok
51.	Powerbuy e-Commerce Co., Ltd. (“PWB E-Commerce”)	Selling goods via online channel	THB 1.0 million	99.3	919/555 South Tower, 12 th Fl., Room No. 5, Silom Road, Silom, Bangrak, Bangkok
COL					
52.	COL Public Company Limited (“COL”)	Land for rent (Nong Chok and Suwinthawong warehouse and Aunjai Building with COL’s subsidiaries)	THB 320.0 million	99.7	24 Soi On Nut 66/1, On Nut Road, On Nut, Suan Luang District, Bangkok



No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
53.	Officemate (THAI) Limited (“OFM”)	Selling products in both retail and wholesale formats. Stationery products. office equipment and furniture	THB 691.55 million	99.7	919/555 South Tower Building, 14 th Fl., Room 2-6 and 9, Silom Road, Silom, Bangrak, Bangkok
54.	Officemate Logistics Company Limited (“OML”)	Warehouse management and distribution center	THB 200.0 million	99.7	919/555 South Tower Building, Room No. 2-6 and 9, 14 th Fl., Silom Road, Silom, Bangrak, Bangkok
55.	Officemate Omni Franchises Company Limited (“OOF”)	Consulting and managing the franchise system of the OfficeMate business	THB 200.0 million	99.7	919/555 South Tower Building, 14 th Fl., Room No. 4, 5, 6 and 9, Silom Road, Silom, Bangrak, Bangkok
56.	Future Plus Company Limited (“FPT”)	Franchise management of OfficeMate business	THB 5 million	99.7	919/555 South Tower Building, Room No. 9, 14 th Fl., Silom Road, Silom, Bangrak, Bangkok
57.	B2S Company Limited (“B2S”)	Operates a business that sells stationery, books and lifestyle products	THB 640.0 million	99.7	919/555 Jewelry Trade Center Building, 16 th , 17 th Fl., Silom Road, Silom, Bangrak, Bangkok
58.	Meb Corporation Company Limited (“MEB”)	Selling E-Books and consulting on the preparation of E-Books	THB 5 million	74.8	99/27 Software Park Building, 8 th Fl., Moo 4, Chaeng Watthana Road, Khlong Kluea Subdistrict, Pak Kret District, Nonthaburi Province
59.	Hytex Interactive Company Limited (“HTI”)	Selling E-Books and electronic reading devices	THB 3.6 million	56.1	3 Promphan 3 Building, 7 th Fl., Room No. 701-702 Soi Ladprao 3, Ladprao Road, Chomphon, Chatuchak, Bangkok.
60.	COL Vietnam JSC (“COL VN”)	Dormant and on process of liquidation	VND 61,600.0 million	99.55	99 Nguyen Thi Minh Khai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam
61.	B2S Vietnam Co., Ltd. (“B2S VN”)	Dormant and on process of liquidation	VND 61,600.0 million	99.55	99 Nguyen Thi Minh Khai Street, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam
Nguyen Kim					
62.	NKT New Solution and Technology Development Investment JSC (“NKT”)	Holding Company for Nguyen Kim	VND 800,000.0 million	99.4	No. 63-65-67, Tran Hung Dao Street, Cau Ong Lanh Ward, District 1, Ho Chi Minh City, Vietnam
63.	Nguyen Kim Modern Trade Development Investment JSC (“NKM”)	Holding Company for Nguyen Kim	VND 800,000.0 million	99.4	No. 63-65-67, Tran Hung Dao Street, Cau Ong Lanh Ward, District 1, Ho Chi Minh City, Vietnam
64.	Nguyen Kim Trading JSC (“NK Trading”)	Selling electronic gadgets under Nguyen Kim and managing Nguyen Kim stores	VND 800,000.0 million	99.4	No. 63-65-67, Tran Hung Dao Street, Cau Ong Lanh Ward, District 1, Ho Chi Minh City, Vietnam
65.	Saigon Industrial Corporation (“Sinco”)	Holding real estate for Nguyen Kim business	VND 20,165.8 million	97.9	No. 63-65, Tran Hung Dao Street, Cau Ong Lanh Ward, District 1, Ho Chi Minh City, Vietnam
66.	Nguyen Kim Long Xuyen Co., Ltd. (“NK LX”)	Selling electronic gadgets under Nguyen Kim retailing, totally 1 branch	VND 50,000.0 million	99.4	No. 01, Tran Hung Dao Street, My Binh Ward, Long Xuyen City, An Giang Province, Vietnam
67.	Nguyen Kim Can Tho Co., Ltd. (“NK CT”)	Selling electronic gadgets under Nguyen Kim retailing, totally 2 branches	VND 20,000.0 million	99.4	No. 02, 30/4 Street, An Phu Ward, Ninh Kieu District, Can Tho city, Vietnam
68.	Nguyen Kim Binh Duong One Member Co., Ltd. (“NK BD”)	Selling electronic gadgets under Nguyen Kim retailing, totally 2 branches	VND 20,000.0 million	99.4	No. 01, Tran Hung Dao Street, Phu Cuong Ward, Thu Dau Mot City, Binh Duong Province, Vietnam
69.	Nguyen Kim Buon Ma Thuot One Member Co., Ltd. (“NK BMT”)	Selling electronic gadgets under Nguyen Kim retailing, totally 2 branches	VND 28,156.0 million	99.4	No. 01, Nguyen Chi Thanh Street, Tan An Ward, Buon Ma Thuot City, Dak Lak Province, Vietnam
70.	Nguyen Kim Hai Phong Development Investment One Member Co., Ltd. (“NK HPDI”)	Selling electronic gadgets under Nguyen Kim retailing, totally 1 branch	VND 180,000.0 million	99.4	No. 104, Luong Khanh Thien Street, Luong Khanh Thien Ward, Ngo Quyen District, Hai Phong City, Vietnam
71.	Nguyen Kim Central Trading One Member Co., Ltd. (“NK CTD”)	Selling electronic gadgets under Nguyen Kim retailing, totally 1 branch	VND 58,396.0 million	99.4	No. 46, Dien Bien Phu Street, Chinh Gian Ward, Thanh Khe District, Da Nang City, Vietnam
72.	Nguyen Kim After Sales Service One Member Co., Ltd. (“NK AS”)	Dormant	VND 0 Newly established	99.4	No. 6 Bis, Tran Hung Dao Street, Pham Ngu Lao Ward, District 1, Ho Chi Minh City, Vietnam

Food

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
Tops and Central Food Hall					
73.	Central Food Retail Co., Ltd. (“CFR”)	Selling food under Tops Market, Central Foodhall, Tops Superstore and Tops Daily	THB 1,529.0 million	100.0	99/9 Central Plaza Chaengwattana - Office Tower, 12 th ,15 th -18 th Fl., Moo 2 Chaengwattana Road, Bangtalad, Pakred, Nonthaburi
74.	Central Food Retail e-Commerce Co., Ltd. (“CFR E-Commerce”)	Selling goods via online channel	THB 1.0 million	100.0	99/9 Central Plaza Chaengwattana - Office Tower, 12 th ,15 th -18 th Fl., Moo 2 Chaengwattana Road, Bangtalad, Pakred, Nonthaburi
75.	Central Pet n Me Co., Ltd. (“Pet n Me”)	Selling pet food and pet gadgets	THB 1.0 million	100.0	99/9 Central Plaza Chaengwattana - Office Tower, 12 th ,15 th -18 th Fl., Moo 2 Chaengwattana Road, Bangtalad, Pakred, Nonthaburi
FamilyMart					
76.	SFM Holding Co., Ltd. (“SFMH”)	Holding Company for FamilyMart	THB 1,805.0 million	100.0	919/1 Silom Road, Silom, Bangrak, Bangkok
77.	Central FamilyMart Co., Ltd. (“CFM”)	Operating Convenience Store under FamilyMart Thailand	THB 3,875.0 million	100.0	99/9 Central Plaza Chaengwattana - Office Tower, 21 st Fl., Moo 2 Chaengwattana Road, Bangtalad, Pakred, Nonthaburi
Matsumoto Kiyoshi					
78.	Central & Matsumoto Kiyoshi Co., Ltd. (“CMK”)	Selling healthy goods and cosmetic under Matsumoto Kiyoshi Thailand	THB 100.0 million	51.0	99/9 Central Plaza Chaengwattana - Office Tower, 18 th Fl., Moo 2 Chaengwattana Road, Bangtalad, Pakred, Nonthaburi
Lanchi Mart					
79.	LCP Trading Services JSC (“Lanchi”)	Holding Company for Lanchi Mart	VND 167,736.5 million	51.0	Tran Hung Dao Street, Vinh Tru Town, Ly Nhan District, Ha Nam Province, Vietnam
80.	Lan Chi Investment and Service Co., Ltd. (“LC Investment”)	Operating hypermarket under Lanchi Mart, totally 23 branches	VND 127,542.6 million	51.0	5/230 Quan Nhan Street, Thanh Xuan Trung Ward, Thanh Xuan District, Ha Noi City, Vietnam
81.	Lan Chi-Ha Nam Investment and Service Co., Ltd. (“LC Ha Nam”)	Operating hypermarket under Lanchi Mart, totally 2 branches	VND 25,391.3 million	51.0	Tran Hung Dao Street, Vinh Tru town, Ly Nhan District, Ha Nam Province, Vietnam
82.	Lan Chi Services and Trading Investment Co., Ltd. (“LC Trading”)	Distributing and wholesaling for Lanchi Mart	VND 1,000.0 million	51.0	Dong Dai Vai Zone, Dai Lang, Trung Son Tram Ward, Son Tay Town, Ha Noi City, Vietnam
Big C Vietnam					
83.	Central Global Service JSC (“CGSJSC”)	Dormant	VND 4,200.0 million	100.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
84.	Orbit Avenue Sdn. Bhd. (“Orbit Avenue”)	Holding Company for Big C Vietnam	USD 0.5	100.0	Suite 16-03, Level 16 Wisma Uoa li No.21, Jalan Pinang 50450 Kuala Lumpur W.P. Kuala Lumper
85.	Capital C Co., Ltd. (“Cap C”)	Holding Company for Big C Vietnam	THB 26,800.0 million	100.0	22 Soi Somkid Ploenchit Road, Lumpini, Pathumwan, Bangkok
86.	Quinam B.V. (“Quinam B.V.”)	Holding Company for Big C Vietnam	EUR 18.125.0	100.0	1101 CM Amsterdam, Herikerbergweg 238
87.	Vindemia SAS (“Vindemia”)	Holding Company for Big C Vietnam	EUR 1.3 million	100.0	52 rue de la Victoire Tmf Pôle 75009 Paris
88.	Espace BIG C Thang Long (“EBT”)	Operating hypermarket under Big C, totally 7 branches	VND 167,447.7 million	65.0	No. 222 Tran Duy Hung Street, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam
89.	Cavi Ltd. (“Cavi”)	Holding Company for Big C Vietnam	HKD 2,670.5 million	100.0	14 th Floor, South China Building 1-3, Wyndham Street, Central Hong Kong
90.	Cavi Retail Ltd. (“Cavi Retail”)	Holding Company for Big C Vietnam	HKD 1.0 million	100.0	14 th Floor, South China Building 1-3, Wyndham Street, Central Hong Kong



No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
91.	E-Cavi Ltd. (“E-Cavi”)	Holding Company	HKD 74.0 million	100.0	14 th Floor, South China Building 1-3, Wyndham Street, Central Hong Kong
92.	Cavi Real Estate Ltd. (“Cavi RE”)	Holding Company for Big C Vietnam	HKD 1.0	100.0	14 th Floor, South China Building 1-3, Wyndham Street, Central Hong Kong
93.	EB Services Co., Ltd. (“EBS”)	Providing management service in Vietnam	VND 31,200.0 million	100.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
94.	Recess Logistic and Retail Co., Ltd. (“Recess”)	Dormant	VND 85,711.5 million	100.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
95.	Cavinoi Ltd. (“Cavinoi”)	Holding Company for Big C Vietnam	HKD 1.0	100.0	14 th Floor South China Building 1-3 Wyndham Street Central Hong Kong
96.	New Plan Co., Ltd. (“New Plan”)	Holding Company for Big C Vietnam	VND 208,316.0 million	100.0	5 th Floor, No. 41A, Ly Thai To Street, Ly Thai To Ward, Hoan Kiem District, Hanoi City, Vietnam
97.	New Plan Real Estate Investment Co., Ltd. (“New Plan RE”)	Holding real estate for Big C Vietnam	VND 1,138,814.0 million	100.0	No. 1/1, Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam
98.	General Trading and Distribution Co., Ltd. (“GTVD”)	Holding Company for Big C Vietnam	VND 199,316.0 million	100.0	792 Nguyen Kiem Street, Ward 3, Go Vap District, Ho Chi Minh City, Vietnam
99.	General Trading Service and Distribution Co., Ltd. (“GTSD”)	Operating hypermarket under Big C, totally 2 branches	VND 204,316.0 million	100.0	5 th Floor, No. 41A, Ly Thai To Street, Ly Thai To Ward, Hoan Kiem District, Hanoi City, Vietnam
100.	New Grocery Co., Ltd. (“New Grocery”)	Dormant	VND 96,195.0 million	65.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
101.	General Trading of Household Products One Member Co., Ltd. (“GTHP”)	Operating ratal under Big C (Shop-in-Shop) i.e. LookKool, Kubo and Komonoya	VND 6,000.0 million	100.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
102.	General Trading Fashions One Member Co., Ltd. (“GTF”)	Operating sport gadegts under Super Sport in Vietnam	VND 6,000.0 million	100.0	No. 163 Phan Dang Luu, Ward 1, Phu Nhuan District, Ho Chi Minh City, Vietnam
103.	EB Hai Phong JSC (“EBH”)	Operating hypermarket under Big C, totally 9 branches	VND 293,847.2 million	100.0	Lot 1/20, Nga Nam New Urban Area – Cat Bi Airport, Dang Giang Ward, Ngo Quyen District, Hai Phong City, Vietnam
104.	EB Vinh LLC (“EBV”)	Operating hypermarket under Big C, totally 1 branch	VND 60,921.8 million	100.0	No. 2 Quang Trung Street, Quang Trung Ward, Vinh City, Nghe An Province, Vietnam
105.	EB Nam Dinh LLC (“EBND”)	Operating hypermarket under Big C, totally 1 branch	VND 62,467.4 million	100.0	Thien Truong Supermarket – Commercial Center, Loc Hoa Village, Nam Dinh City, Nam Dinh Province, Vietnam
106.	E.B Phu Thanh LLC (“EBPT”)	Operating hypermarket under Big C, totally 1 branch	VND 131,520.0 million	100.0	No. 53, Nguyen Son, Street, Phu Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam
107.	EB Tan Phu LLC (“EBTP”)	Operating hypermarket under Big C, totally 4 branches	VND 317,586.0 million	100.0	No. 1/1, Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam
108.	EB Thanh Hoa LLC (“EBTH”)	Operating hypermarket under Big C, totally 2 branches	VND 125,840.0 million	100.0	Big C Thanh Hoa Commercial Center, Dong Le Street, Dong Hai Ward, Thanh Hoa City, Thanh Hoa Province, Vietnam
109.	EB Hai Duong LLC (“EBHD”)	Operating hypermarket under Big C, totally 1 branch	VND 37,080.0 million	100.0	Km 54+100, Highway 5, Zone 3, Nhi Chau Ward, Hai Duong City, Hai Duong Province, Vietnam
110.	EB Can Tho LLC (“EBCT”)	Operating hypermarket under Big C, totally 1 branch	VND 66,960.0 million	100.0	Lot No. 1, Hung Phu I Residential Area, Hung Phu Ward, Cai Rang District, Can Tho City, Vietnam
111.	EB Binh Duong LLC (“EBBD”)	Operating hypermarket under Big C, totally 2 branches	VND 102,015.0 million	100.0	No. 555B, Binh Duong Boulevard Zone 1, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province, Vietnam
112.	Espace Business Hue JSC (“EBHue”)	Operating hypermarket under Big C, totally 5 branches	VND 281,483.0 million	100.0	Planing Area-Dong Da – Hung Vuong – Ba Trieu, Phu Hoi Ward, Hue City, Thua Thien Hue Province, Vietnam



No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
113.	Espace Big C An Lac Co., Ltd. (“EBA”)	Operating hypermarket under Big C, totally 5 branches	VND 422,885.0 million	100.0	No. 1231, Quarter 5, National Highway 1A, Binh Tri Dong B Ward, Binh Tan District, Ho Chi Minh City, Vietnam
114.	EB New City Co., Ltd.(“EB New City”)	Operating hypermarket under Big C, totally 1 branch	VND 72,000.0 million	100.0	Lot A, Cityland Residential Area, No. 99, Nguyen Thi Thap Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
115.	Espace BIG C Dong Nai (“EBD”)	Operating hypermarket under Big C, totally 1 branch	VND 252,374.4 million	65.0	No. 833, Hanoi Avenue, Long Binh Tan Ward, Bien Hoa City, Dong Nai Province, Vietnam
116.	C-Discount Vietnam Co., Ltd. (“CDV”)	Dormant	VND 80,734.8 million	100.0	No. TM8, GS01 Road, Green Square Urban Commercial and Services Zone, Dong Hoa Ward, Di An City, Binh Duong Province, Vietnam
117.	Viet Nhat Real Estate JSC (“Viet Nhat RE”)	Holding real estate for Big C Vietnam	VND 2,762,000.0 million	100.0	No. 222 Tran Duy Hung, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam
118.	TTS Dong Nai One Member LLC (“TTS Dong Nai”)	Holding real estate for Big C Vietnam	VND 165,000.0 million	100.0	No. 1135, Nguyen Ai Quoc Road, Tan Hiep Ward, Bien Hoa City, Dong Nai Province, Vietnam
119.	Viet Nhat Sai Gon – My Tho Co., Ltd. (“Viet Nhat SG”)	Holding real estate for Big C Vietnam	VND 200,300.0 million	100.0	No. 99 Nguyen Thi Minh Khai, Ben Thanh Ward, District 1, Ho Chi Minh City, Vietnam
120.	One Member Limited Company Investment Development Nguyen Kim Tien Giang (“NK TG”)	Holding real estate for Big C Vietnam	VND 200,000.0 million	100.0	No. 545 Le Van Pham, Ward 5, My Tho City, Tien Giang Province, Vietnam
121.	Hung Cuong Retail Real Estate Investment Joint Stock Company (“HC RE”)	Holding real estate for Big C Vietnam	VND 77,500.0 million	100.0	Ly Thuong Kiet Street, Nghia Chanh Ward, Quang Ngai City, Quang Ngai Province, Vietnam
122.	Dong Duong Tra Vinh Real Estate and Retail Supermarket JSC (“DDTV RE”)	Holding real estate for Big C Vietnam	VND 46,600.0 million	100.0	Vo Nguyen Giap street, Ward No.7, Tra Vinh City, Tra Vinh Province, Viet Nam,
123.	Viet Nhat Thai Nguyen Real Estate JSC (“Viet Nhat TN”)	Holding real estate for Big C Vietnam	VND 108,000.0 million	100.0	Residential Area on Viet Bac Road Residential Zone, Tan Lap Ward, Thai Nguyen City, Thai Nguyen Province, Vietnam
Holding Companies					
124.	Hillborough Group Ltd. (“Hillborough Group”)	Holding Company for Big C Vietnam	USD 5,000 million	100.0	Cromwell House, Ground Floor, 117 Albert Street, Belize City, Belize

Supporting Business

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
125.	CDF Holding Co., Ltd. (“CDFH”)	Holding Company for CDFS	THB 1.0 million	100.0	1027 Central Chidlom Department Store, 7 th Fl., Ploenchit Road, Lumpini , Pathumwan , Bangkok
126.	Central Duty Free Shops Co., Ltd. (“CDFS”)	Dormant	THB 1.0 million	99.9	1027 Central Chidlom Department Store, 7 th Fl., Ploenchit Road, Lumpini , Pathumwan , Bangkok
127.	Central US Trading Ltd. (“CUT”)	Holding trademark that registered in Thailand and overseas	USD 75,000.0	100.0	112 North Curry Street, Carson City, Nevada, 89703
Supporting Business					
128.	Cenergy Innovation Co., Ltd. (“CNGI”)	Providing information technology Omni-channel platform on program designing and website	THB 50.0 million	100.0	919/11 Jewery Trade Center, 55 th Fl., Silom Road, Silom, Bangrak, Bangkok
129.	Central Group Online Co., Ltd. (“CGO”)	Providing Omni-channel services to the Group i.e. marketing plan, logistic or customer service	THB 300.0 million	100.0	919/111, 919/11 Jewery Trade Center, 54 th -55 th Fl., Silom Road, Silom, Bangrak, Bangkok

Associates and Joint Ventures

No.	Company	Type of Business	Paid-Up Capital	Shareholding Proportion (%)	Head Office
130.	Sunglass Hut (Thailand) Co., Ltd. (“Sunglass Hut”) ⁽¹⁾	Selling sunglasses under Sunglass Hut	THB 85.0 million	51.0	999/9 The Offices at CentralWorld, 16 th Room 1605, Rama 1 Road, Pathumwan, Bangkok
131.	Samsonite (Thailand) Co., Ltd. (“Samsonite”) ⁽²⁾	Selling goods under Samsonite and TUMI	THB 24.2 million	50.4	98 Sathorn Square Office Tower, 37 th Fl., Room 3705-3706 North Sathorn Road, Silom, Bangrak, Bangkok
132.	MUJI Retail (Thailand) Co., Ltd. (“MUJI”)	Selling goods under Muji	THB 580.0 million	50.0	4, 4/5, 9 th Fl., Ratchadamri, Pathumwan , Bangkok
133.	Luxury Goods (Thailand) Co., Ltd. (“GUCCI”)	Selling clothes under Gucci	THB 300.0 million	25.0	87/2 CRC Tower All Season Place, 35 th Fl., Unit 5 Wittayu Road, Lumpini, Pathumwan, Bangkok
134.	Bottega Veneta (Thailand) Co., Ltd. (“Bottega”)	Selling clothes under Bottega Veneta	THB 100.0 million	25.0	689 Bhiraj Tower at Emquatier, 30 th Fl., Sukhumvit Road (Soi 35) Klongton Nuea, Wattana, Bangkok
135.	Central Watson Co., Ltd. (“Watson”) ⁽³⁾	Selling health and beauty product under Watson	THB 181.7 million	28.9	3388/23-24 Sirinrat Tower, 8 th Fl., Rama 4 Road, Klongton, Klongtoey, Bangkok
136.	Central DFS Co., Ltd. (“Central DFS”)	Selling tax free goods	THB 71.0 million	51.0	22 Chidlom Tower, 14 th Fl., Room CCLT-14-RR-004 Soi Somkid, Ploenchit Road, Lumpini, Pathumwan, Bangkok
137.	VAT Refund Center (Thailand) Co., Ltd. (“VRT”)	Providing tax refund services for travellers	THB 40.0 million	49.6	100/9, 12 th Fl., Vongwanich B, Rama 9 Road, Huaykwang, Huaykwang, Bangkok
138.	DR Logistics S.R.L. (“DR Logistic”)	Providing logistic services for Rinacente	EUR 100,000.0	30.0	MILANO(MI) VIA WASHINGTON GIORGIO 70 CAP 20146
139.	Kokuyo International (Thailand) Co., Ltd. (“Kokuyo”)	Importing and selling office furniture under Kokuyo	THB 10.0 million	24.0	999/9 Rama 1 Road, Pathumwan, Bangkok
140.	Morningbliss Sdn. Bhd. (“SOGO”)	Operating department store in Malaysia	MYR 100,000.0	49.0	B-25-2, Block B, Jaya One, No. 72 A Jalan Universiti, 46200, Pataling Jaya, Selangor Darul Ehson
141.	Porto Worldwide Limited (“Porto WW”)	Holding Company	USD 199.3 million	67.0	2503 Bank of America Tower, 12 Harcourt Road, Central, HK

⁽¹⁾ Luxottica Group S.p.A. and Luxottica S.r.l. have voting rights at 49.5%, 44.7% and 5.8%, respectively

⁽²⁾ Delilah Europe Investment S.a.r.l and Mr. Klein Jendro have voting rights at 57.8%, 42.3% and 0.0%, respectively

⁽³⁾ Jasmine Holding Co., Ltd. and Watson’s the Chemist (Thailand) Holdings Limited have voting rights at 18.2%, 25.0% and 56.8%, respectively



1.3.2 Person that have conflict of interest that holding shares more than 10% in subsidiaries and associates

-None-

1.3.3 Relationship with Business Corporation of Major Shareholders

One of many reasons which help Central Retail becomes the leading multi-format and multi-category retailer in Thailand and abroad and the pioneer of omni-channel retailing in the country is the contribution from HCDS, a major shareholder (as at 31 December 2021, HCDS held the Company's share at 35.06% of total paid-up shares), and its subsidiaries through certain corporate services with respect to management, finance and accounting and legal services, and including certain aspects of our human resources and other functions. Central Retail has also joined loyalty programs for The 1 membership of The 1 Central Co., Ltd. (a subsidiary of HCDS) which owns and manages the loyalty programs.

In addition, HCDS has been providing business benefits, for example, granting the Company an exclusive right to use the trademark and servicemark including the "Central" Trademarks for retail business of Central Retail for 10 years since the first trading day of the Company, and provided for an additional ten year renewable period under conditions stating that the Company still retains the status as a listed company of the Stock Exchange of Thailand: (1) HCDS and/or its directors, executives or controlling persons, and/or their respective related persons, hold, directly or indirectly, at least 10% of our outstanding shares, or (2) HCDS is our controlling person. If HCDS terminate the agreement, it will come into effect in 3 years after the Company has acknowledged the termination. HCDS also granted the right to acquire retail business of HCDS in many formats, for example, KaDeWe, Oberpollinger and Alsterhaus department stores in Germany, the ILLUM department store in Denmark and the Central Department Store in Indonesia, to the Company before HCDS can offer such business to other buyer (right of first refusal) at the prices and on conditions not more favour than what HCDS received from outside parties. Central Retail was also granted right to acquire the department store businesses at prices and on conditions which the parties will agree in good faith (call option). Moreover, HCDS granted the right to acquire JD Central to Central Retail before other buyer in case HCDS decides to sell the business to other buyer at the same price and on the same conditions (according to the conditions in the relevant joint venture agreement) to prevent potential conflicts of interest in the future, although the department store businesses in the countries and JD Central are not considered competing businesses of the Company as Central Retail does not operate any department store in the said countries and JD Central has nature of business which focuses on Pure-play E-commerce, different from the omni-channel format of Central Retail.

For similar retail opportunities in the future which may compete with the Company's business, HCDS has designated Central Retail as the flagship company for the multi-format and multi-category retail business operations in Thailand and abroad, subject to the terms and conditions in the relevant agreements. Under certain policy, HCDS shall not invest in retail businesses in Thailand and abroad, which may be of the same nature as our business and may compete with our business, except where our Board of Directors has resolved not to invest or wished to partially invest in such business. In such latter case, Central Retail still retain certain rights to acquire such new retail opportunity from HCDS, subject to certain limitations. These benefits, combined with opportunities in overseas markets that come with our global relationships, can help to further support our rapid growth and scale our business to another level.



As for the flagship designation of Central Retail by HCDS, to ensure transparency, the Company has specified in Charter of Board of Directors to hold a meeting to consider investment in retail businesses in the future which may be of the same nature as our business and may compete with our business. In case the Board of Directors passes a resolution to refrain from investment, including partial investment, for the investment opportunities due to circumstances, for example, financial liquidity, current business plans of the Company, profitability of the business that invest, etc., or HCDS may invest in the opportunities, whether directly or indirectly, and may compete with the Company, solutions are as follows:

- (1) Hold a Board of Directors' meeting with a notice of the Board of Directors' meeting clearly stating if the Board of Directors has a resolution to refrain from investment, HCDS may invest in the business, whether directly or indirectly, as well as stating potential effect for the Company.
- (2) Hold a Board of Directors' meeting which allows directors without conflict of interest to participate and vote as well as inviting all independent directors without conflict of interest. If the number of directors does not meet the quorum, directors with conflict of interest shall fill the positions until reaching the quorum. The directors with conflict of interest are not allowed to voice opinions and vote.

In case of urgency for the interests of the Company, if any independent directors without conflict of interest cannot attend the meeting, the absent directors are allowed to participate and vote through a telephone call as long as it does not violate related law regarding the quorum and vote for a resolution.

- (3) The Board of Directors without conflict of interest shall consider business suitability and potential impact in case HCDS may invest in such business and compete with the Company while emphasis on rights and best interest of the Company and all shareholders.
- (4) In case the Board of Directors without conflict of interest sees it appropriate, the Board of Directors may consult outside parties for professional opinions for further consideration.
- (5) In case of urgency for business opportunities, the Board of Directors' meeting is allowed to take place for the consideration and the Board of Directors without conflict of interest pass a resolution and without a notice of the Board of Directors' meeting which requires to be sent 7 days in advance.
- (6) Final decisions in this case are determined by majority votes of the attending directors without conflict of interest who are eligible for voting. In case of a tied vote, the chairman in the meeting shall have the casting vote.

These considerations for investment are the absolute power of the Board of Directors and this duty cannot be delegated to other committees.

The Board of Directors has considered the mechanism for exercising and refusing of rights to vote under the exercise of rights agreements for regarding (1) offshore department stores, (2) JD Central business, and (3) retail business opportunities in the future which may be of the same nature as our business and may compete with our business. The Company shall operate as per considerations of the Board of Directors and the Audit Committee in any circumstance even if such businesses and/or business opportunities under the exercise of rights agreements in each consideration do not meet the criteria on scales which need to be approved by the Board of Directors under criteria of acquisition or disposal of assets and/or criteria on connected transactions of the Securities and Exchange Commission and the Stock Exchange of Thailand (case-by-case basis).

The Company shall disclose the exercising and refusing of rights under the exercise of rights agreement to shareholders and investors as follow:



In case of Undertaking Future Retail Business Opportunities which have Similar Nature of Business and May Compete with the Company (Flagship)

In case that the Board of Directors has a resolution to invest (including partially) in retail business opportunities which may be of the same nature as our business and may compete with our business, the Company shall disclose information through the SET Portal system of the Stock Exchange of Thailand under criteria of acquisition or disposal of assets and/or criteria on connected transactions of the Securities and Exchange Commission and the Stock Exchange of Thailand (case-by-case basis). Nevertheless, if the Board of Directors has a resolution not to invest or wishes to invest partially in such business, the Company shall disclose information through the SET Portal system of the Stock Exchange of Thailand in case HCDS chooses to invest in such business, whether fully or partially. The information shall include statements on declining to invest, including partially, opinions of the Audit Committee and Board of Directors, details, conditions and impact from HCDS's investment under conditions the disclosure information will not damage the Company, HCDS, or relevant outside parties, and/or under a confidentiality agreement with HCDS as HCDS enters into the agreement to invest in such business (if any) or a confidentiality agreement of the Company due to investment in such business (if any); the information will be disclosed shortly after the end of the confidentiality agreements. In addition, the Company shall disclose information on investment in retail business opportunities which may be of the same nature as our business and may compete with our business as well as statements on declining to invest or partial investment in case HCDS chooses to invest in such business, whether fully or partially, in the Annual Registration Statements and annual reports. The disclosed information will include a number of the Board of Directors' meeting for a resolution to invest or decline to invest (in case of declining to invest or partial investment in case HCDS chooses to invest in such business, the Company shall include reasons for such case) and the scale of the transaction under conditions and limitations on the disclosure of such information. In addition, in case the Company declines on an investment offer as granted right by the agreement and HCDS chooses to invest, HCDS shall grant the right to acquire all of the businesses from HCDS on a later date to the Company as described below:

- (1) If it is a transaction within 90 days after HCDS has granted Central Retail the right to acquire such business with prices equivalent to the cost of investment of HCDS in the retail businesses plus interest at the averaged Minimum Loan Rate (MLR) of the top four commercial banks in Thailand per annum on the date of HCDS's investment.
- (2) If the purchase occurs after 90 days after HCDS has invested in such business, HCDS shall grant the right to acquire such business at a price which the parties will agree in good faith for the transaction to Central Retail.

HCDS shall notify Central Retail when HCDS wishes to sell such business to other buyers before the final decision.

In case of Undertaking with respect to Premium Offshore Department Stores and JD-Central Businesses

The Company shall disclose exercising and refusing of rights for premium offshore department stores and JD Central as per the exercise of rights agreement through the SET Portal agreement of the Stock Exchange of Thailand under criteria of acquisition or disposal of assets and/or criteria on connected transactions of the Securities and Exchange Commission and the Stock Exchange of Thailand (case-by-case basis). The disclosed information will include assets under rights, exercising or refusing of rights, and opinions of the audit committee and Board of Directors regarding the exercising or refusing of rights under conditions which may not damage the Company, HCDS, or relevant outside parties, and/or under a confidentiality agreement with HCDS, and/or subsidiaries of HCDS entering into the agreement to invest in such business (if any); the information will be disclosed shortly after the end of the confidentiality agreements. In addition, the Company shall disclose all information regarding exercising and refusing of rights in Annual Registration Statements and annual reports under conditions and limitations on the dissemination of such information.

The reasons HCDS still operates and owns retail-related assets through holdings and/or business or asset management, directly and indirectly, can be summarized as follows



1. Offshore Premium Department Store Businesses

The Company has not included such department store businesses under Central Retail as such businesses have certain limitations in terms of contractual obligations and/or results of operations. Moreover, the customer base of such department stores is geographically located in their regions and Central Retail currently does not operate any department store in such regions. To prevent conflicts of interest in the future, HCDS has agreed to enter into an agreement to grant the right to purchase such department store businesses to Central Retail before other buyers at the price and on conditions not favor than what HCDS received from outside parties, and grant the right to purchase such department store businesses to Central Retail at the price and on the conditions which the parties will agree in good faith. The granting of such rights shall be in accordance with certain conditions as described in the relevant agreements.

2. JD Central Business

The Company has not included such businesses under Central Retail as the nature of the business of JD Central which is an online marketplace is different from Central Retail's omni-channel format, and that the operation of such company is mostly undertaken by JD.com. Moreover, JD.com has certain limitations in terms of its results of operations. To prevent conflicts of interest in the future, HCDS has granted the right to Central Retail to purchase JD Central before other buyers in the case that HCDS wishes to sell such business to other buyers at the same price and on the same conditions. The granting of such rights will be in accordance with certain conditions as described in the relevant agreements. The nature of the business of JD Central which focuses on pure-play e-commerce is different from the omni-channel format of Central Retail since JD Central operate business through online marketplace where stores are allowed to sell products through the website without the need to possess physical stores whereas the omni-channel strategy of Central Retail is the combination of many selling channels for modern retailing, including through physical stores, online stores, mobile phone, information media and social media, to create seamless purchasing experience and respond to popular trends in line with the changing behavior of customers.



1.3.4 Shareholders

(1) Major Shareholders

(a) Top 10 major shareholders as of 31 January 2022 which is the latest record as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
Harn Central Department Store Limited ("HCDS")	2,114,284,890	35.06
DEUTSCHE BANK AG SINGAPORE – PWM	277,963,444	4.61
Thai NVDR Company Limited	165,454,328	2.74
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	136,296,412	2.26
Social Security Office	133,270,166	2.21
Mr. Narongrit Chirathivat	74,692,379	1.24
UBS AG SINGAPORE BRANCH	74,377,561	1.23
Mr. Suthidetch Chirathivat	55,809,915	0.93
Mr. Pichai Chirathivat	53,227,462	0.88
Mr. Watt Chirathivat	52,531,667	0.87
Other shareholders	2,893,091,776	47.97
Total	6,031,000,000	100.00

(b) Shareholders of HCDS, a major shareholder of the Company, as of 31 December 2021

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
Mr. Narongrit Chirathivat	11,873,980	3.49
Mr. Tos Chirathivat	11,772,740	3.47
Mr. Prin Chirathivat	11,772,740	3.47
Mr. Suthidech Chirathivat	9,103,850	2.68
Mr. Pichai Chirathivat	8,490,577	2.50
Mr. Watt Chirathivat	8,490,579	2.50
Mr. Sudhisak Chirathivat	7,918,096	2.33
Ms. Netanong Chirathivat	7,913,639	2.33
Mrs. Natira Boonsri	7,317,755	2.15
Mrs. Tapida Norpanlob	7,317,755	2.15
Others in Chirathivat ⁽¹⁾	247,778,284	72.93
Total	339,749,995	100.00

Remark: ⁽¹⁾ There are 67 others in the Chirathivats.



(2) List of Top 10 Major Shareholders in the Subsidiaries Operating Core Business

List of the Major Shareholders in the Subsidiaries Operating the Company's Core Business as follows:

1. CDS

As of 31 December 2021, shareholding structure of CDS was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	333,499,979	100.0
Mr. Suthichai Chirathivat	3	0.0
Mr. Suthikiati Chirathivat	3	0.0
Mr. Suthichart Chirathivat	3	0.0
Mr. Sudhitham Chirathivat	3	0.0
Mr. Suthisak Chirathivat	3	0.0
Mr. Prin Chirathivat	3	0.0
Mr. Tos Chirathivat	3	0.0
Total	333,500,000	100.00

2. ROBINS

As of 31 December 2021, shareholding structure of ROBINS was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	803,139,231	72.31
CRG-S	289,645,488	26.1
CACEIS BANK	8,193,894	0.74
Others	9,682,520	0.87
Total	1,110,661,133	100.0

3. TWT

As of 31 December 2021, shareholding structure of TWT was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
CDS	1,020,000	51.0
Watts Co., Ltd. ⁽¹⁾	979,998	49.0
Mr. Fumio Hiraoka	1	0.0
Mr. Toshiyuki Inada	1	0.0
Total	2,000,000	100.0

Remark: ⁽¹⁾ A retail company established under Japanese law and listed on the Tokyo Stock Exchange



4. SPS

As of 31 December 2021, shareholding structure of SPS was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
SSHD ⁽¹⁾	22,199,992	60.0
ROBINS	14,800,000	40.0
Mr. Suthisarn Chirathivat	1	0.0
Mr. Tos Chirathivat	1	0.0
Mr. Prin Chirathivat	1	0.0
Mr. Suthichart Chirathivat	1	0.0
Mr. Sudhitham Chirathivat	1	0.0
Ms. Wallaya Chirathivat	1	0.0
Mr. Pong Skuntanaga	1	0.0
Mr. Suthilaksh Chirathivat	1	0.0
Total	37,000,000	100.0

Remark: ⁽¹⁾ Subsidiaries of the Company which the Company hold 100.0% of shares

5. PWB

As of 31 December 2021, shareholding structure of PWB was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
PBHD ⁽¹⁾	33,599,993	60.0
ROBINS	22,400,000	40.0
Mr. Suthichai Chirathivat	1	0.0
Mr. Suthikiati Chirathivat	1	0.0
Mr. Suthichart Chirathivat	1	0.0
Mr. Suthilaksh Chirathivat	1	0.0
Mr. Narongrit Chirathivat	1	0.0
Mrs. Nidsinee Chirathivat	1	0.0
Mr. Prin Chirathivat	1	0.0
Total	56,000,000	100.0

Remark: ⁽¹⁾ Subsidiaries of the Company which the Company hold 100.0% of shares



6. CFR

As of 31 December 2021, shareholding structure of CFR was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
CDS	15,289,994	100.0
Mr. Suthichart Chirathivat	1	0.0
Mr. Tos Chirathivat	1	0.0
Mr. Prin Chirathivat	1	0.0
Mr. Suthichai Chirathivat	1	0.0
Mr. Suthilaksh Chirathivat	1	0.0
Ms. Wallaya Chirathivat	1	0.0
Total	15,290,000	100.0

7. CFM

As of 31 December 2021, shareholding structure of CFM was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
SFMH ⁽¹⁾	19,627,617	50.66
CFR	18,987,500	49.0
ROBINS	134,883	0.34
Total	38,750,000	100.0

Remark: ⁽¹⁾ Subsidiaries of the Company which the Company hold 100.0% of shares

8. CMK

As of 31 December 2021, shareholding structure of CMK was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
CFR	509,999	51.0
Matsumotokiyoshi Holdings Co., Ltd. ⁽¹⁾	490,000	49.0
Mr. Prin Chirathivat	1	0.0
Total	1,000,000	100.0

Remark: ⁽¹⁾ A holding company established under Japanese law and listed on the Tokyo Stock Exchange



CMG Group

As of 31 December 2021, CMG group had 1 central subsidiary operating core business which is C Trading and 2 independent subsidiary non-operating which are John Master and Kiko Garment. CMG hold 100% of shares in C Trading in which Mr. Pichai Chirathivat and Mr. Prin Chirathivat hold 1 share in CMG. John Master and Kiko Garment were wholly owned by Cetrec. Cetrec is wholly owned by CMG.

Shareholding structure of CMG Group was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	187,599,998	100.00
Mr. Pichai Chirathivat	1	0.0
Mr. Prin Chirathivat	1	0.0
Total	187,600,000	100.0

9. CTD

As of 31 December 2021, shareholding structure of CTD was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	542,925,000	100.0
Mr. Suthichai Chirathivat	12,500	0.0
Mr. Suthilaksh Chirathivat	12,500	0.0
Mr. Sudhitham Chirathivat	12,500	0.0
Mr. Prin Chirathivat	12,500	0.0
Mr. Tos Chirathivat	12,500	0.0
Mr. Suthisarn Chirathivat	12,499	0.0
Ms. Sukulaya Uahwatanasakul	1	0.0
Total	543,000,000	100.0

10. CNGI

As of 31 December 2021, shareholding structure of CNGI was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	4,999,997	100.0
Mr. Worawoot Ounjai	1	0.0
Mr. Pandit Mongkolkul	1	0.0
Ms. Sukulaya Uahwatanasakul	1	0.0
Total	5,000,000	100.0



11. CGO

As of 31 December 2021, shareholding structure of CGO was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	15,299,994	51.0
CNGI	14,699,997	49.0
Mrs. Yuwadee Chirathivat	3	0.0
Mr. Narongrit Chirathivat	3	0.0
Mr. Worawoot Ounjai	3	0.0
Total	30,000,000	100.0

12. LR

As of 31 December 2021, shareholding structure of LR was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
CRC Rina ⁽¹⁾	5,115,996	100
Total	5,115,996	100.0

Remark: ⁽¹⁾ Subsidiaries of the Company which the Company hold 100.0% of shares

13. NK Group

As of 31 December 2021, NK Group had 1 central subsidiary operating the core business which is NK Trading.

NK Trading was wholly owned by NKM which 100% owned by NKT 100% which shareholding structure was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
PWB	76,860,745	100.0
PBL	1,000	0.0
3PLUS	1,000	0.0
Total ⁽¹⁾	76,862,745	100.0

Remark: ⁽¹⁾ NKT has paid up shares and capital totally 80,000,000 shares which NKT has 3,137,255 shares of treasury stock, equivalent to 3.9% of total paid-up shares



14. Lanchi

As of 31 December 2021, Lanchi had 3 independent subsidiary operating the core business which are LC Investment, LC Ha Nam and LC Trading. Shareholding structure of Lanchi was as follows:

LC Investment, LC Ha Nam and LC Trading wholly owned by Lanchi (LCP). Shareholding structure of Lanchi was as follows:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
CFR	8,554,559	51.0
Ms. Nguyen Thi Lan	8,219,090	49.0
NK Trading	5	0.0
Total	16,773,654	100.0

15. Big C Vietnam

As of 31 December 2021, Big C Vietnam had central subsidiary operating core business named Cap C. Shareholding structure of Cap C was as Follow:

List of Shareholders	No. of shares (shares)	Shareholding Proportion (%)
The Company	2,679,999,998	100.0
Mr. Prin Chirathivat	1	0.0
Ms. Sukulaya Uahwatanasakul	1	0.0
Total	2,680,000,000	100.0

(3) Shareholders' agreement

- None -



1.4 Capital Registration and Paid-Up Capital

As at 31 December 2021, the Company register capital at THB 6,320,000,000 and paid-up capital at THB 6,031,000,000 with par value at THB 1.0

1.5 Other securities

- None -

1.6 Dividend Payment Policy

1.6.1 Dividend Payment Policy of the Company

The Company will consider paying dividend according to provision of law, including the Public Limited Company Act, B.E. 2535 (1992) (As amended), which stipulates that a public limited company may pay dividends only based on its net profit as derived from its separate financial statements and may not pay dividends if it has negative retained earnings.

The Company has a policy to pay dividends to shareholders at the rate of not less than 40% of the net profit from the consolidated financial statements after tax deduction, the allocation of all various funds required by laws and the Company in each year, and the obligations under the financial contract (if any). The dividend payment must not exceed the retained earnings from the separate financial statements of the Company. The said dividend payment rate may be changed from the specified depending on the results of operations, cash flow, financial liquidity, financial status, investment plan, reserving funds to be working capital within the company, reserving funds for future investment, reserving funds to repay loans, conditions and limitations as specified in the financial contract, economic conditions, including legal requirements and other necessities.

In this regard, annual dividend payments must be approved by the shareholders' meeting. The Board of Directors may also, by resolution, approve to pay interim dividends to the shareholders if they deem that the Company has sufficient profits to do so. Such dividends distribution must be reported shareholders at the next shareholders' meeting accordingly. The shareholders / Board of Directors of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend per share (Baht)	No. of shares (million shares)	Amount (THB million)
2020					
Annual dividend	23 April 2021	May 2021	0.40	6,031	2,412
2019					
Interim dividend	10 December 2019	December 2019	0.90	4,700	4,230
Interim dividend	14 November 2019	December 2019	5.96	4,700	28,012
Annual dividend	30 April 2019	May 2019	8.50	470	3,995
Total					36,237
2018					
Interim dividend	1 March 2018	March 2018	11.00	211	2,326



1.6.2 Dividend Payment Policy of Subsidiaries

The Board of Directors of the subsidiary company will consider to pay annual dividend and propose to its shareholders' meeting for approval each year. The subsidiary company will pay dividends from the net profit according to the separate financial statements after tax deduction, the allocation of all various funds required by laws and the company in each year, and the obligations under the financial contract (if any). In this regard, the rate of dividends will be considered from the results of operations, cash flow, financial liquidity, financial status, investment plan, reserving funds to be working capital, reserving funds for future investment, reserving funds to repay loans, conditions and limitations as specified in the financial contract or joint venture agreements by which the company is bound, economic conditions, including legal requirements and other necessities. The Board of Directors of the subsidiary company has the power to approve the payment of interim dividends and report to the next shareholders' meeting of subsidiary company accordingly.

In consideration to approve annual dividends and interim dividends of subsidiaries, the subsidiary company must ask for approval in the meeting of the Board of Directors of the Company before proceeding unless the subsidiary company pays dividends in the total amount not less than the amount specified in the annual budget of each subsidiary or do it according to the dividend payment policy of the subsidiary company which has already been approved by the Board of Directors of the Company. This is aligned with the policy on investment and supervision of subsidiaries and associate companies which operate the core business of the Company.



2

Risk Management





2. Risk Management

The Company recognizes the importance of good organizational management to drive organizational growth and expand its business steadily, create financial stability and appropriate returns for the shareholders as well as ensure compliance with the principles of good corporate governance while upholding the system of checks and balances amid the ever-changing competitive business environment currently facing the Company, caused by either internal or external factors that may affect the ability to achieve its goals and core mission.

The Company's Board of Directors and executives deem as appropriate to adopt a risk management system to its operations to ensure good corporate governance and enhance ongoing confidence of shareholders and all related parties in the operations, thereby achieving the objectives and create value for the Company. The Company then established a risk management policy and framework as well as analyzed key risks as follows:

2.1 Risk Management Policy and Plan

The Company recognizes the importance and necessity to adopt a risk management system that meets international standards to its management to ensure the achievement of objectives in an efficient and effective manner and the compliance with relevant laws and standards. To ensure the overall risk is within the acceptable level, the Company then established a risk management policy as follows:

- (1) Determine that risk management is the responsibility of employees at all levels whereby they need to be aware of the risks in the operations of their own units and organization while focusing on managing various types of risks within the systematic internal control in an adequate and appropriate manner.
- (2) Establish the risk management process that is in accordance with the good international standards in order to effectively manage risks that may affect the Company's operations efficiently, bring developments, and carry out risk management tasks in the same direction throughout the organization by embedding the risk management system as part of the decision-making, strategic planning, plans and operations of the Company as well as focusing on achieving the specified objectives, goals, vision, mission and strategies to establish operational excellence and enhance confidence of relevant parties.
- (3) Set plans to prevent and mitigate the Company's operational risks to avoid potential damages or losses as well as monitor and assess the results of risk management regularly.
- (4) Promote and develop a cutting-edge information technology system to be implemented in the Company's risk management process and support personnel at all levels to have access to the sources of risk management information thoroughly as well as set a reporting system of risk management for acknowledgement of the Risk Policy Committee in an efficient manner.

Furthermore, the Company has established the risk management framework by adopting COSO ERM 2017 as follow.

The Company has integrated strategic development, business objectives setting and performance evaluation into the enterprise risk management under 5 interrelated principles which will enhance value creation for the Company.

1. Governance & Culture

The Company sets up the organizational structure and clearly determines the duties and responsibilities of risk management as well as fosters a corporate culture that focuses on awareness of the risks that may affect its business operations.



2. Strategy & Objective-Setting

The Company has a strategic planning process into which integrates the risk management principles, develops strategies, and sets business objectives to align with the risk appetite.

3. Performance

The Company identifies and assesses risks that may affect the accomplishment of strategies and business objectives whereby the risks will be prioritized according to the level of impact and probability of events that can cause risks as well as determines appropriate risk response methods.

4. Review & Revision

The Company regularly reviews its performance results to consider how effective the organization's risk management is as well as reviews the risk management for continuous improvements.

5. Information, Communication, & Reporting

The Company has in place an information system that enhances risk management efficiency. Such system will help support risk information, performance data, and risk management reporting to continuously and appropriately communicate the risk management results to the stakeholders.

2.2 Risk Factors Affecting the Company's Business Operations

2.2.1 Risks in Central Retail's Business Operations

The Company analyzed the risk in business operations by considering the objectives, policies, strategies and nature of business operation and identified current and emerging risks in the next 3-5 years. The most important risks for Central Retail's business operations are as follows:

(1) Competition Risks

The retail industry is a highly competitive free market. Although, Central Retail is one of Thailand's biggest retailers, Central Retail currently competes with global and local players or even in the future, which mainly focus on physical stores or online channels, whether their businesses are department stores, specialty stores, supermarkets, hypermarkets, home décor stores, electronics stores, convenient stores, digital retail stores, catalogue trading and online markets. Each store of Central Retail has to compete in the store location, product types, product prices, fast and convenient for delivery service including sales through physical and online stores as well as all kinds of services to cater any changing of customers behaviors. Most competitors of Central Retail are domestic traders. Although, the competitors have to spend a lot of investments to create a network of stores and plazas or offer products that meet a variety of customer spending, similar to what Central Retail does, this is not only factor preventing other operators from being in competition with Central Retail. However, more international retailers whose share the same strong points as Central Retail may enter the market in which Central Retail operates. Some competitors may have advantages in accessing the fund sources, economies of scale or cheaper products from supplier that lead to lower costs or more effective managements, resulting in such competitors having business advantage over Central Retail. Moreover, the brand owners and suppliers that once distributed its products to the markets via retailers similar to Central Retail did, may plan to open their own store or directly sell products to end consumer. As a result, Central Retail's competitive advantage would lessen in offering a variety of brands, especially in case that Central Retail holds the right as the brand's sole distributor.



The challenges of the Fourth Industrial Revolution incorporating with the future technology such as automatic robots, Artificial Intelligence (AI), Nanotechnology, and the cashless society trend. These would lead to change of customer behaviors. Several consumers are continuously shifting to online channels and highly competition in online retail market with full of new technologies and new innovation-equipped players, while Central Retail has more experiences via online channels than those in physical stores. Competitors in the markets may include operators who were not originally in the retail business before, for example, platform companies like social networks which already have a large database of customers or mobile payment. Therefore, Central Retail has continuously invested in the Omnichannel development to create seamless shopping experience that integrated either physical stores and online channels or via mobile including the technology development for the management and employees to increase competitiveness. However, there is a risk that the return on investment may not be consistent with or achieve its goals.

Nevertheless, Central Retail is confident in its key strength that excels its competitors in offering a wide variety of brands and products while delivering an outstanding customer experience (whether in physical stores, through online channels or Omnichannel platforms). Central Retail offers new shopping experiences or related products with holistic approach to customers to create differentiation and privilege, apart from directly purchase from brand owner. Central Retail puts a customer feedback process in place and regularly conducts customer satisfaction surveys to gather feedback from customers of each business unit in order to keep up with the rapid changes in the retail industry. The survey is conducted through multiple channels, for example, online surveys that allow customers to express their own opinions and face-to-face and phone interviews with both customers and non-customers of Central Retail, in order to analyze their expectation, satisfaction, and demand for service improvements.

Central Retail also differentiate itself from competitors by attempting to provide the superior services to customers. On the other hand, Central Retail may suffer the negative and significant effects on its business and operating results if it is not successful, whether wholly or partly, in such competition.

The competitive nature between Central Retail and competitors may influence Central Retail's profitability, including but not limited to price strategies; proactive marketing; marketing strategies which do not focus on profit making; offering the combination of more various and attractive products; applying marketing campaigns; type of stores and new retailing channels into the business; or creating the better shopping experiences.

Central Retail may suffer the negative effects on its business, financial position and operating results if it does not succeed in effectively responding to the competitive pressures, changes in the buying trends, situational changes in the market in which Central Retail is operating at present or in the future; or if Central Retail's business strategy driving is delayed or unproductive due to the aforementioned factors.

(2) Economic Environment Risk

Central Retail's business suffers the impacts from the retail market situations and the overall economic situations in Thailand, Vietnam and Italy, as well as the global and regional economic situations. Central Retail's revenue is significantly influenced by the level of consumptions, thus any changes in economic factors, which impact the consumer spending in the countries in which Central Retail is operating, will directly impact its revenue as the economic situations or events may widely lessen the consumptions or drive the consumers to buy other optional products. The economic situations or events include but not limited to:

- Deflation in financial markets.
- Inflation or deflation.
- High unemployment rate;
- Changes in exchange rates;



- Nationalism trend, protests and social movements.
- Consumer's income decrease after tax;
- Deflation in personal loan;
- Higher household debts;
- Tax increase and changes in tax laws or other laws;
- Prices of fuel, energy and other commodities;
- Deceleration of housing market;
- Higher insurance premium rates and health-related expenses;
- Reduction in tourist numbers;
- Political uncertainty
- Higher consumer prices due to the increase of the commodity prices or the market forces

During the second to third quarter of 2021, the overall economy has been adversely affected by COVID-19 pandemic that impacted consumer spending, domestic and international tourism. In addition, international tourists significantly declined, and any virus mutation posed negative impact to economy and lead to slow recovery of Thai economy in the short term. Moreover, Thai economic outlook significantly faces with various uncertainty and risk.

Although the COVID-19 situation has gradually improved in the fourth quarter of 2021, consumers were cautious on health and safety as well as not fully recovered of purchasing power. As a result, consumers being cautious in spending, focus on essential products such as food and beverages and personal-use products. Meanwhile, purchase of non-essential goods such as clothing, shoes and others tends to decline continuously.

In addition, other marketing and economic factors may affect Central Retail's business as the costs of Central Retail or its partners increase, or the market fluctuation or economic volatility increase. Apart from that, there are several uncertainty factors such as the severity of the COVID-19 pandemic. However, if retail markets in Thailand, Vietnam or Italy are influenced by the factors, Central Retail's sales may decrease, higher expenses and lower net profit margin. This could have a material adverse effect on the business, cash flow, operating results, financial position and business opportunities of Central Retail. Therefore, Central Retail has closely focused on its operation.

In this regard, Central Retail focuses on maintaining its competitiveness and implement core business competency in order to operate under the rapid changing of customer behaviors by applying sustainable business development strategy. Central Retail focuses on product offering, services and experiences that cater to the lifestyles of each customer group, along with organizing activities to respond customers' needs with have similar interests. In addition, Central Retail also attaches importance to creating a good customer experience by collecting and analyzing quality data in order to analyze and understand the true needs of each customer. With online and offline data being connected, Central Retail is able to analyze the actual needs of customers and deliver a tailored experience to create an impressive personalization strategy.

(3) Emerging risk on cybersecurity threats and digital infrastructure to support the growth of business operations through online channels via Omnichannel Strategy

Advanced information technology systems are applied in daily business operation of Central Retail which include distribution, inventory management, procurement, supply chain management, warehouse management, logistics management, credit card payments and other payment services, administration, accounting and finance, human resources management and payroll. Moreover, Central Retail relies heavily on information technology systems to conduct business through online channels, e-commerce and in-store channels including omnichannel platforms for collecting and analyzing consumer data in order to offer modern service to cater customer needs.



The omnichannel strategy and the launch of Central App last year were significantly contributed to the growth of online customers in next couple years. The growth of online customers base would increase online financial transaction and customer privacy data's collection. Therefore, the omnichannel will play major role in online operation, but it will come with technology risks and increase cyber threats.

Cybersecurity threats can emerge in various forms, for instance, penetration to Central Retail's data system by the outsiders with an attempt to steal customer personal data and Central Retail's confidential information, ransomware attacks and data system damage, etc. The consequences of such threats are the leak of customer personal data and Central Retail's confidential information as well as disrupted data systems. This would financially affect Central Retail in terms of the fine paid in case of law violation, the compensation paid to victim customers, the revenue loss due to the leak of Central Retail's confidential information to competitors, revenue loss due to business disruption as a result of disrupted data systems, and an increase of expenditure paid for data system recovery and threat management. This could also pose reputational risks to Central Retail. The loss of stakeholder trust can eventually impact on Central Retail's revenue.

Therefore, Central Retail has taken into account and prevented the potential technological risks, especially the increase in the threat of cybersecurity and the problem of supporting digital infrastructure, to be able to achieve its business goals and support sustainable growth for the organization in the future.

Another possible technological risk which might be posed to Central Retail in the future is the digital infrastructure capacity to facilitate business operation via online channels, according to the omnichannel strategy, which would increase the volume of usage and storage of Central Retail's data system. Significantly, Central Retail's sales strategies would increase the number of website and application visitors and users in the short run, which is the crucial period of generating sales and revenue for Central Retail. In case of inadequate capacity of Central Retail's digital infrastructure to facilitate the usage volume which might increase in the future, possibly leading to website and application crashes, Central Retail will lose revenue as forecast, marketing costs, reputation, stakeholder trust and customer base to the competitors. Furthermore, other possible risks include unsuitable installation location, hardware failure of certain components, partially outdated software, lack of knowledge and understanding in usage, and inadequate cybersecurity tools for IT systems. These cause cybersecurity risks or gaps, ranging from the risk of Central Retail's system or data prone to be penetrated by cybercriminals, disrupted or malfunctioned systems and data loss, which might lead to the seller payment failure, inventory oversupply, loss of customer trust or the delay in responding to customer tastes and demand. Central Retail has gathered all its hardware equipment used for the main software system at the data warehouse managed by RIS while the data backup system and other supporting systems are at the data warehouse managed by Central Retail. Interruptions of Central Retail's IT system or disaster data recovery system may negatively affect Central Retail's business, cash flow, operating results, financial position and business opportunities.

In this regard, Central Retail has established risk response measures to ensure risk is within the acceptable level. The key actions include regular assessment, improvement of information technology capabilities, various upgrade systems in respond to more efficiency in business operations and support future business expansion. Moreover, Central Retail has increased the installation information security system to Central Retail's network or subsidiaries, which continuously provided service to customers, to reduce the risk of sensitive information leakage. In addition, Central Retail sets up emergency support plans, backup restoration tests, contingency plans for some systems and Information Technology Systems investment for omnichannel platforms and offline Sales development. Central Retail emphasizes on research and innovation development investment, improvement of stable network infrastructure, and efficient logistic system for customers to cater their needs including accurate and fast delivery service to the branch of the Company's group and subsidiaries. Furthermore, E-Tax system has been developed to issue full tax documents which is modern system, paperless, and convenient for in-store and online customers, related to Central Retail's main strategy of omnichannel.



Additionally, Central Retail has entered into an agreement with RIS to establish a Disaster Recovery Center to protect the Company's database from damage that may occur from unprecedented events. Moreover, some important systems at both the main center and the recovery center have been under consideration of improvement for more efficiency, especially the capability of continuous operation for a longer time. The information system transfers plan from the long-established group data center to a state-of-the-art data center has also been considered. The international standards and credibility of the data center will reduce the risk of disruption and supports the growth of business and new technologies in the future. For supporting the e-commerce online channel system, Central Retail utilizes Cloud Hosting services provider from leading international companies which recognized for safety and stability.

However, disaster recovery systems may help to operate main operating systems during unprecedented events, there is neither guarantee that the system could provide sufficient supports to the Company's business operations in case the disruption of the main operating system causes longer than expectation, nor the backup system may not work alongside the main operating system. These factors would have significant negative impacts to Central Retail's business operations.

In addition, Central Retail receives and / or keeps personal data of customers in its information technology system. Such data is collected from the external service provider, e.g. The 1 Central Limited which manages special privilege programs for the 1 members and is HCDS's subsidiary which must have access to such information of Central Retail. Therefore, Central Retail may encounter storage and management risks that allow access and / or disclose personal data that can be regarded as a violation of the Personal Data Protection Act B.E. 2562 (2019) and other relevant laws. As the advancement of technological threats makes it harder to detect and prevent, those threats may turn the security measures of Central Retail or external service providers upside down in the future, leaking the personal information of Central Retail's customers. Gaps in data protection measures of Central Retail or external providers, operational mistakes, misconducts, a loss of confidentiality, system interruptions as a result of being hacked, incompliance with the laws and regulations regarding privacy and information security are all factors that may burden Central Retail with higher expenses of data protection for customers, members, related people and salespersons in its stores to restore theses people's trusts. Additionally, it may incur increased expenses from modifying its data system and management methods to solve the data security and abide by the related laws and regulations. Those situations may negatively and significantly affect its reputation, have adverse effects on its competitiveness or even cause legal proceedings against Central Retail; decreasing its sales and negatively and significantly affecting its operating results, financial position, cash flow and liquidity. Also, leakage in Central Retail's information security system may put it to a lot of expense, devote its resources in management to solve problems and heavily invest to develop its data security system, which it uses to protect personal information from technological threats and any other efforts to reach such information. Central Retail's operation may be interrupted, especially in E-commerce and Omnichannel.

Central Retail has established risk response measures to ensure risk is within the acceptable level by appointing persons with knowledge and capabilities as Chief Information Security Officers to be responsible for information security and Data Protection Officers to protect personal data as stipulated by the law as well as hiring consulting firms to provide counsel on security system and compliance with legal requirements. Central Retail has formulated policies, measures, objectives, conditions, notifications, and requested for consent of data collection, use of data, and disclosure of personal data in compliance with applicable laws. It minimizes the collection of sensitive data (such as customer health information) while employing other similar data collection methods instead and being cautious about the use of personal data by using only the information the customer has consented to. In addition, salespersons at the store are the important factor as they are frontline staff who serve all customers. Privacy awareness training comes down to educating the general workforce at the store to understand Personal Data Protection Act via various forms of media and to educate about customer service practices and highest respect towards the customers' rights. Nevertheless, in some case, customers may still have some concerns on the unclear answer from salesperson of Central Retail, which leads to the risk of misunderstanding for



Central Retail's intention, and customers may feel that they are not being treated fairly by the law. In such cases, customers can contact or deliver their inquiry to dpo@central.co.th. Furthermore, Central Retail is aware of how to prevent and cope with the cyber-attacks, including strong data governance and communications with an emphasis on cyber security throughout the organization. Central Retail has developed and reviewed the Information Security Policy and the Customer Data Handling Policy in accordance with the changes in technology and strongly communicate these policies to all employees of the Company. Central Retail continues to apply high level of standard technology for security system in hardware, software, and communication networks, together with up-to-date antivirus software system, patch software, backup facility, and an access to main systems granted only to those authorized. Central Retail has also educated and raised awareness among employee throughout the organization about IT security issues through various communication channels within the organization. Nonetheless, all cyber operations without appropriate control might cause a gap where hostile criminals might use other new methods to damage the Company's business, reputation and credibility.

Central Retail has in possession and manage the personal information of ordinary people in the European Union, especially those of Rinascentecard members and personal information of its employees. Using and managing such information is governed by laws and regulations enforced in the European Union and Italy. If Central Retail or The 1 Loyalty Program violates the privacy or confidentiality of the data or cannot carry out or follow the applicable criteria, including the EU Regulation no. 2016/679 (GDPR) in force on 24 May 2016 and applicable to all countries in the European Union on 25 May 2018; and Italy's Legislative Decree 196/2003 ("Data Protection Code"); Central Retail may be significantly liable to administrative, civil or criminal penalties, fined and defamed. Central Retail is currently in the process of data protection impact assessment and preparation of confidential policy or agreements regarding its employee data transfer to receivers outside the European Union as prescribed in the GDPR. It can neither guarantee that it will be able to protect the privacy and maintain the confidentiality of the customer or employee information nor it is able to successfully adapt the new applicable rules. If Central Retail or The 1 Loyalty Program's management of personal information of ordinary people related to the organization and / or its business (including customers, employees, experts and others) is not in line with the binding principles (that is following the laws, be transparent, collect information as needed and others) and other duties required by the personal information protection law, it may be guilty under the GDPR and the Privacy Code. In addition, adhering to the information protection and privacy rules is a condition required under the concession agreements signed with its suppliers. Accordingly, Central Retail's noncompliance with the GDPR may be cited as a reason to cancel the agreements if Central Retail breaches its obligations under relevant laws, or has to incur additional costs to comply with any new privacy rule, legislation or guideline, the ensuing liabilities or harm to its reputation or the increased compliance costs, as applicable, may have a material adverse effect on our business, financial position and results of operations.

(4) Omnichannel Platform Risk

Marketing through a variety of channels, whether online or offline with a seamless connection to offer the same good experience to customers at every touch point. This has become a marketing trend in the spotlight of attention, especially during the COVID-19 situation where customers have increased their shopping channels extensively. Central Retail's omnichannel service focuses on creating customer-centric experiences for various retail brands in every main business and every country in which the Company operates, including Fashion segment such as Central Department Store, Robinson Department Store and Rinascente Department Store, Hardline segment such as Thai Watsadu, Power Buy and Nguyen Kim, and Food segment such as Central Food Hall and Big C / GO! Vietnam, etc.

However, Omnichannel marketing has some potential risks if operated without well-executed planning in advance which channel should be the main channel that creates the best customer experience and readiness of operational team. In addition, Omnichannel infrastructure must flexible and support long term growth. All of the above are risk factors that must be considered. Therefore, Central Retail also attaches importance to establish the guidelines



and strategies, the best utilizing customer database, clearly dividing the structure for the online team, learning the strengths and weaknesses of online and offline channels, sharing and linking compatible databases, choosing appropriate infrastructure and technology to avoid any complication in the future. Central Retail takes various actions to promote, and deliver products and services that meet the needs of customers and ensuring customers' satisfaction which will consequently create good reputation and images for the business of the Company.

Moreover, Central Retail has established risk response measures to ensure risk is within the acceptable level by appointing an Omnichannel Steering Committee to continuously monitor operating results and oversee operations in different areas, e.g., Click & Collect service, inventory management, home delivery and picked from store delivery, product returns through Omnichannel platforms, and customer service to efficiently accommodate the sales through Omnichannel platforms. However, Central Retail may be affected by the risks and uncertainties related to online channels and Omnichannel, including changes in customer's behaviors and satisfaction, changes in technology interface, website downtime, internet connection problems, costs and expenses, technical problems regarding software upgrade, computer viruses or other technical problems and changes in applicable laws. Central Retail has to continuously make investments to catch up with the trends and the latest technological advancements, including new or developed technology application, functional development and other E-commerce marketing trends; all of which increase its operating costs and may not increase sales or attract customers as desired. If Central Retail fails to respond to the development, risk factors and uncertainties, its sales or profits may be negatively affected, and it loses the reputation.

(5) Logistics and Distribution Risk

As of 31 December 2021, Central Retail has a total of 26 distribution centers, which includes 14 centers in Thailand, 11 centers in Vietnam and a single center in Italy, having an aggregate area of approximately 379,000 sq.m., 40,000 sq.m., and 35,000 sq.m., respectively to distribute products to its stores properly and timely. It may have to face the logistic difficulties to dispense the goods to its centers in many areas. For example, according to infrastructure systems in Thailand and Vietnam and weather in Thailand, Vietnam and Italy, in 2011, Central Retail was unable to access one of Central Food Retail's distribution center because of flood and had to use the other center with limitations as a replacement.

Furthermore, Central Retail also uses the services of external transportation providers and international forwarding agents in distributing its merchandises to its stores in some areas in Thailand, Vietnam and Italy, especially during the festive holidays. Regarding the suppliers, Central Retail uses the services of external transportation providers to transport the merchandises to its distribution centers, warehouses and / or stores. Therefore, if interruptions occur to its or suppliers' distribution centers, this may cause the delayed transportations, lost or damaged products or inadequate number of products to be delivered to the stores as the transportation may be interrupted or delayed before the long holidays. Occurrences like strikes and lockouts or protests of employees domestically or internationally, natural disasters, strikes or protests affecting the transportation sector may cause Central Retail higher expenses or lessened number of commercial goods. In addition, there have been changes in shopping behavior of consumers that the customers tend to spend on essential goods, such as food, rather than fashion or luxury goods such as bags, shoes, or cosmetics. In addition, the weekly shopping frequency was reduced due to the customers prefer to make bulk purchase at one time for their living before the next purchasing including an increase of purchasing through online channels. Due to changing of customer shopping behaviors have created huge challenges to maintain at appropriate level of inventory management for the Company, with efficient cost management, timely distribution, products quality to ensure the safety from virus, including appropriate supply of essential goods in high demand during the pandemic to respond the customers need. Central Retail uses online channels to communicate, receive complaints, as well as keep track of the rapidly changing customer demands in each period.



In terms of managing the inventory, Central Retail has to reserve a proper number of merchandises in its warehouse for its smooth business operation: its average inventory days was 103 days for 2021. In case that it estimates sales higher than actual values, it may incur a lot of inventory and need to do promotions to get rid of the goods. Storage and transportation expenses may also follow from keeping unsold inventories. In case that Central Retail's sale estimation is lower than reality or new product expectation is incorrect, its stock may run low, being unable to meet the customers' demands, losing the selling chances and possibly customer's trusts to find their desired goods from its stores, tarnishing its reputations. These may negatively affect Central Retail's business, cash flow, operating results, financial position and business opportunities. Furthermore, even if it has its own workflow and system to prevent loss or thief of its goods, in case that the lost or stolen merchandises are higher than expected, it may have to write off the number of lost or stolen stuffs higher and lose the selling chances, which may negatively affect its profitability. Also, the deviation of inventory resulted from delayed delivery and lost or damaged goods may negatively affect Central Retail's operating results.

However, Central Retail has established risk response measures to ensure risk is within the acceptable level by carrying out the following activities:

- Planning product purchase according to sales trends, cycle time, and product life cycle in order to maintain the appropriate stock
- Report and follow-up on managing slow-selling product in an appropriate level, including various obsolete products.
- Planning on product control, inspection and product counting to avoid any loss, and regularly report the results
- Provision of alternate warehouses in case of emergency where major warehouses are inadequate or non-operational
- Use of multiple shippers to exploit their expertise in each location and backups in case of emergency where any shipper faces shipping problems
- Determination of stores that are capable of receiving products directly from the suppliers in case of distribution system problems of the Company
- Collaboration with distribution system management units of different business units to mutually develop strengths and diversify risks and issues of each business unit

(6) Risks in Business Operation in Vietnam

Central Retail has operated its business in Vietnam and some of its assets are in Vietnam. The investment done in Vietnam may cause the shareholders to encounter the more risks than the investment done in the developed market. The developing market like Vietnam usually change fast and the information detailed in risk factors may quickly be out-of-date.

Vietnam's economy system is a mixed economy system in which most of the investments are done by government and the private investments are under comprehensive supervision of the government. The government of Vietnam plays an important role in directing various aspects of economy and the economic policy determined by government also significantly affects the private sector businesses including Central Retail. For this reason, operations or policies done by Vietnamese government may be important to business, business opportunity, financial position, and operating performance of Central Retail.

Vietnam's economy may be affected by the external risks including the interest rates in United States of America and other countries, and by the exchange rate, which might affect the country's economy, being affected. Central Retail cannot estimate whether the current economic policy and operation would cause more fluctuations or economy problems in the future or not. These situations may cause significantly negative effects on business, financial position, operating performance, and business opportunity of Central Retail.



The business operations of Central Retail in Vietnam largely depend on the country's overall economic condition. In 2021, Vietnam has been significantly impacted by the COVID-19 and adversely affected majority of consumer's income. Consequently, consumers are cautious on their spending. Hence, Central Retail has executed operational plan with prudence during COVID-19 pandemic including financial discipline. Additionally, omnichannel channels helps to mitigate those impacts on the Company's performance. Central Retail believes that such situation may affect the business operation in the short term because consumers still believe in Vietnam's economic development despite the ongoing COVID-19 pandemic. Moreover, consumers trend is shifting to healthcare or other products which are constantly growing in line with consumer spending, such as health care products, food and beverage segments and utilities product, etc.

Furthermore, Vietnam still has strong growth potential over the next 5 years and is expected to become one of the fastest growing emerging markets in Asia. The major contributing factors are the large number of workers in Vietnam and the good quality of education is good compared to other countries in Southeast Asia. In addition, Vietnam would benefit from being a manufacturing hub in the industrial sector due to reasonable labor costs. Many multinational companies are interested in Vietnam due to such aforementioned reason and expand their production base or diversify production supply chains in Vietnam in order to reduce the risk from supply chain's disruptions, politics, and etc.

In comparison to legal system of the developed countries, Vietnam's legal system is still unstable, inestimable and also unable to provide the private sector business a protection in same level as the developed countries. Laws and legal instruments used for economy control are still in the beginning stage of development and its foundation is still not as strong as the developed markets. Vietnam's laws are still lack of development, consistency, or clarity. Its legal system is not the system that bases on judgement (Case Law) or the instrument which helps interpreting the judgement as a basis. Thereby, change of policy or enforced law interpretation might cause an unexpected result. Also, the determination of pattern and conditions of the compliance with newly issued law and regulation may still not be done, or the interpretation or enforcement of law done by relevant organizations may not be consistent. Practically, since the public sectors are usually responsible for operations regarding laws and regulations and determination of the legal correctness and enforcement instead of the court, it is hard to estimate when Vietnam's legal system would be developed to be as clear and certain as the countries with developed legal system. Moreover, Vietnam's laws and regulations regarding suppression of bribery and corruption may not be as strict as the countries with more developed legal system.

For this reason, some subsidiaries of Central Retail in Vietnam might be at risk from those law's interpretation. The conditions in contract or some transactions done by such company to be declared void or voidable. This may affect in term of fine paid according to the Vietnam's law. However, the non-compliance with such conditions usually occurs in the new market like Vietnam. Thereby, the noncompliance with such conditions done by the outsiders may cause the contract between Central Retail and the outsiders to be declared void or voidable according to Vietnam's law.

Since investments in overseas markets fall within the new business scope, Central retail has then carried out investments with prudence while arranging its organizational structure to assign responsibility to a unit to closely oversee and monitor business progress with the management team in Vietnam that countries in order to develop risk response plans and solve emerging problems in a promptly manner

(7) Risks in Business Operation in Italy

Future sales, profitability, cash flow, and growth of Central Retail's businesses in Italy are sensitive because of the negative effects from general economic conditions, consumers' trust, consuming pattern of the consumer, disruption of European markets, and COVID-19 pandemic. Moreover, there may be negative effects caused by political or economy tendency or development actually occurred or estimated to occur in the local, regional, national, or international level. This would decrease consumption needs of the consumers. These tendencies and developments include unemployment ratio, inflation or deflation, after-tax income level, change of interest and / or VAT rate, offer of personal loan, household debt, consumer confidence, and instability of overall conditions of the economy in the future. Moreover, the change of market due to extreme or inconsistent weather, natural disasters, health hazards, or other important situations or the tendency of such situations may affect consumption level and consumer confidence.



Central Retail's overall performance might be affected by economic condition in Italy for example the recession that occurred since 2007 where Italy suffered a decline in gross domestic product (GDP) and a decrease in employment rate which negatively affected consumer confidence and household consumption despite, a slight increase in GDP in Italy. In addition, Italy was one of country in the European Union was affected by the COVID-19 pandemic last year. The new Italian government was appointed on 13 February 2021 and has imposed more stringent measures to prevent the spread of COVID-19. The government also increased high risk zone area during 15 March till 6 April 2021 that directly affected the economy in all industrial sectors.

However, the ease of strict measures by the Italian government together with the progressing vaccination plans in the European Union (EU) countries could lead to resumption of the tourism industry, which will help alleviate the recession. According to Thailand and Italy trade in September from International Trade Promotion, Ministry of Commerce, stated that although Italy was first European country to face a major outbreak of COVID-19, overall Italian economic situation is gradually recovered at this moment. The major contribution is the effective vaccination process for the people, accounting for 80% of the total population in the country and investment grew by more than 5%, even at the higher rate than before COVID-19 pandemic including government's stimulus program and an increase of export

According to report of overall Italian economy in 2021-2022 from Italian National Statistical Institute (ISTAT) stated that Italian's gross domestic product (GDP) in 2021 grows by 6.6% and will grow by 4.7% in 2022. Moreover, the European Union expects that overall Italian economy will gradually recover including decline of public debt. The economy is now expected to return to pre-crisis levels in the second quarter of 2022.

However, although the business of Central Retail in Italy continues to grow, Central Retail cannot guarantee that it will maintain the growth at that rate, or that it will not be affected by the economic situations of Italy. Negative developments in economic conditions of Italy, or of any region in which Central Retail is present can lessen confidence and have a negative impact on consumer spending patterns, especially the general purchasing. Therefore, the aforementioned trends may have a negative impact on the Central Retail's business performance, financial position, and business opportunities.

Since investments in overseas markets fall within the new business scope, Central retail has then carried out investments with prudence while arranging its organizational structure to assign responsibility to a unit to closely oversee and monitor business progress with the management team in those countries in order to develop risk response plans and solve emerging problems in a promptly manner

(8) Financial Risk

Central Retail is exposed various financial risks arising from its normal operations. Central Retail's financial risk management focuses on managing capital market uncertainty and reducing negative impacts that may arise from Central Retail's operations, especially amid the COVID-19 outbreak situation in 2021 which affected the performance of the Company. Central Retail emphasizes efficient financial management by prioritizing investment projects and controlling costs appropriately to reduce impacts on profitability and maintain both short-term and long-term financial liquidity. The cash flow from operating and financing activities serves as a source of capital for Central Retail's operations. Central Retail mainly uses such capital as working capital for product purchases and capital expenditures. In this regard, Central Retail regularly conducts a capital adequacy assessment by considering the operating cash flow and market conditions. In case of insufficient of operating cash flow, Central Retail may seek out loans or increase capital of the Company as well set up guidelines and expense control's measures, review investment and sales plans in accordance with demand and changing market situations in order to maintain profitability and the Company's financial liquidity both short term and long term.



The Company's key financial risks are detailed as follows:

8.1 Foreign Exchange Risk

Exchange rate volatility is unpredictable factor due to various factors that affects the movement of the exchange rate, including fundamental economic factors in that country, monetary and fiscal policy, world economy, forecasting and speculation, stability of domestic and international politics, market psychology, various rumors and technical factors. The fluctuation of the exchange rate may arise the risk to Central Retail due to subsidiaries in Vietnam and Italy recognize sales volume and cost of goods sold in Vietnamese Dong and Euro, respectively. Central Retail's assets and liabilities are also shown in foreign currencies, mainly consisting of Euro and US dollar. Although Central Retail is unable to control the fluctuation of exchange rates, it can manage foreign exchange risk by using various appropriate tools including the revenue and expenditure management in the same currency (Natural Hedge) to minimize foreign exchange risk and for effective income and costs management.

8.2 Interest Rate Risk

As of 31 December 2021, Central Retail may encounter the interest rate risk due to its loans. Central Retail reduced such risk by determining its fixed loan interest rate. As of 31 December 2021, Central Retail's loans mainly consisted of short-term loans from financial institutions of 35,632 million Baht, including promissory notes, packing credit, letter of credit and trust receipt, which is due by 2022, with interest rate between 0.60% - 4.00% per year, and long-term loans of 28,517 million Baht from several financial institutions both in domestic and overseas as well as the current portion of long-term loans of 13,418 million Baht, which has the due date as specified in agreements with a maximum of 10 years ending in December 2029 and interest rate between 1.35% - 5.85% per year.

8.3 Credit Risk

Central Retail is exposed to risk from customers or contractual parties who are unable to pay debts to the Company as agreed and upon maturity due to COVID-19 pandemic which was partially affected the revenue of their business and household income.

Central Retail has a credit policy and regularly controls such credit risk by analyzing financial position of all customers requesting loans for a specified amount. As of 31 December 2021, the Company had no significant credit risk.

8.4 Liquidity Risk

Liquidity risk means risk from Central Retail's inability to meet the short-term debt obligation. However, Central Retail has set guidelines to mitigate liquidity risks by appropriate managing of short-term and long-term sources of funds to have sufficient liquidity to operate the business and supports the repayment of debts and various obligations when it due or when recall. Moreover, Central Retail has regularly reviewed and monitored all investment projects as well as appropriate inventory management at efficient level, and maintained sufficient cash and cash equivalents for its operations to reduce the impact of cash flow fluctuation.

(9) Emerging Risk from Epidemic

During the past, the situation of the COVID-19 has rapidly spread and expanded to many countries. The severe COVID-19 pandemic posed a sharp increase of infections and deaths worldwide. As a result, government in many countries imposed strict measures to control travelling both domestic and across the countries, including the stores closure and the suspension of economic activities that posed a risk of transmission. This has severely affected the economy in all sectors such as tourism, hotels, aviation, or even retail.



The COVID-19 situation in 2021 has escalated from 2020 and adversely affected both foreign and domestic demand. Many subsidiaries of Central Retail had to close their services operation during the certain period in accordance with government's measures. Although no business closed down during that period but the impact was longer and severe. Therefore, Central Retail emphasizes on the preparation of unprecedented event that may be arise in the future, for example, the current COVID-19 pandemic, the virus mutation that may have a more critical impact, or other emerging epidemics which the world is concerned of the possibility, frequency, and severity in the future. The top priority for Central Retail during this uncertainty situation is the health and safety of all stakeholders - customers, employees, partners and communities. Central Retail has set guidelines according to the Department of Disease Control, Ministry of Health, or with the relevant laws or guidelines as prescribed by the government. All employees strictly comply with the preventive guidelines to prevent the spread of COVID-19, for example, employees are flexible and allow to work at home during severe situation and job rotation in each group to work at office when the situation eases. In addition, all employees have regularly conducted ATK test and filled the screening form before coming back to work. Central Retail has encouraged all employees to receive vaccination as soon as possible by coordinating with various departments to facilitate and update their vaccination progress to the Company. Moreover, all employees have to wear mask all the time while working in the building or using elevator, if necessary, social distancing or avoid talking in elevator, and face to face meeting must be avoided including providing preventive tools for employees and customers as appropriate. The visitors, for example, customers, partners and contractors must register at entry and exit of the building and ATK screening test or vaccination certificate checking, and they are allowed to enter building only when fully vaccinated or with negative ATK results. Visitors must comply D-M-H-T-T monitoring measures, which are social distancing, mask wearing and handwashing, when they are in the building. During 2021, Central Retail has cooperated very well in strictly complying with relevant control measures implemented by the government in each country, resulting in temporarily closed some stores of its Non-food business in Fashion and Hardline segment in certain areas while Food segment continued to operate as usual to support demand for necessary products.

Central retail has proactively implemented stronger preventive measures in all of its business locations since the beginning of the pandemic, for example, disinfection and preventative measures in business locations, to curtail the spread of COVID-19 as well as cleaning the surfaces of the building every 1-2 hours, promoting social distancing, installation signage and screens for social distancing among employees. In addition, the congestion in the workplace should be reduced including properly installed ventilation system and regularly cleaning including opening windows and doors to improve air circulation. Central Retail provides support and assistance to its partners and communities in preventing the spread of COVID-19. Moreover, Central Retail focuses on distribution of vaccines, thereby, the country can reopen soon and reduce the impact to overall economy as well as the recovery of the Company's performance. Central Retail offers some branches of our group as COVID-19 vaccination center. Throughout the COVID-19, Central Retail understands the concern of our customers. Central Retail exert our utmost effort to accommodate and facilitate all customers' need. Due to unprecedented demand for grocery, in respond, Central Retail ensures that stockpiles of food and essential products are enough to serve the customers' need. Meanwhile, Central Retail has already taken several measures across our business units to minimize the impact on profitability and maintain financial flexibility.

(10) Environment, Social and Governance (ESG) Risk

10.1 Environment

Global climate change is a phenomenon caused by global warming from the continuous emissions of greenhouse gases since the Industrial Revolution period, and sharply increased till now. The impact of global climate change is more intensity through the environment, health, agriculture, security and economy. Scientists believe that the current climate change is due to changes in atmospheric gasses. The great cause is human beings. The global warming crisis is spreading, affecting, and damaging all over the world. Over the years, the issue of global warming and climate change has drawn attention from all sectors, whether at the international level, those of government agencies, and various organizations in the private sector, through to the public sector.



With commitments of governments to achieve Net Zero Emissions by 2050, businesses that produce goods and services are required to contribute to reducing global warming problems with goals and methods of action being set. If any organization operates a business that has a direct impact on the environment or runs a business regardless of the impacts it has on the same, such organization may face negative feedback against its business operations in the future. For example, it may not be accepted, or is unable to acquire collaboration in doing business while also being opposed by society, or projecting a negative reputation or image, etc.

Although Central Retail's model of business does not directly affect the environment, it never hesitates to take action or neglects the issues. The Company operates its business responsibly with an emphasis on the environment and focuses on business operations that will in no way create problems, affect global temperatures, or contribute to negative impacts on climate change. The Company attaches importance to value creation and solve environmental problems through a circular economy. Therefore, the Company has established policy guidelines and action plans to reduce plastic waste. For example, in 2018, the Company has initiated the project "Say No to Plastic Bag" which all business segments in the Company participated in, in attempt to solve the single-use plastic waste problem. BAG FOR LIFE project concerns plastic bags distributed by Tops and Family Mart, which is an innovation under the 3Rs (Reduce, Reuse, Recycle) principle to comprehensively manage the problem of bag waste, starting from reducing the use of plastic pellets in the production process and the design of plastic bags to be thicker in order to increase strength, durability and advocate customers to reuse them many times. In addition, when the plastic bags are reused to the points that they are damaged or are too old, they can once again be recycled in the most ethical manner and reproduced into new ones, which follows the circular economy principles that maintains sustainable practices. Moreover, Central Retail is in preparation to comply to the law and regulations, in particular business operation in oversea such as Italy, where the European Union (EU) plans to enact new climate legislation for the EU to meet its emissions reduction target of at least 55% by 2030 according to the European Green Deal Policy. Consequently, Central Retail is closely monitoring EU climate legislation to prepare for future EU trade measures requirements. Central Retail is also preparing for compliance with Thai laws which is in the process of drafting a global warming law that is part of the National Reform Plan under the Constitution of the Kingdom of Thailand.

10.2 Social

The business sector is a sector that requires relation and interaction with other sectors within the society. Running a business involves and interacts with various stakeholders, shareholders, employees, customers, business partners, governments and the general public in the communities in which the businesses are located. A good business refers to a business that carries out its activities while taking into account the impacts on society and all groups of stakeholders. Therefore, any action that violates, takes advantage, or affects the society and stakeholders may pose a risk of litigation among various sectors, and/or be resisted to the extent that the business itself fails to achieve its target set.

In the past, Central Retail model did not involve any risk issues in this matter. Nevertheless, the Central Retail is committed to creating value for society along with its business operation including support society in both normal and unprecedented situations as a result, Central Retail has achieved more sustainable business operations. One of operating guideline that Central Retail continues to implement, is promoting and creating equality in society, supporting and providing opportunities for people with disabilities regarding their employment and income opportunities, developing suitable working environment to support employment for them.

In addition, during 2021, the distribution of vaccine might delay in certain period amid COVID-19 pandemic, therefore Central Retail has offered vaccination location to the Bangkok Metropolitan Administration (BMA), apart from existing government and private hospitals, including various projects operated by Central Department Store, Robinson Department Store and Robinson Lifestyle. Central Retail has fully supported the Thai people amid of COVID-19 pandemic through a campaign 'Bring You The Best' which contributed to the construction of



urgent field wards and procurement of medical supplies to Chulalongkorn Hospital and the Thai Red Cross Society to support COVID-19 patients, as well as providing 200 “caring boxes” consisting of medicines and medical supplies to be used in Chulalongkorn Hospital and the Thai Red Cross Society. Moreover, Central Retail supports for those affected by Covid-19 in provincial areas in order to get through the crisis together. Central Retail offer assistance, not only in Thailand but also in Vietnam through many projects for example donated 1,500 folding beds to two field hospitals and COVID-19 testing kit for local authorities in Vietnam, etc.

10.3 Governance

The current business operation aims to develop business in all dimensions and management with morality, ethics, and transparency, auditable and traceable disclosure of information, responsibility towards all stakeholders such as shareholders, employees, customers and competitors, as well as responsibility towards society and the country. This results in business strength and sustainable growth. Any organization who conducts business without good governance, it may affect operating costs, conflict of interest, reputation, credibility and inevitably the trust and acceptance from investors and society.

Central Retail adheres to the principal of good corporate governance with transparent and good governance ethics. Central Retail is committed to conduct its business under good corporate governance practices in accordance with the law and related official measures for stable and sustainable growth.

Central Retail has also established guidelines to prevent risks that may lead to corruption or infringement of copyright. The code of conduct has been prepared and updated regularly for directors, executives, employees and related persons to adhere and use as a guideline in performing their duties and work with responsibility, honesty and integrity including adhere to principles of transparency, accountability, and ethics for all stakeholders.

In this regard, Central Retail shall not neglect if they find any act involving fraud and, even if such action is beneficial to the Company. Central Retail has established anti-corruption measures to reduce the risks that may cause by corruption in the organization, starting from the preparation of Anti-Corruption Policy and other related policies such as giving or receiving gifts, hospitality, or other benefit entertainment / reception policy, donation for charity and sponsorship policy, political participation policy, conflict of interest policy, etc. Anti-fraud and corruption training programs are continually arranged for executives and employees including informed those policies to the stakeholders of Central Retail and emphasizes the Company’s position in anti-fraud and corruption. In addition, Central Retail has encouraged its subsidiaries to join the Collective Action Coalition Against Corruption (CAC) network.

To prevent and mitigate corruption risk, Central Retail has a communication channel for stakeholders to report clues and suggestions or directly complaint about corruption (Whistleblower) to the head of Internal Audit Department or Chairman of Audit Committee (in case of complaints regarding Chief Executive Officer), and a committee will be appointed to consider and investigate such complaints in accordance with a systematic, transparent, and verifiable process. This is aimed to create confidence and trust in a fair investigation process for all stakeholders.

In 2021, Central Retail received a 5-star corporate governance assessment score or “Excellent” remark in the 2021 Corporate Governance Survey of Thai Listed Companies (CGR) from the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand (SET) after listed in Stock Exchange Market in 2020. This reflects the Company’s strong commitment for sustainable business growth with good corporate governance, social responsibility including innovation, customer care, growth of business group and good moral and ethical minds. This will be an important part in cultivating corporate culture which directly reflects the operations of the organization in the future. This anti-corruption is considered as a key foundation to bring Central Retail to be leading retailer in Thailand with sustainable growth, incorporating with creating value and benefit to the society in which the Company operates.



2.2.2 Investment Risks of Securities Holders

(1) Limitation on the proportion of shareholding by foreigner prescribed by Thai law and the Company's regulations

The Company's Articles of Association have limited the proportion of shares held by foreigners at 49% of the total paid-up capital, complying with the limitation on the proportion of shares held by foreigners prescribed by Thai law. Thereby, liquidity and market price of the offered shares may be negatively affected, especially when the limit is reached. This is because Thai shareholders cannot transfer the shares to foreigners. Moreover, the shareholders, and also the traders, who do not possess Thai nationality may not know beforehand whether the shares being traded are over than the limitation, it is possible to register the share buyer into the list of shareholders' names, or the registrar will reject the shares transferring record or not. In this regard, the proportion of shares held as of 31 January 2022 by foreign shareholders accounted for 14.0% of the total paid-up capital of the Company, which was lower than that as stipulated in the Company's Articles of Association.

(2) Risk of Significant Fluctuations in Share Prices

The Company anticipates significant fluctuation in the Company's share price. The investor may not be able to sell the shares with the offering price or higher. Share trading price tends to fluctuate over a wide range, resulting from various factors including but not limited to the following factors:

- Fluctuation of anticipated or actual operating performance;
- Issuance or revision of the securities analysis or the analyst recommendations related to the Company's securities;
- Employment or loss of key personnel of Central Retail or the competitors;
- Announcement related to the development which promotes competitive advantage, the acquisition, or strategic alliance establishment occurred in the industry in which the Company operates;
- Strict regulations or restrictions issued by public sector which effect the industry in which the Company operates;
- Exchange rate fluctuations;
- Current or possible lawsuits and the investigations conducted by public sectors;
- Economic and market situations or other progresses effecting Central Retail or the industry in which the Company operates on a domestic, regional, and global level.

(3) Sales of Central Retail's Shares by Major Shareholders may Negatively Affect the Share Price

The future sales of Central Retail's shares by major shareholders including HCDS and the Chirathivat family, and huge sum of the shares held by the major shareholders, including HCDS and the Chirathivat family, may have negative impacts on the offering price. As of 31 January 2022, the major shareholders, including HCDS and the Chirathivat family, both directly and indirectly, accounted for approximately 74.1% of the total paid-up capital of the Company.

The sale of shares in a significant sum by the major shareholders, including HCDS and the Chirathivat family, or the anticipation of sale of shares in a significant sum may have a negative effect on the offering price. The Company cannot anticipate how the future sale or the sum of shares being sold will impact the market price at the specific period. If the shares are sold on the stock market in a significant sum after this public offering or such sale is anticipated, the market price of shares traded on the stock market may be negatively affected. Additionally, the aforementioned sales of shares may cause the Company to face an obstacle to raising funds through the stock market with the price and time considered appropriate.



(4) Controlling Power and Interests of HCDS which are Different from Those of Other Shareholders

HCDS, who is the controlling shareholder, may have interests that are different from those of other shareholders. As of 31 January 2022, HCDS, the controlling shareholder, held 35.1% of the total paid-up capital. However, the Company cannot guarantee that HCDS will continue to hold such proportion of shares. Also, HCDS has not yet been responsible providing financial assistance to the Company or exercising the right as the Company's shareholder for the maximum benefits of the Company or other shareholders. HCDS may have the controlling power in the Company's administration and management, especially the power to nominate persons to be appointed as directors in the Annual General Meeting of Shareholder and as executives by the Board of Directors. As of 31 December 2021, there were 9 directors appointed from the nomination by HCDS.

77 members of the Chirathivat family hold all the shares of HCDS, which is the company established under Thai law. As of 31 January 2022, the major shareholders, including HCDS and the Chirathivat Family, directly and indirectly held approximately 74.1% of the Company's total paid-up capital.

2.2.3 Investment Risks Foreign Securities

-None-



3

Business Sustainability Development





3. Business Sustainability Development

3.1 Policy and Objectives of Sustainable Management

Today's challenges and risks in business operations are not limited to financial aspect but also include the environment and society, which can create impact on business operations in both short and long term. Therefore, the Company strives to become a sustainable organization that can serve as a role model for Thai society by conducting its business with social and environmental responsibility. The Company has established a Corporate Social Responsibility Policy to set a guideline for conducting fair business operation that cover no tolerance for all forms of corruption, respect to human rights, and utmost concerns on the impact to the environment. The Corporate Social Responsibility Policy also takes importance in creating innovation to enhance the Company's services, which lead to increases in productivity, profits and customer satisfaction, as well as benefitting society through environmental protection, and improving the quality of life for the people.

Corporate Social Responsibility Policy



For more information on the Company's CSR policy, please access via QR CODE.

In addition, the Company has established a vision of sustainable development that takes into account business operations, corporate governance in accordance with the Corporate Governance Policy, enhancement of people's well-being, improvement in environmental quality, and ultimately strengthening cooperation, peace, arts and culture for society. This vision shall drive the Company to create positive changes for the business, environmental and social values.

Sustainability Framework





In 2021, the sustainability has become an integral part of the Company's main strategy with the key concept of creating resilience in business operations (Resilience Reimagined). This key concept consists of 1) Responding to financial risk (Financial Resilience), 2) Responding to changes in business in a timely manner (Operational Resilience) including the transformation of business channels into Omnichannel and digital development to better meet the demands of consumers and 3) Gaining confidence of stakeholders through sustainable business operations (Reputational Resilience) by implementing the aforementioned sustainable development vision.

CENTRALRETAIL

Resilience Reimagined: Rethinking Across the Three Pillars of Change



Financial Resilience

Ensure continuity and prudently managed short-term uncertainties

- Protect profit
- Manage liquidity

Long term growth

- Omnichannel acceleration
- Strengthening and expanding the core business
- New growth engine
- Make bold portfolio moves with new format and business
- Strategic M&A and innovative new partnerships



Operational resilience

- Protect operation continuity
- Accelerate digitalization
- Build talent resilience



Reputational resilience

Take purpose to a new level and becoming in tune with society to achieve trusted corporate reputations

- Environment
- Social
- Governance and Economic

Continuously prioritizing business operations to grow sustainably with a hands-on approach-recently proven having been listed as THSI in the first year of evaluation

"Central to Life" continues to lead us in everything we do. It takes success through a strong purpose, together with people and passion to pave the way forward-not to return to normal but better. With bold leadership, Central Retail maintains confidence and continue the momentum for change to capture opportunities of tomorrow. Taking the spirit of possibility to lead in 2022.

Based on the sustainability strategies and action plans, the Company has set a mission to operate its business under sustainable management in accordance with the United Nations' Global Goals for Sustainable Development (UN SDGs) to build confidence and to align the Company's development plan with international goals.

2025 Targets are in line with the UN SDGs with details as follows:

Sustainability Framework	ESG Dimensions	Sustainable Development Goals
The Well-Being of the People	Healthy and Safe Products	3 GOOD HEALTH AND WELL-BEING, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Human Capital Development	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH
Sustainable Economic Growth	Innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Customer Relationship and Brand Management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Environment Quality	Climate Change and Energy	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 13 CLIMATE ACTION
	Waste Management and Circular Economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Peace, Arts, Culture, and Cooperation	Community Contribution and Product Development	1 NO POVERTY, 2 ZERO HUNGER, 8 DECENT WORK AND ECONOMIC GROWTH, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS



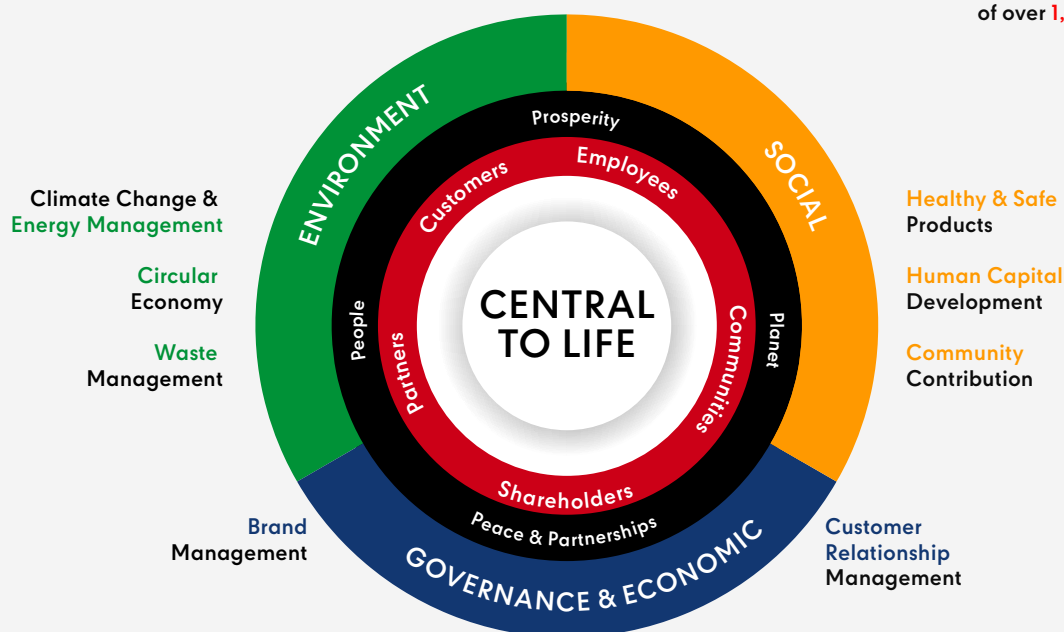
The Company's vision toward sustainability development consists of 4 Pillars, which were defined by analyzing material topics that are most relevant to business operations based on perspectives of the global market, the Company's business groups, peers within the retailing industry, and stakeholders with all their needs and priorities. The Company's vision was established to ensure responsible business operations in accordance with the ESG dimensions consisting of the environment, social and governance.

2030 TARGETS

Environmental-friendly packaging **100%**
Greenhouse gas emissions reduction **30%**

Reduction of food loss & waste **30%**
Customer satisfaction **95%**

Generate income for farmers and local communities through the Jing Jai Farmers' Market of over **1,000 MB / Year**



Environment

Climate Change & Energy Management

Circular Economy & Waste Management

Social

Healthy & Safe Products

Human Capital Development

Community Contribution and Local Product Development

Governance

Innovation

Customer Relationship and Brand Management



3.2 Management of Impacts on Stakeholders in the Business Value Chain

The Company is committed to producing quality products and services that are beneficial to consumers without affecting society and the environment throughout the value chain. Therefore, the Company give importance to shipping and distribution services before and after sales, as applying innovation in production, human resource management, and developing community relations to bring about operational efficiency that is responsible to communities, society and the environment.

3.2.1 Value Chain of Central Retail Business

Central Retail's business consists of:

HARDLINE

HARDLINE SEGMENT

Central to Everyday Living

Selling products that meet all the needs of homes, which consist of electronic products, construction materials and equipment, home decoration products, DIY products, stationery, office supplies, and e-Book under retail brands such as Thai Watsadu, Baan & Beyond ⁽¹⁾ / BNB Home, Power Buy, OfficeMate, B2S, Meb and Nguyen Kim.

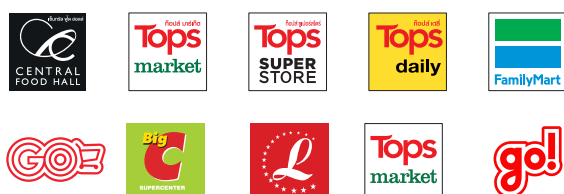


FOOD

FOOD SEGMENT

Central to Everyday Consumption

Keeping up with food trends and continuous improvement to meet the needs of consumers by offering a wide range of consumer products under various retail brands such as Central Food Hall, Tops, FamilyMart, Big C / GO! Vietnam, Lan Chi Mart, Tops market Vietnam and go!.



FASHION

FASHION SEGMENT

Central to Everyday Style

Retailer of fashion products covering a variety of brands ranging from high-end to everyday use in order to fulfill all fashion needs at Central Department Store, Robinson Department Store, Supersports, Central Marketing Group and Rinascente Department Store.



PROPERTY

PROPERTY SEGMENT

Central to Everyday Life

Innovator and leader in commercial real estate managed under retail brands such as Robinson Lifestyle, Tops Plaza and Big C / GO! Vietnam.



⁽¹⁾ It is being rebranded to BNB Home.



The Company's value chain consists of 5 main activities, namely sourcing, production and service, distribution, marketing and sales, and customer. At present, the Company places great importance to procurement of raw materials sourced from transparent and accountable partners and manufacturers. In the Food Segment, the Company has been sourcing products directly from local farmers, for example, the Jing Jai Farmers' Market Project was aimed at providing farmers with opportunities to sell their own quality products directly to consumers from within the retail space offered by the Company. Moreover, the Company has also been educating local farmers about sustainable farming and standards relevant to agriculture and food production.

Regarding production and services, the Company places great importance on producing products that are safe for the environment and offer health benefits to consumers. For example, the Company has created the "Healthful" product category selling organic products and those that are good for the health and do not create negative impact on the environment.



Focusing on distribution and logistics, the Company manages its warehouses and product deliveries in compliance with international standards, hence taking into account the most efficient modes of transportation to reduce distance, delivery time and the carbon footprint.

For marketing and sales, the Company has developed new communication channels including Tops Online and Personal Shopper, which fully utilize digital technology and Omnichannel platform to enable customers to conveniently shop and make cashless payment. The Omnichannel platform will help enhance shopping experience, respond to changes in consumer behavior in the digital age and also reduce exposure to COVID-19.





Lastly, in managing customer satisfaction and customer relations, the Company has established a team to be responsible for customer relations, communicating special privileges, and rewards to eligible to customers and providing after-sales service.

VALUE CHAIN



3.2.2 Stakeholder Analysis in the Business Value Chain

To achieve good performance, the Company's business operation has to be efficient and comply to the principle of Good Governance that account for internal affairs and all relevant stakeholders. Hence, it is important that the Company gain insights into the needs of stakeholders be engaging with the stakeholders via various communication channels. In response to the stakeholder engagements, the Company can formulate a strategy that will meet the needs of the stakeholders, and eventually strengthen good relationships among all parties to facilitate ease of business operation and sustainable development.

Therefore, the Company has identified internal and external stakeholders to cover all aspects as follows: 1) Shareholders, 2) Employees, 3) Suppliers, 4) Customers, 5) Creditors, 6) Government agencies, and 7) Community and Society. As different stakeholders have different expectations, the Company's response and communication channels are developed specifically for each group as follows:



Stakeholder Group	Expectation	Company's Response	Communication Channels
Shareholders	<ul style="list-style-type: none"> • Sustainable business growth and profits • Good governance • Transparency in management • Ability to create opportunities in response to challenges • Efficient risk management 	<ul style="list-style-type: none"> • Business operation based on transparency, accountability, and good governance • Effective management to build confidence and create highest returns • Continuous information disclosure with transparency and completeness • Provision of accurate and complete financial information • Fulfill commitments with compliance to the law 	<ul style="list-style-type: none"> • Quarterly investor meetings • Sustainability Report (website) • Information disclosure in Annual Report (Form 56-1 One-Report) • News and notifications via the Stock Exchange of Thailand • Shareholder meetings
Employees	<ul style="list-style-type: none"> • Good compensation and benefits • Job security and career advancement • Development human capital, knowledge, and capabilities • Engage with the Company via expressing opinions and feedback 	<ul style="list-style-type: none"> • Allocation of commensurate compensation and proper welfare, and consideration for promotion and transfer • Fair and equal performance assessment system • Training arrangements to meet the needs of employees and business operation, and in response to changes • Open to employees' feedback 	<ul style="list-style-type: none"> • Annual corporate vision announcement • Social media / email • Information disclosure in Annual Report (Form 56-1 One-Report) / Sustainability Report (website) • Feedback and complaints • Yearly employee satisfaction and engagement survey
Suppliers	<ul style="list-style-type: none"> • Fair and equal business practices • Transparency in business operation • Mutual capacity development and growth • Punctual business management and payments 	<ul style="list-style-type: none"> • Fair and transparent business competition • Fair and transparent business agreements • Training arrangements for capacity enhancement • Accurate, complete and punctual payments • Maintenance and protection of supplier data 	<ul style="list-style-type: none"> • Annual meeting • Trainings and activities to enhance supplier knowledge and good relationships • Social media / email • Feedback and complaints • Information disclosure in Annual Report (Form 56-1 One-Report) / Sustainability Report (website)
Customers	<ul style="list-style-type: none"> • Good quality products and services that are certified based on standards • Delivery of products and services within the specified timeframe • Excellent after-sales service • Personal data protection 	<ul style="list-style-type: none"> • Responsible and good quality products and services • Punctual delivery of products and services • Offering experience and services that are beyond expectations • Development of personal data protection system in accordance with international standards 	<ul style="list-style-type: none"> • Direct contact with customers • Customer service center • Social media / email • Annual customer satisfaction survey • Feedback and complaints



Stakeholder Group	Expectation	Company's Response	Communication Channels
Creditors	<ul style="list-style-type: none"> • Good governance • Transparency in management • Effective management strategy • Ability to create opportunities in response to challenges • Accurate in financial information management • Complete and punctual payment 	<ul style="list-style-type: none"> • Business operation based on transparency, accountability and good governance • Effective management to build confidence and create highest returns • Continuous information disclosure with transparency and completeness • Provision of accurate and complete financial information • Fulfill commitments with compliance to the law • Complete and punctual payment and maintain quality of collateral 	<ul style="list-style-type: none"> • Quarterly investor meeting • Sustainability Report (website) • Social media / email • Feedback and complaints • Information disclosure in Annual Report (Form 56-1 One-Report)
Government Agencies	<ul style="list-style-type: none"> • Compliance with legal provisions and promotion of good governance • Fair and equal business competition • Support and cooperation in activities • Efficient complaint management 	<ul style="list-style-type: none"> • Transparency, accountability, fairness in business operation in compliance with the law • Transparent, complete and accountable information disclosure • Compliance with laws and regulations to ensure confidence • Maintenance of good management practice • Support and cooperation in activities 	<ul style="list-style-type: none"> • Open to feedback and regular communications • Arrangement of activities in collaboration with government network • Social media / email
Community and Society	<ul style="list-style-type: none"> • Gives importance to public opinions from communities • Gives importance on safety and environmental impacts • Fair complaint management • Support and contribute to communities 	<ul style="list-style-type: none"> • Sincere community engagement to understand concerns and respond to the concerns • Partner with communities to implement actions • Strengthen community relations • Creation of jobs and income for communities 	<ul style="list-style-type: none"> • Sustainability Report (website) • Social media / email • Feedback and complaints • Arrangement of activities in collaboration with government network



3.3 Management of Environmental Sustainability

3.3.1 Management of Environmental Sustainability

The Company is well-aware of environmental issues and climate change, and is fully committed to mitigate the negative impacts on the environment caused by its business operations. The commitment covers water, wastes, pollution and greenhouse gas emission, and is in accordance to the Company's Environmental Policy. This is to ensure that the Company conducts its business operations with social and environmental responsibility, and analyzes the potential effect that the environmental issues may impose on the Company and stakeholders in order to develop appropriate measures.

Environmental Policy

Reducing Greenhouse Gas Emissions



Moving Towards Zero Waste



Promoting Environmentally Friendly Products



Advancing Sustainable Consumption and Production Patterns



Minimizing Ecological Footprint



Sustainable Sourcing

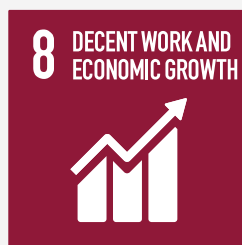


Transport and Distribution



For more information of the Company's Environmental Policy, please access via QR CODE.

As Thailand's leader in service and retailing industry, the Company's business operations are in accordance with the United Nations' Sustainable Development Goals (UN SDGs). With this, the Company is determined to become the key player in Thailand and internationally in driving the following UN SDGs:





Based on the UN SDGs, the Company has established environmental guidelines that currently cover 3 main topics:

(1) Food Loss & Waste Reduction Guidelines



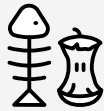
(2) Waste Segregation Guidelines



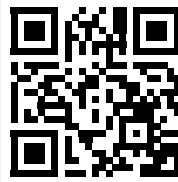


(3) Plastic & Packaging Reduction Guidelines

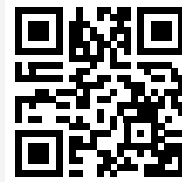




Food Loss & Waste Reduction
Guidelines



Solid Waste Segregation
Guidelines



Plastic & Packaging Reduction
Guidelines

In a major effort to drive business operations toward “Net Zero” or net zero carbon emissions, the Company has set various goals that take into account climate change, circular economy, and waste management. Additionally, these goals also contribute to Thailand’s pledge of achieving carbon neutrality by 2050.

2030 Targets



Use environmentally friendly
packaging
100%



Reduce the amount
of greenhouse gases
30%

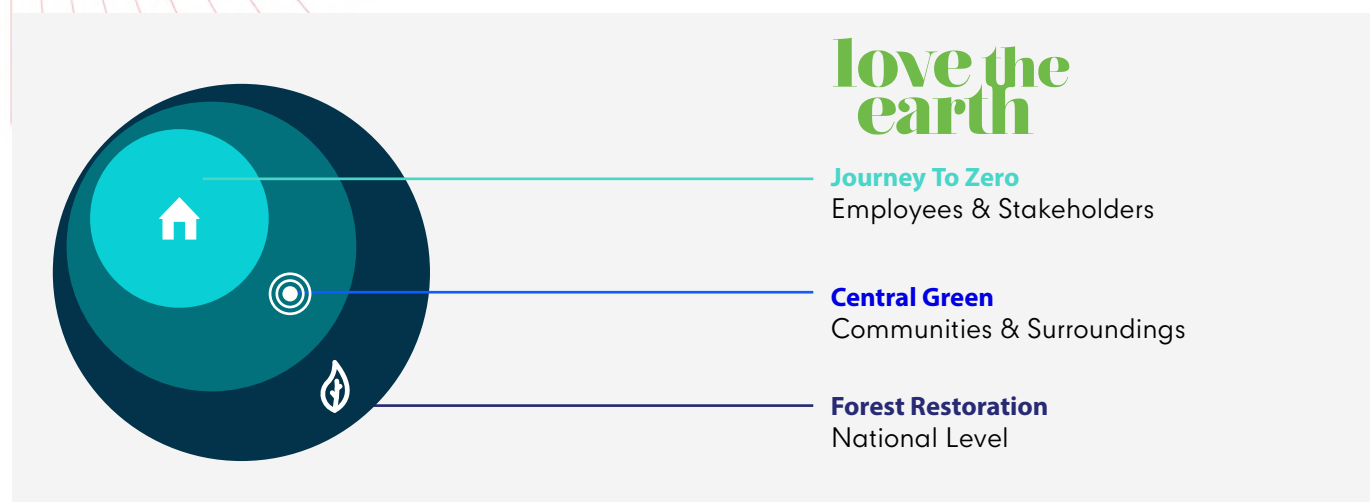


Reduce food loss
and waste
30%



3.3.2 Environmental Operating Results

In 2021, the Company has analyzed its material topics and operated business under the “Love the Earth” campaign covering 3 main issues, namely waste reduction according to circular economy (Journey to Zero), green space expansion (Central Green), and Forest Restoration. The Company’s environmental performance include the following material topics:



3.3.2.1 Energy and Climate Change Management

The Company takes responsibility for sustainable operations, seeks new methods to reduce energy consumption and greenhouse gas emissions, and sets a good example for other companies within and outside Thailand.

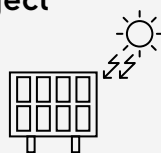
Energy Management

The Company is a member of the founding board of RE100 Thailand Club, which currently has more than 500 members. The objective of RE100 Thailand Club has the objective of promoting and investing in alternative energy such as solar energy to reduce carbon dioxide emissions resulting from fossil fuel combustion, reduces energy cost and mitigate risks from volatility of the global oil industry. In addition, the Company is also aware of increases in water shortages due to climate change and focuses on efficient water consumption.





Solar Rooftop Systems Installation Project



The Company has installed
solar cells on the roofs

40
stores

Produced renewable
energy in 2021

51,566
megawatt-hour

Energy Management Performance

Fuel Consumption	2019	2020	2021
Fuel (liters)	37,242,702.23	33,054,576.45	30,952,654.61
Electricity consumption (kilowatt-hour)	946,139,059.89	975,033,800.31	1,032,910,978.10
Water consumption (cubic meter)	6,868,951.84	6,731,024.31	6,622,889.78

Climate Change Management

The Company focuses on reducing direct greenhouse gas emissions from the Company's fuel consumption (Scope 1), reducing indirect GHG emissions from purchased energy (Scope 2), and ultimately reduction of other indirect greenhouse gas emissions from external sources (Scope 3) including raw material sourcing, fuel consumption by customers and other parts of the value chain. In addition, the Company has prepared to assess risks and opportunities from climate change in accordance with the reporting guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) to address the impacts of climate change on business operation in a timely manner.

Electric Vehicle (EV) Charging Station Installation Project

The Company has installed EV charging stations in department stores nationwide. These EV charging stations not only response to demand of customers who use the EV, but also help reduce greenhouse gas emissions in scope 3 that are emitted by customers traveling to the department stores.



Performance in 2021



EV charging stations

43 stores and **602** spots

Watershed Forest Restoration Project

The Company has increased forest sustainable agriculture areas over 2,154 Rai. In addition, the Company has also promoted sustainable agriculture following the “3 Forests and 4 Benefits” approach to transition away from monoculture and increase biodiversity of the surrounding areas.



Performance in 2021



Increase forest and sustainable agriculture areas

2,154 rai



Carbon sequestration amounting within 10 years

72,131 tons
CO₂e



Social return on investment (SROI)

360,450,360 THB

Climate Change Management Performance

Greenhouse Gas Emissions	2019	2020	2021
Scope 1 (Tons CO ₂ Equivalent)	47,339.59	43,841.40	38,401.75
Scope 2 (Tons CO ₂ Equivalent)	468,717.29	483,031.74	511,704.10
Scope 3 (Tons CO ₂ Equivalent)	70,602.86	117,240.28	111,501.06



3.3.2.2 Raw Material Sourcing

The Company is aware of the raw material sourcing must have good quality, produce no harm to consumers, the environment and society, and do not violate any relevant laws and regulations. Sustainable raw material sourcing can also help maintain good public perception for the Company and prevent negative impact on the value chain in the long term. Therefore, the Company is committed to in providing sustainable service and raw material sourcing in compliance with goal 12 of the UN SDGs to promote efficient and sustainable resource management.

Phu Chee Duen Coffee Project

The Company established community enterprise of Phu Chee Duen organic coffee Group in Chiang Rai and has provided education on sustainable coffee cultivation that uses polyculture and reduce the use of chemicals. In addition, the Company has invested to support production factors such as coffee processing houses, warehouses, machinery and equipment for coffee production, training and knowledge on growing coffee that uses less chemicals and can be grown under the shade of large trees in natural forests in mountainous regions. Coffee grown with this method is considered local and organic natural coffee, which can also help restore watershed forests and help sequester carbon. Finally, the products from the communities have received certifications from the FDA and are brought by the Company to be sold at Tops under the Good Goods brand.



Performance in 2021



Farmers participating in the project in 2021

84
farmers
in Phu Chee Duen



Income generation within the community

4,500,000
THB



Watershed forest restoration areas

1,462
rai



Coffee produced and sold

4
tons



3.3.2.3 Waste Management

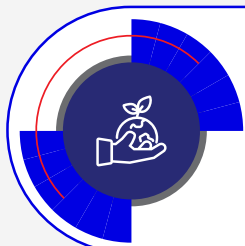
The Company focuses on the management of waste generated from the Company's business operation, which can cause negative impact on the Company, especially in the food business and department stores that produce huge amount of food surplus and food waste. Therefore, the Company has developed an action plan and set appropriate target to reduce food waste, packaging waste and general solid waste that are generated throughout the entire value chain. Inefficient waste management can lead to various environmental problems such as greenhouse gas emissions from landfills, bad smell to the surrounding community, and contamination of water sources and soil.

Under the guidance of the Company's various sustainability management guidelines, the Company has implemented various Journey to Zero projects aimed at reducing the amount of waste. Moreover, the Company is committed to reducing food waste to landfill by half by 2030 in accordance with goal 12.3 of the UN SDGs and has established an action plan that focus on food supply chain management (Food Recovery/Hierarchy) to transform food wastes into values for the Company and the communities. The food supply chain management process consists of 5 steps as follows:



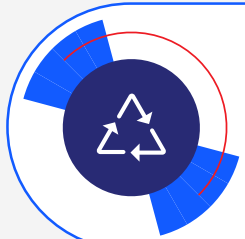
Prevention

- Prevent food loss and put in place an ordering system as in line with the needs



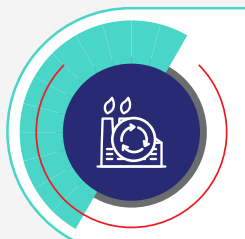
Optimization

- Allocate the edible parts of food to create maximum benefits
- Donate to impoverished persons and employees
- Distribute in special stores at lower prices or distribute as pet food
- Support intermediary organizations for food distribution



Recycle

- Production of biogas through the composting process
- Production of fertilizers for agriculture



Recovery

- Low-humidity food waste will be burned to produce heat energy



Disposal

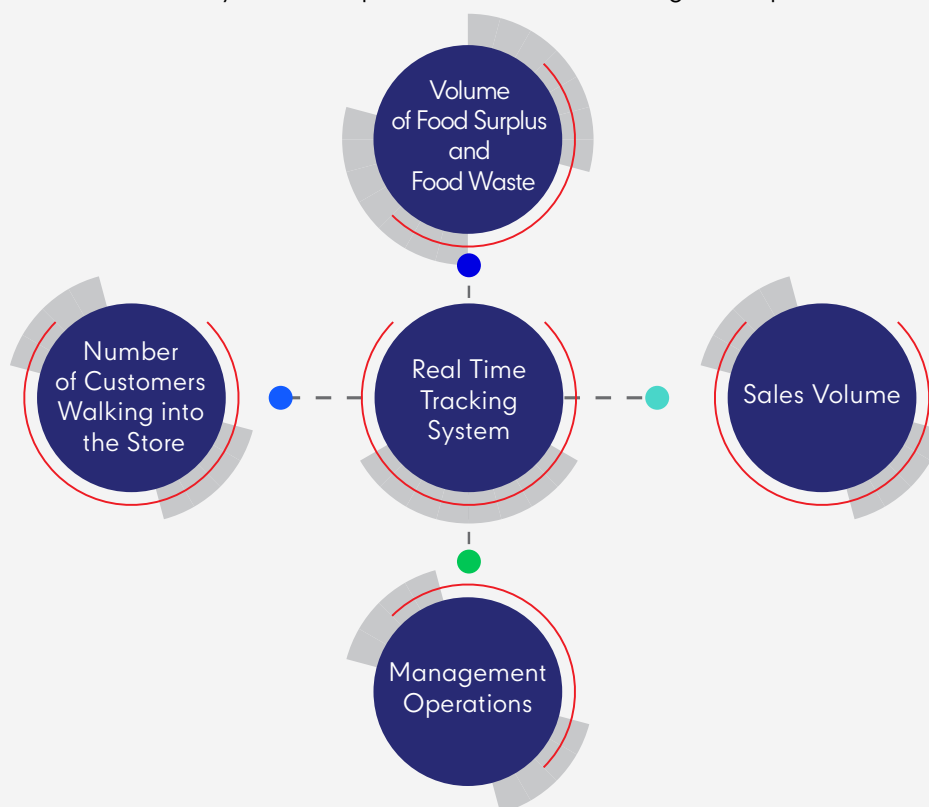
- Useless waste will be disposed by incineration or landfill



Furthermore, the Company plans to collect waste management data through a real-time monitoring system that collects essential information concerning sources of waste from within the business operation and to achieve waste to landfill reduction target.

Evaluation

The Company places importance on food waste data collection and has linked an automated equipment to the Company's data system, which allow for the Company to track food surplus and food waste data in order to perform advanced analytics and report on food waste management performance.



Surplus Food Management Project

The Company has collected food surplus from 41 branches of Tops and 37 branches of Family Mart, and has partnered with Scholars of Sustenance (SOS) Foundation to utilize the food surplus for maximum benefit. SOS is a non-profit who acts as an intermediary to deliver food to communities and vulnerable groups in need. Food wastes that cannot be consumed and donated will be converted into compost.

Performance in 2021



Edible food surplus sent to the SOS

269.8
tons



Food surplus and food waste converted into compost

467.34
tons



Reduction in wastes sent to landfill for disposal

138.76
tons



Samui Zero Waste Model

The Company participated in the Samui Zero Waste Model to solve environmental problems by starting with segregation of organic waste, recyclable waste, and general waste. Organic waste of the appropriate quality are processed into animal feed. The Company then utilized the remaining organic wastes by converting them into composts and biogas for use by local communities. In addition, the project also serves as an educational center for farmers and community members to learn about waste management that can be applied to their businesses. In 2021, the Company has joined forces with Surat Thani Rajabhat University and Koh Samui Municipality in processing organic waste from Central Festival Samui and Family Mart then use the composts in producing organic produces under the Farm to Table Organic Café project. Lastly, the produces will be sold in Tops.



Performance in 2021



Reduction of food wastes
disposed in landfill

47
tons



Liquid compost
produced

15,000
liters

Note: Due to COVID-19 pandemic in 2021, school provided only online class throughout the year and no compost production.



Waste Management Performance

Waste Category	2019	2020	2021
Non-hazardous waste (kg)	6,296,662.65	72,234,575.68	67,839,179.43
Hazardous waste (kg)	9,820.33	17,755.68	13,390.26
Total (kg)	6,306,482.98	72,252,331.36	67,852,569.69

3.3.2.4 Circular Economy





The Company established Journey to Zero policy aiming to reduce all single-use plastic packaging by 2030 by replacing all packaging materials with biodegradable materials, materials containing recycled plastic content, or recyclable non-plastic materials with certification. In addition, the Company is aware of the problem with regards to fast fashion or the production of clothing that must quickly adapt to current trends and have short life cycles. Therefore, the guidelines and pilot projects are focused on deriving values from clothes that are no longer in use in accordance with circular economy.

1 Development of Baseline Data and Set Goals

- To prepare accounts for single-use waste and current plastic use data

5 Communication Campaigns and Trainings for Employees and Stakeholders

- To encourage employees at all levels to recognize the importance of plastic waste generation through the media for internal and external communications
- To organize trainings for employees to raise environmental awareness, for example, trainings on waste segregation, plastic bag reduction and turning off the lights when not in use to save

2 Prevention and Reduction of Plastic Waste

- The Company prepares a list of plastic waste to reduce or stop using single-use and non-recyclable plastics.

6 Responsible Investments

- Research investments in the circular economy
- To promote investments in businesses using alternative materials which are eco-friendly

3 3R Sustainable Solid Waste Management

- 3R: Reduce, Reuse, Recycle practices
- To conduct a life cycle assessment of waste, ranging from the production process, use and disposal to find ways for recycling

7 Creating Shared Value (CSV)

- Action plan for plastic waste reduction alongside business operations for the benefits of the community and stakeholders

4 Green Purchasing

- When purchasing products and equipment for offices and stores, environmental impacts through the full life cycle must be considered.
- Promote the use of durable products

8 Cooperation and Partnership

- Promote and cooperate in the development of waste management technology and innovation, circular economy and eco-friendly products



Say No to Plastic Project

The Company launched a campaign aiming to reduce packaging materials and eliminated all single-use plastic bags in every department stores owned by the Company. At present, the Company has successfully promoted employees and customers to use reusable cloth bags for their shopping and reduced provision of plastic bags. The Company has also successfully replaced plastic straws with biodegradable straws made from natural materials in all its restaurants and beverage categories.



Performance in 2021



Reduction
of single-use plastics

160,211,585
bags



Food and beverage containers
and packaging made from
biodegradable materials

35.17
tons

Circular Economy Performance

Reduction of Single-Use Plastics (tons)

2019	1,800 tons / year
2020	4,720 tons / year
2021	3,200 tons / year

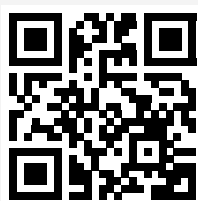


3.4 Social Sustainability Management

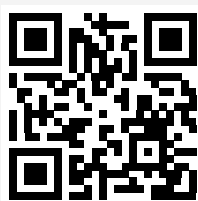
3.4.1 Social Policy and Guidelines

The Company places importance on sustainability in the social performance including human resource development and improvement the quality of life of the society. By integrating these topics in business operation, the Company aims to be a role model for other companies within Thailand and international level. The Company focuses on maintaining its good corporate citizenship in business operation by being responsible to stakeholders including employees, suppliers, and community and society. The Company is also committed to strengthen confidence in the sustainability of its business operation by complying with the Human Rights Policy, Personnel Development Policy, Occupational Safety, Health and Work Environment Policy, and laws on labor practices.

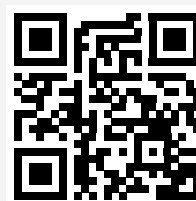
Learn more about Social Policies via QR CODE below.



Human Rights Policy



Personnel Development Policy



Occupational Safety, Health and Work Environment Policy

For the above reasons, the Company has set goals to improve the quality of life of people in society and implement the human resource development model, which are in compliance with the UN SDGs for universal sustainable development as the following:





2030 Goal in Enhancing the Quality of Life



Generate income for farmers and local communities through the Jing Jai Farmers' Market of over

1,000,000,000
Baht / Year

3.4.2 Social Operating Results

The Company has analyzed its material topics and operated business under the concept off “Better People” which promotes the quality of life for employees through developing human capital and knowledge of employees along with improving the quality of life of the community and society. Better People consists of the following material topics:

The Important Issues for Social Operation

1. Talent Attraction and Retention of Employees



3. Occupational Health and Safety for Employees



5. Healthy and Safe Products for Consumer



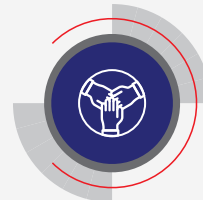
2. Human Capital Development



4. Labor Practice and Human Rights



6. Community Contribution and Product Development



3.4.2.1 Talent Attraction and Retention

The Company requires employees with outstanding talents in driving business growth. Therefore, the attracting competent's employees and retaining them is key to the Company's continued success in the future. Hence, the Company has implemented the recruitment measures by targeting new graduates in alignment with the government's policy and developed talent attraction and retention strategy as retention model which consist of 5 focus areas as follows:



1. Careers:
Career diversity under a diverse
and comprehensive business portfolio



3. Challenge:
Ongoing operation's development
program to create new challenge



5. Environment:
A positive working environment
Open-minded organization's culture
and proper working environment



2. Opportunity:
The growth opportunity for career path



4. Growth:
Career path focus on the
human capital development
couple with the Company's business growth

Dual Vocational Scholarship

Dual Vocational Scholarship does not only prioritize employees who are ready to work, but it also provides opportunities for Bachelor's degree and advanced vocational degree students to gain business skills and aptitude that are useful for working in retail business. Students with advanced vocational degrees can apply for full scholarship and also become a candidate for being employed by the Company in the future.

	Advanced Vocational Degree Students		Bachelor's Degree Students	
	2020	2021	2020	2021
Number (person)	637	990	747	424
Proportion of students recruited as employees (%)	43	70	57	30
Scholarships awarded to students (million THB)	6	6.2	7	6.6

Operational Management Trainee and Retail Management Trainee Program (OMT | RMT Program)

The Company offers opportunities for young talents to attend training programs and learn necessary skills for working with the Company as Sales Manager and Head of Product Management positions. Qualified candidates are selected from an aptitude test and a screening process. The qualified candidates would join in the workplace skills activities for creating a good quality of employees to the Company.





Talent Attraction and Retention Performance

Performance	2019	2020	2021
Turnover Rate	50%	48%	31%

3.4.2.2 Human Capital Development

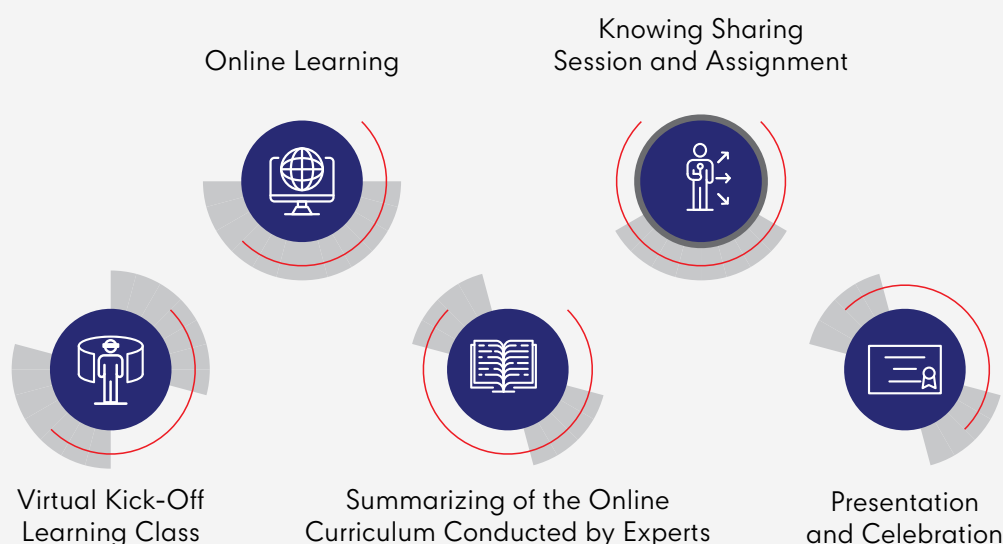
The Company recognizes the significance human capital development to enable employees to respond to changes in business in a timely manner. In 2021, the Company focused its human capital development programs based on Talent development, Leadership development, and Omnichannel development that would result in enhancing employees' capability to operate via customer-centric and digital platform.





Omnichannel Development Project

The Omnichannel Development Project provides employees with the opportunity to learn and gain a deeper understanding of the Omnichannel platform as an essential part of the Company's business including business transformation. Employees will be given the task of initiating projects that will apply Omnichannel platform to the actual business operation. The project consists of:



In 2021, employees participated in Omnichannel Development Project

4,267
employees

Human Capital Development Performance

Training	2019	2020	2021
Average hours of employee training (hours/person/year)	6.7	10	13.8
Investment in employee training (million THB)	109	100	150

3.4.2.3 Occupational Health and Safety

The Company is determined to operate its business in compliance with the Safety, Occupational Health and Work Environment policy that complies with the international standard ISO 45001 to prevent accidents that cause injury or damage to employees and contractors, and aims to reduce accidents from operations to zero. In addition, the Company has established projects that push and take care of the occupational health and well-being of employees through various activities to create awareness and consciousness as follows:



Safety, Occupational Health and Work Environment



To support the improvement of working environment and work place to ensure safety and promote health and wellness of employees.



To encourage various safety activities which raise employees' awareness such as training on public relations and safety competition.



To create awareness for employees at all levels to aware of their own safety, colleagues as well as property of the Company while performing tasks all the time.

The Company has implemented projects to encourage employees and contractors' good occupational health such as the annual health check-up, vaccination of 4 strains of influenza project, annual inspection of drinking water project at the workplace. In addition, the Company also provides fitness centers and an infirmary for employees, as well as promoting good hygiene and sanitation in the cafeteria and bathroom to be cleaned all the times. Moreover, the Company has implemented and supported many projects to take care of employees during the COVID-19 outbreak situation.

COVID-19 Preventive Measure

The Company has established strict guidelines and strategies to handle COVID-19 outbreak situation specifically. Protection policy and measure are strictly enforced, for the safety of customers when visiting the stores and the safety of the staff and contractors who are key driving force for business operation, and to build confidence in occupational health and safety of the Company.



Performance in Safety Operation

Information	Unit	2018	2019	2020	2021
Fatalities	persons	0	0	1	0
- Employees	persons	0	0	1	0
- Contractors	persons	0	0	0	0
Number of employees' injury from operations	cases	35	47	154	105
Employee Lost-Time Injury Frequency Rate (LTIFR)	cases/ Working hours * 1,000,000	0.370	0.506	1.612	1.037
Number of contractors' injury from operation	cases	0	0	11	2
Contractor Lost-Time Injury Frequency Rate (LTIFR)	cases/ Working hours * 1,000,000	0.000	0.000	0.976	0.181



3.4.2.4 Labor Practice and Human Rights

The Company regards importance of great labor practice and respects for the human rights of employees and all relevant stakeholders. Therefore, the Company adheres to the principle of equality and fair labor practice, respect for human rights and freedom of speech, as well as avoiding the violation of the rights of all stakeholders. The Company conducts its business with strict compliance with national and international labor regulations to reduce the risks that may arise from violation of the right in the Company's value chain which are the public concerns, especially child labor, forced labor and human trafficking.

Diversity and Equality

The Company has a policy to focus on hiring and taking care of employees equally and transparently, as well as remuneration management and welfare to enhance the well-being of employees. The Company encourages employees and all stakeholders to respect diversity by focusing on fair treatment without discrimination on age, gender, race, religion, skin color, ethnicity and disability, as well as equally support opportunities for career growth of employees at all levels.

Employment of People with Disabilities

The Company truly emphasizes on hiring disabled workers and improves their quality of life under the "Central Tham" project by supporting career building and empowering people with disabilities, such as chicken egg raising project, Phoenix Oyster Mushroom cultivation project, relaxing massage project, and plastic basket weaving projects. Furthermore, the Company in collaboration with The Redemptorist Foundation For People with Disabilities to assist and promote the development of disabilities person, hires disabled people who have passed knowledge development training to work with the Company as call center officers and maintenance division under Power Buy and Thai Watsadu. The Company has also offered welfare and treated disabled employees equally in work premises.



Performance in 2021



Provided job opportunities to

438
disabled people



Full time employees

262
people



Listed in the employment support program

176
people

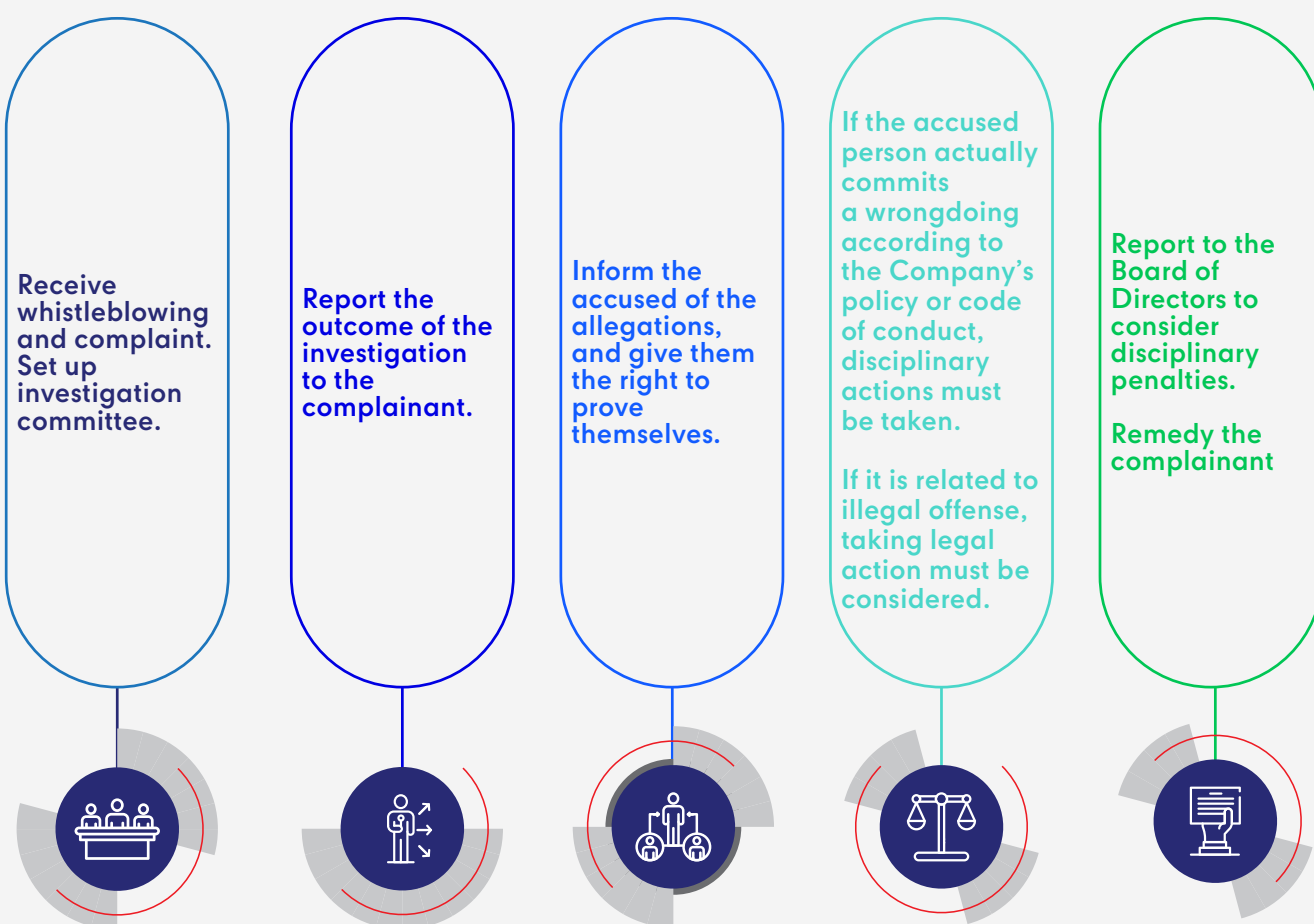


Proportion of employees by gender	2020	2021
Total number of employees (person)	52,702	53,585
Proportion of all male employees (%)	37.5	37.6
Proportion of all female employees (%)	62.5	62.4

Respect for Human Rights

The Company is committed to respect international human rights that are fundamental rights that everyone is entitled to as human being. Hence, the Company has developed training programs on human rights for contractors, employees, business partners, community and society in order to enhance employees' knowledge and understanding of human rights principles, not only within the operations of production, but throughout the Company's value chain. In addition, the Company provides a channel for complaints in regarding human rights violation and good governance of the Company. The channels for opinion expression and complaints have been established for those who have suffered from rights violations arising from the Company's business operations. In 2021, the Company didn't found any complaints regarding human rights violation in workplace.

Tracking and reviewing process of complaints by employees and stakeholders





3.4.2.5 Healthy and Safe Products

The Company places an important of product and service safety which are delivered to consumers as top priority. The Company also responds to the needs of consumers demand for great quality of products for good health. Therefore, the Company focuses on raw material procurement from suppliers whose their product are received international standard and suitable for customer's wellness for example organic agriculture product with high standard and environmental friendly production.

3.4.2.6 Community Contribution and Product Development

The Company aims to strengthen the community through increase in local income by supporting local products, enhancing the business capabilities of partners and smallholder farmers in the community to operate their business continuously, which ultimately leads to a great relationship between the Company and the community. Therefore, the Company has implemented projects which support the community by developing local product, educating communities and supplier as well as developing distribution and communication channels of local products to be competitive in the market. To bring about such development, the Company has implemented "Central Tham" project, focusing on creating economic value for the community under the Creating Shared Value (CSV) concept to enable the Company, its suppliers, and the community to grow together and overcome various obstacles in the long term.

The Company has established guidelines for operation, starting by surveying the needs and expectations of the villagers in the area, including the assessment of both positive and negative impacts from the Company's development plans. The result of the surveys and assessments leads to operational guidelines which the Company develops a framework for economic values creation of the community as follows:





Moo Yai Ruam Jai Pattana Melon Community Enterprise

Melon Group Community is located in Lat Bua Luang District, Phra Nakhon Si Ayutthaya Province. The melon community is a group to produce quality agricultural products which meet the market demand. In addition, the Company has worked to develop the landscape and provided financial support including, built a seed sorting plants and construction of training building for melon cultivation in the greenhouse. In addition, the Company develops the local shop in the community to attract tourist. Moreover, the Company also supported in marketing promotion and expansion of melon distribution channels under the brand "Smile Melon" in department stores and Tops supermarket, which is a way of local income distribution and create satisfaction for customers who demands quality products.



Performance in 2021



Participation
from local farmers

30
households



Income generated
from the project

9,000,000
THB



Number of tourists
visiting the project

3,600
people



Jing Jai Farmers' Market Project

This project was established to create a distribution channel for farmers who focus on growing organic crops without chemicals. The Company provides farmers with training session, additional sale channel along with the rehabilitation of agricultural areas and refraining from using chemicals. In addition, the Company has provided knowledge in retail business, freight management and regulations related to product quality and safety standards. Farmers can bring their produce to sell at the Jing Jai Market in the Company's department stores, totaling 27 stores. The Company also plans to expand the Jing Jai Farmers' Market to department stores across the country and supports farmers in a wider range of area.



Performance in 2021



Farmers participated
in this project

24,000
people



Households benefitting
from this project

7,200
households



Income generated
to farmers

220,000,000
THB



In order to strengthen community, the Company also preserve and carry-on local culture and wisdom to live on with Thailand forever. Therefore, the Company has adopted the concept of creating economic value for such communities by development of local products in each community. This can result in careers creation and increase in income for the community. Moreover, the Company foresees the growth of local products along with culture and local wisdom learning through ecotourism which meets the demand of the new generation, and can be extended to ecotourism and cultural tourism economy that can generate sustainable income for the community.

Na Muen Si Weaving Community Learning Center Project

Na Muen Si woven cloth of Trang Province has an outstanding pattern made by traditional weaving technique with the unique use of colors. The Company saw the potential of sustainable growth of traditional product. Therefore, The Company develop and establish a museum as a textile learning center, exhibiting ancient woven fabrics over 200 years old, conveying the history of local culture. This can result in improvement of ecotourism and cultural tourism economy which increase in sustainable local income. Finally, customers can buy products from a variety of channels, such as Central Tham Market Facebook page, Na Muen Si Weaving Community Enterprise Facebook page.



Performance in 2021



Local people participated
in this project

155
households



Income generated
to the community

5,000,000
THB

According to all projects under “Central Tham”, there were increase in THB 1,500 million of local income in Thailand due to the project.

Note: For more information on sustainability related topics, please visit Central Retail Corporation’s Sustainability Report 2021.



4

Management Discussion and Analysis (MD&A)





4.1 Operating and Financial Position for the year ended 31 December 2021

Overview of Operating Performance

The overall Thai economy in 2021 expanded with a slow growth, mainly due to the outbreak of COVID-19 situations with new heights of the infected cases as the virus mutated. The government periodically implemented more stringent control measures, especially at the beginning of the year and in 2Q through to 3Q 2021, leading to a halt in economic activities in many sectors and affecting private consumption. In addition, international travel restrictions were still applied in the first half of the year, slowing down the tourism sector in recovering. However, as the crisis eased in the late 3Q 2021, together with accelerated rolls out of vaccination, the government has relaxed various strict measures and welcomed international tourists from 1 July 2021 onwards under the Phuket Sandbox Project while at the beginning of November, international tourists (only from countries specified by the government) could enter Thailand under the scheme of Test & Go without any quarantine required, resulting in gradual recovery in economic activities. Private consumption was supported by remedial measures, economic stimulus measures, and measures to stimulate domestic tourism. The global economy tends to constantly be at its positive turn thanks to rapid distribution of vaccinations in each country that expanded overall economic activities.

Current Business Environment in 2021

The Company has been aware of the ongoing COVID-19 situations that incessantly pose challenges. In 2021, new waves of the contagious disease were triggered periodically, but were limited to some areas within Thailand, Vietnam, and Italy. The Company has cooperated very well in strictly complying with relevant control measures implemented by the government in each country to strengthen confidence towards safety to the fullest extent and the control of the disease, as well as making its suppliers to get recovered and commercially return to normal. This will help encourage the retail sector to move forward and support employment of the entire community.

- **Thailand:** New surges of COVID-19 has affected Company's business operations throughout the past year, resulting in the Company temporarily closed some stores of its non-food business segment in certain areas, e.g., Samut Sakhon, Rayong, and Chachoengsao, during January. In addition, some non-food stores were temporarily closed in July through to August 2021 when the epidemic situation became more severe, causing the government to implement more stringent control measures, especially within the Dark Red Zone. In the meantime, the Company's food business segment continued to operate as usual with limits on service hours. However, as the government has relaxed some measures since September, together with accelerated vaccine rolls out and various economic stimulus measures, it continuously brings traffic and improved sales direction. In 4Q 2021, the Company's sales were able to turn around and achieved the highest growth compared to the other quarters. In addition, the Company has omnichannel platforms that enabled customers to shop from various channels, which helped support sales during the past quarters as well. In this regard, the omnichannel sales grew 108% from last year, or equivalent to 24% of the Company's total sales of Thailand.
- **Vietnam:** The outbreak of COVID-19 periodically occurs in Vietnam. A new wave took off in April and got more severe in July. The virus spread to cover several key economic cities such as Ho Chi Minh City, Hanoi, and neighboring cities. As a result, the lockdown measures were implemented throughout 3Q 2021. The Company has well cooperated and complied with official announcements of the Vietnamese government to help prevent the epidemic. Even though non-food business segment at certain stores had been temporarily closed in some areas, since the end of September, the government began to ease some of its strict measures in Hanoi (and early October for Ho Chi Minh City), resulting in a recovery of traffic and sales. The Company's businesses in Vietnam have been hit by the above measures; however, with the availability of omnichannel channels, the Company was still able to cater customers with a wide range of shopping channels, including GO! App, Social Media platforms, Marketplace, and Quick Commerce thanks to its cooperation with business partners, determination to thrive. Omnichannel sales grew by 131% from last year, or equivalent to 10% of the Company's total sales in Vietnam.



- **Italy:** The business situation in Italy is likely to continue to recover due to its accelerated distribution of vaccines. As a result, official measures meant to tackle the outbreak since 2Q 2021 could be eased even though there has been an increase in the number of new infected cases. The Italian economy continued to recover. The Company could manage to open all department stores as usual from mid-April, together with the distribution of products through omnichannel platforms, adjusting products to fulfill consumer preferences, especially local customers, resulting in steady sales growth. Especially in 4Q 2021, sales growth achieved the highest compared to those of other quarters. Meanwhile, omnichannel sales grew by 80% from last year, or accounted for 5% of the Company's total sales in Italy.

The Company aims to operate its business under sustainable growth, focusing on sustainable management and benefits while also taking into account long-term impacts that reflect the purpose of the Company in being **Central to Life**. The Company has operated its business on the framework of sustainable development, which has 4 main areas: People, Prosperity, Planet and Peace & Partnerships to improve sustainability. The Company is aware of the impacts on stakeholders and focuses on their rights and benefits and potential effect towards Company's business operations and sustainability. Moreover, it is also determined to align and manage the organization based on the principles of good governance, enabling the business sector to take part in contributing to high-quality, long-term positive results, as well as enhancement of people's life, society, and the world. This effort is considered value creation along with building business sustainability for mutual growth.

In 2021, the Company has enhanced the organization to meet applicable international standards and be competitive in the global area, preparing it for potential development in any context of sustainability, as well as ESG (Environment, Social, and Governance). This included the Journey to Zero project that aimed to reduce the amount of waste at sources, promote waste segregation, switch to renewable energy, increase green areas, and introduce the Jing Jai Farmers' Market project that drives the local economy, increasing household income for farmers while also improving their livelihood and that of consumers. The Company also provided assistance in various fields to the society and medical personnel during the COVID-19 epidemic. In addition, the Company employed and adapted the Good Corporate Governance Principles (CG Code) stipulated by the SEC to be suit its business contexts and reviewed its corporate governance policies to ensure that they are in line with the principles of good corporate governance and enhanced the operating standards to be in line with international best practices. As a result, in 2021, **the Company has been selected in the Thailand Sustainability Investment (THSI) of 2021** by the Stock Exchange of Thailand and was assessed as **"Excellent" in terms of good governance according to the Corporate Governance Report of Thai Listed Companies (CGR)**, produced by the Thai Institute of Directors (IOD), and it was scored full **100 points for the Annual General Meeting of Shareholders Assessment project**, assessed by the Thai Investors Association. In addition, **the Company has been selected as the member of the Sustainability Yearbook for the year 2022**, which is the first year that it has participated in the sustainability assessment by S&P Global (DJSI).

The Company's Key Development in 2021

During the past year, the Company has created an Omni-Centric working system and changed the way of thinking and working to be 'Digital First' in all dimensions of business, enabling the Company to successfully transform its organization into a Digital Retail, and extend the omnichannel platform to cover all business segments in all 3 countries, resulting in the organization being strong and resilient to sustainably thrive.

1) New Store Expansion and Store Renovation and Rebranding

The Company expanded its store areas and improved offline platforms in 3 countries to become the Omni-Lifestyle store in response to change and to create a good shopping experience for customers. In 2021, the Company has strategically expanded its presence through the launch of new stores, i.e. 1 Robinson Department Store, 5 Thai Watsadu stores, and 3 GO! malls. In addition, the Company expands new stores of supermarkets, specialty stores, brand shops, and new format stores.



The Company did renovation and rebranding its existing stores in all 3 countries. In Thailand, 2 Robinson Lifestyle, Chacheongsao and Srisamarn, and 3 Central Department Stores, Ladprao, Rama 2 and Chidlom, were renovated. Robinson Department Store Khonkaen was rebranded to Central Department Store. Also, small format stores were renovated. In Vietnam, Big C stores were rebranded to GO! hypermarket and GO! malls. Nguyen Kim stores were also renovated. In Italy, there are ongoing renovation projects of the flagship stores, i.e., Florence, Milan, and Roma Fiume.

In addition, the Company has developed new store formats to touch the lifestyle of customers and expanded the customer base to cover entire Thailand and Vietnam. For example, go! WOW (home & lifestyle products), PET 'N ME (pet products), THE BAKER (premium bakery products), Baby & Me (mom and kid products) and Tops Vita (Vitamins and supplements) were launched in Thailand. Tops market, Thailand's successful premium supermarket model, was introduced in Vietnam to offer services that serve all groups of customers, especially those with high purchasing power.

As of 31 December 2021, the Company had 3.3 million square meters of net sales area and 0.66 square meters of net leasable area, which increased by 6.1% and 10.0% from last year, respectively.

2) Omnichannel Acceleration

The Company has continuously developed a sales and service model of Customer-Centric Omnichannel Platform. Also, the Company collaborated with business partners to fulfill respective ecosystems and to provide end-to-end omnichannel solution that can facilitate and create new experiences for all customers, anywhere and anytime.

In 2021, omnichannel sales grew 7 times and omnichannel customers increased by 500%, compared to 2019. In addition, these customers delivered much higher value to the Company, with spending 5 times higher and purchasing 2 times more categories than single-channel customers. Omnichannel sales in 2021 grew 109% from last year, accounting for 20% of the Company's total sales. In addition, the Company has strengthened its omnichannel platforms of all segments through key mobile applications in Thailand and Italy, namely:

- **Central App**, by continually adding non-food products (fashion and hardline) to fulfill consumer preferences with a complete range of products they are looking for in one place. The application will be upgraded into a Super App, with over 1 million items of non-food products from 5,000 brands offered, with also an offer of prompt and hygienic product delivery within 3 hours. In addition, new features, such as The 1 Earn & Burn, were activated to facilitate shopping of The 1 members who can access point collection and redemption schemes for various benefits and rewards for The 1 members, etc. Moreover, it launched various promotional campaigns to encourage customer spending. Central App has continuously expanded the number of its users, which is currently at approximately 4 million users by the end of 2021.
- **Tops App**, featuring over 20,000 food products and consumer goods from the Company's food segment to meet the needs of today's customers who tend to spend more time at home. It is ready to offer fast delivery service to ensure that customers will receive fresh and quality products. Sales promotions were active to encourage repurchasing rates of customers. In addition, the Company joined forces with business partners in Quick Commerce, making it able to deliver products to customers' doorstep within 1 hour to achieve another level of convenience standard that is beyond their expectation. In this regard, Tops App has a total of about 3 million users at the end of 2021.
- **GO! App**, including services available through various marketplaces for food segments in Vietnam. The application was launched during the first half of the year and already achieved a total of about 2 million users at the end of 2021.



In addition, the Company also drives sales growth of omnichannel platforms through a new sales channel that coordinates between the physical platform and online platform, or O2O Channel. This includes Personal Shopper, Social Commerce, Chat & Shop, e-Ordering, etc., all of which have been expanded to cover all the Company's business segments, resulting in a rapid sales growth. Moreover, the Company also broke records for its sales volume last December. This reflects how it understood consumers' shopping behaviors and is able to respond to the lifestyles of today's customers very well. Furthermore, the Company also has an omnichannel platform that is available to customers in other countries where its business is present, including Nguyenkim.com website for the Hardline segment and Rinascente.it website for the Fashion segment in Italy.

3) The Progress of Synergy Plan

The Company has implemented synergy plans to create benefits, both in terms of revenue enhancement and efficient management of expenses. The projects are progressive in accordance with the plans as follows:

- Generating incremental sales through product cross listings that to serve the needs of customers in each business on each platform. In addition, as the Company has merged with COL Public Company Limited (COL) since last February, this helps to enhance an opportunity to reach a new customer segment like corporate clients.
- Long-term profit margin increase was done by increasing gross margins and managing expenses more efficiently in all departments of the Company. The cost of purchasing products has been managed, pool purchasing to achieve reasonable costs, including the addition of Private Label products, which increases the gross profit margin. In part of expenses, the Company focuses on cost reduction and management efficiency, such as reducing personnel costs due to redundant work, installing solar rooftops to save energy and be environmentally friendly, adjusting advertising through online channels or social commerce to reduce marketing costs, and managing obsolete goods to be more efficient.

4) M&A

The Company continued to create business growth to strengthen its ecosystem and be able to fulfill the needs of customers of all lifestyles. Moreover, it aimed at driving the Company to become **"Central to Life"**.

- In February, the Company has completely launched a tender offer for all shares of COL Public Company Limited at the value of 12.16 billion baht. This acquisition aims to heighten the strengths of COL's portfolio including OfficeMate, B2S, and Meb E-books to attain the leading position in the omnichannel retailing platform and build up the Company's hardline segment.
- In August, the Company invested in Mercular, a Thai startup that achieved the highest online sales in the Hobby & Lifestyle category in order to touch the diverse needs of customers and increase the opportunity to further expand to other business groups under the umbrella of Central Retail.
- In December, the Company acquired a 67% stake in Porto Worldwide Limited ("Porto WW"), where Porto WW holds a 40% stake in Grab Taxi Holdings (Thailand) Co., Ltd. In this regard, this is to develop the Company to the fullest, ensuring that it becomes a complete Digital Retail in Thailand which resonates with multi-faceted needs of customers, from the beginning through to the end.



Financial Summary for the Year Ended 31 December 2020 and 31 December 2021

	Year ended 31 December 2020	Year ended 31 December 2021	Increase (Decrease)
	THB millions	THB millions	%
Revenue from sales	173,138	175,975	1.6
- Fashion segment	46,222	42,810	(7.4)
- Hardline segment	52,232	63,565	21.7
- Food segment	74,684	69,600	(6.8)
Revenue from rental services	5,598	4,990	(10.9)
Revenue from rendering of services	1,212	826	(31.9)
Investment Income	302	221	(26.7)
Other income	14,062	13,641	(3.0)
Total revenue	194,311	195,654	0.7
Cost of sales of goods	133,033	134,082	0.8
Gross profit from sales	40,105	41,893	4.5
Cost of rental and rendering of services	1,915	1,765	(7.9)
Gross profit from rental & services	4,895	4,051	(17.2)
Gross profit	44,999	45,944	2.1
Selling expenses	40,514	40,363	(0.4)
Administrative expenses	16,574	16,705	0.8
Profit from operating activities	2,275	2,739	20.4
Finance costs	2,950	3,113	5.5
Share of profit of associates and joint ventures	132	279	111.6
Profit (loss) before tax expense	(543)	(95)	82.5
Tax expense (income)	(884)	(372)	(58.0)
Profit for the year	341	277	(18.9)
Profit (loss) to owners	46	59	28.4



	Year ended 31 December 2020	Year ended 31 December 2021	Increase (Decrease)
	THB millions	THB millions	%
Operation information			
EBITDA	18,965	20,059	5.8
Normalized EBITDA	18,149	20,110	10.8
Normalized Profit (loss)	(614)	407	166.2
Normalized Profit (loss) to owner	(910)	189	120.8
Financial position			
Total assets	239,180	263,228	10.1
Total liabilities	183,465	204,147	11.3
Total equity	55,715	59,081	6.0

The Analysis of Operating Results for the year 2021

1. Revenue from sales of goods was THB 175,975 million, increased by 1.6% from the same period of last year. Revenue from sales can be categorized as follows:

- I Revenue from sales from fashion segment** was THB 42,810 million, decreased by 7.4% from the same period of last year. Mainly because of the impact from the periodic situation of COVID-19. The waves of disease in Thailand started in late December to January. The situation was severe to an extent that lockdown measures were implemented in July-August. Some stores located in high-risk areas were thus temporarily closed, leading to impacts of a decrease in the number of tourists. Some stores that mainly cater to foreign tourists, such as the Patong, Jungceylon in Phuket, etc. had to temporarily shut down their operations. However, the COVID-19 situation in Italy started to ease in the beginning of the second quarter, enabling all stores to reopen in mid of April. Sales were rapidly and fully recovered especially during the last quarter. The Company has continuously developed and driven sales through omnichannel platforms to ensure easy, convenient, and safe accessibility for all customers. The omnichannel sales grew by 82% from the same period of last year.
- II Revenue from sales from hardline segment** was THB 63,565 million, increased by 21.7% from the same period of last year. This is mainly due to the consolidation of the COL business since February and the continuous growth of the Thai Watsadu business, as well as rising steel prices. In addition, the demand for housing repairs and decorations has increased, as customers spend more time at home during the pandemic. The Company launched 5 new stores of Thai Watsadu this year such as Suksawad (Samutprakarn), Bo Win (Chon Buri), Ayutthaya, Songkhla and Srisamarn. There were new specialty stores and new format stores opening this year, which were 8 of go! WOW under Thai Watsadu and 3 of go! Power under Power buy. In addition, the omnichannel platforms have been improved to be effective with wide assortments of products being added while also offering convenient and prompt services. Due to the strengths, omnichannel sales increased by 142% compared to the same period last year.



III Revenue from sales from food segment was THB 69,600 million, decreased by 6.8% from the same period of last year. This was mainly due to the decrease in sales of the food segment in Thailand. As a result of the first quarter of last year, prior to the implementation of the lockdown measures, consumers had a lot of stockpiling. While in the current year, the situation of the ongoing COVID-19 pandemic resulted in customers being cautious in their spending. In addition, the decreased number of tourists in major tourist provinces, including the temporary and permanent store closure of the convenience stores and the adjustment of operating hours have adversely affected the sales as well. However, stores located near residential areas and the Tops daily model achieved a higher sales growth. In addition, the Company has also constantly focused on developing sales through omnichannel platforms, specifically Tops App (for users in Thailand), GO! App (for users in Vietnam), various online channels, including Quick Commerce with partners, leading omnichannel sales increased by 171% compared to the same period of last year.

2. Revenue from rental services was THB 4,990 million, decreased by 10.9% from the same period of last year. This was mainly due to temporary closure of some shopping malls according to the measures enforced by the government measures especially in the third quarter. While the COVID-19 pandemic situation in this year remained unsolved, therefore the Company has continued to provide tenant's relief measure by giving proper rent discount for tenants who couldn't operate their business as usual on a case-by-case basis. Moreover, the Company returned the discount of land and real estate tax from the tax relief package from the government to the tenants.

3. Revenue from rendering of services was THB 826 million, decreased by 31.9% from the same period of last year, which was mainly due to temporary closure of food center according to the government measure in the third quarter and the reducing of service areas in food center from government social distancing measure.

4. Gross profit was THB 45,944 million, increased by 2.1% from the same period of last year. Main components of the gross profit were as follows

- **Gross profit from sales** was THB 41,893 million, increased by 4.5%, which is in line with an increase of sales. The Company has higher gross profit margin in all segments, which was 23.8%, compared to 23.2% from the same period of last year. For fashion segment, this was mainly due to an improvement of product assortment that able to satisfy customer needs and the adjustment of discounts offered to customers. In addition, this resulted from more sales of higher margin products. For hardline segment, the increased from that of the previous year thanks to Thai Watsadu which came from the reduction of promotional campaigns, increase sales mix of private label products and higher steel prices as well as consolidation with COL since February this year. For food segment, gross profit margin was slightly increased from the improvement of product assortment.
- **Gross profit from rental services and rendering of services** was THB 4,051 million, decreased by 17.2% from the same period of last year and gross profit margin was 69.7%, compared to 71.9% from the same period of last year, which was mainly due to rent discount provided to tenants who couldn't operate their business as usual.

5. Selling expenses were THB 40,363 million, decreased by 0.4% from the same period of the last year. This was mainly due to the Company maintains its policy in managing costs and expenses under lockdown measure, for example, controlling rental, utility, advertising, and promotion expenses. However, there was an increase in expenses related to COVID-19 prevention.

6. Administrative expenses were THB 16,705 million, increased 0.8% from the same period of last year. This was mainly due to personnel expenses increased from consolidation of COL, together with Bubble & Seal project to prevent the outbreak as clusters at the warehouse of Thailand food business, the expenses regarding technology (IT) to support omnichannel growth, and losses on foreign exchange. However, obsolete and shrinkage inventory provision expenses decreased.



7. **Finance costs** were THB 3,113 million, increased by 5.5% from the same period of last year which mainly from lease liabilities (Accounting record based on Financial Reporting Standards No. 16 on Lease Agreement)
8. **Share of profit of associates and joint ventures** was THB 279 million, increased by 111.6% from the same period of last year mainly due to increasing profits contributed by associates and joint ventures.
9. **Tax expense (income)** was THB (372) million, decreased by 58.0% from the same period of last year from the decrease of loss.

Financial Position

- 1) **Total assets** as of 31 December 2021 and 31 December 2020 were THB 263,228 million and THB 239,180 million, respectively, which was an increase of THB 24,048 million or 10.1%. This was substantially due to an increase in goodwill of THB 10,137 million, mostly from acquisition of COL, investment in joint ventures of THB 4,621 million, mostly from an investment in Porto Worldwide Limited which has invested in Grab Taxi Holdings (Thailand) Limited, investment property of THB 2,477 million, inventories of THB 2,220 million, intangible assets other than goodwill of THB 2,043 million, property plant and equipment of THB 1,705 million (mostly due to the consolidation of COL business), deferred tax assets of THB 1,433 million, cash and cash equivalent THB 668 million, while right of use decreased by THB 1,691 million.
- 2) **Total liabilities** as of 31 December 2021 and 31 December 2020 were THB 204,147 million and THB 183,465 million, respectively, which was an increase of THB 20,682 million or 11.3%. This was substantially due to an increase in short-term loans and long-term loans including current portion of long term debt of THB 4,006 million and THB 9,680 million, respectively, which mainly from acquisition of COL business and investing in Porto Worldwide Limited. Trade payables and other current payable increased by THB 5,335 million and THB 1,345 million, respectively.
- 3) **Total equity** as of 31 December 2021 and 31 December 2020 were THB 59,081 million and THB 55,715 million, respectively, which was an increase of THB 3,366 million or 6.0%. This was substantially due to increase other components of equity (translation reserve) of THB 5,348 million, while retained earnings decreased by THB 2,353 million due to dividend paid. Non-controlling interests increased by THB 372 million.

Capital Structure

As of 31 December 2021, the Company's capital structure comprised of total liabilities of THB 204,147 million, which included interest-bearing debt of THB 77,567 million (excluding lease liabilities), and total shareholders' equity totaled THB 59,081 million. Net interest-bearing debt to equity ratio was at 1.03 times

Statement of Cash Flows

For the full year ended 31 December 2021, the Company reported the cash flows as follows:

1. **Cash flows from (used in) operating activities** of THB 23,360 million, increased by THB 11,400 million from the same period of last year. This was substantially due to a decrease of profit after adjusted to cash THB 1,419 million and changes in operating assets and liabilities being a cause of cash increased by THB 9,229 million, while tax paid decreased by THB 752 million.
2. **Cash flows from (used in) investing activities** was THB (22,906) million. Cash flows used in investing activities increased by THB 14,127 million from the same period of last year. This was substantially mainly due to the acquisition of subsidiaries, COL, increased by THB 10,641 million and net investment in Joint ventures, Porto Worldwide Limited, which mainly invested in Grab Taxi Holdings (Thailand) Limited, increased by THB 4,502 million, while the net decline in the acquisition of current investment amounted to THB 770 million and net property, plant and equipment amounted to THB 261 million.



3. Cash flows from financing activities of THB (149) million, decreased by THB 3,054 million from the same period of last year. This was substantially due to cash proceeds from IPO of THB 22,457 million last year while this year, dividend paid decreased by THB 10,142 million, loans (net) increased by THB 9,982 million, and interest paid increased by THB 1,188 million.

Key Financial ratio

Profitability ratio

Gross profit margin was 25.3% and 25.0% for the years ended 31 December 2021 and 2020 respectively. The primarily due to an increase of gross profit from sales for fashion due to an improvement of product assortment that able to satisfy customer needs and the adjustment of discounts offered to customers. This resulted from more sales of higher margin products. For hardline segment, the increase from that of the previous year thanks to Thai Watsadu which came from the reduction of promotional campaigns, an increase sales mix of private label products and higher steel prices as well as consolidation with COL since February this year. For food segment, gross profit margin was slightly increased from the improvement of product assortment. The gross profit from rental services and rendering of services decreased, which was mainly due to rent discount provided to tenants who couldn't operate their business as usual.

Operating margin was 1.5% and 1.3% for the years ended 31 December 2021 and 2020 respectively, primarily due to an increase of gross profit margin while the decrease of selling expenses from effective cost and expenses control under lockdown measure

Net profit margin was 0.1% and 0.2% for the years ended 31 December 2021 and 2020 respectively, primarily due to tax income declined from the decrease of loss before tax expense and an increase of share of profit of associates and joint ventures. However, financial cost slightly increased from adoption of TFRS#16 lease.

Return on equity (ROE) was 0.5% and 0.7% for the years ended 31 December 2021 and 2020 respectively, primarily due to decline of net profit.

Efficiency ratio

Return on assets (ROA) was 0.1% and 0.2% while return on fixed assets was 13.2% and 16.1% for the year ended 31 December 2021 and 2020 respectively, primarily due to the decline of net profit and increase of total assets from COL consolidation and investment in Porto Worldwide Limited.

Liquidity Ratio

Current Ratio was 0.6x and 0.8x and quick ratio was 0.3x and 0.4x for the year ended 31 December 2021 and 2020 respectively, primarily due to increase of current assets from the increase of bank overdrafts, short-term borrowings from financial institution and current portion of long-term borrowings including an increase of trade payable.

Cash cycle was 23 and 22 days for the year ended 31 December 2021 and 2020 respectively.

Financial Policy ratio

Net interest-bearing debt ⁽¹⁾ to Equity was 1.0x and 0.9x for the year ended 31 December 2021 and 2020 respectively, primarily due to the increase of bank overdrafts, short-term and long-term borrowings from financial institution.

⁽¹⁾ Net interest-bearing debts are excluding financial lease from TFRS 16 and deduct with cash and cash equivalents.



Business outlook

Since 2017, Central Retail has announced its key strategy “New Central New Retail” aiming to be “Central to Life”. The Company directs its business and shapes the ecosystem to be recognized as Southeast Asia’s best “New Central Retail Lifestyle & Food Platform” and be prepared for further development to accomplish business success. In addition, the Company maintains its long-term strategic goal to sustainably grow in both terms of financial performance and profitability via customer-centric omnichannel that comes with a wide range of product lines and formats in Thailand, Vietnam, and Italy (Multi-Category, Multi-Format, and Multi-Market). In this regard, the Company is determined to improve the operation process of all business units, execute financial management for liquidity, and emphasize the local and global expansion of strategic growth projects in pursuit of future. For example, the expansion of Thai Watsadu stores, Robinson Lifestyle, and GO! Vietnam, including development of new concept stores or brands to meet customers’ demands. Importantly, the Company has also been actively exploring new opportunities to acquire M&A and high potential businesses for the new revenue to boost revenues and enhance business capabilities in line with its growth plan in a stable and sustainable manner.

The Company emphasizes development to prepare itself for future trends. Furthermore, it aims at achieving a global goal in becoming a Net Zero through the management of climate change, efficient energy management, waste management, thus commits to reducing greenhouse gas emissions, cutting the use of plastics, and promoting environmental-friendly packaging while also lessening amount of food losses and waste constantly. In addition, the Company is also determined to promote corporate governance and business ethics, valuing all stakeholders and improving the quality of life for everyone. Emphasis is placed on the distribution of healthy & safe products for consumers, human capital development, the creation of economic value for the community and the development of local products (Community Contribution), as well as customer relationship and brand management.

4.2 Factors that may affect the financial position or significant future performance

In 2021, the overall economy has still been adversely affected by the pandemic of COVID-19 and the outbreaks still persist through to 2022, thereby being considered a challenge to the Company's operations. The Company has put its efforts into learning the situation and adjusting operational plans by focusing on formulating proactive strategies in combination with reactive ones. Moreover, the operational plans have been regularly followed up on a quarterly basis. Others that have been conducted include risk management, in response to economic challenges and shifting consumer behaviors, as well as efficient cost and expense management for sustainable growth.

For more information regarding Company's business plans, see Sections “1.2 Nature of Business” and “4.1 Operating and Financial Position for the Year Ended 31 December 2021”.



4.3 Financial information

4.3.1 Summary of Independent Auditor's report

The summary of independent auditor's report from consolidated financial statement of the Company as follow:

Year	Auditor	Summary of independent's auditor's report
2019, 2010 and 2021	Mr. Pornthip Rimdusit Certified Public Accountant Registration No. 5565 KPMG Phoomchai Audit Ltd Approved by The Securities of Exchange and Commission (SEC)	The auditor have audited the consolidated and separate financial statements of Central Retail Corporation Public Company Limited and its subsidiaries (the "Group") and of Central Retail Corporation Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, 2020 and 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year ended, and notes, comprising a summary of significant accounting policies and other explanatory information and expressed an unqualified opinion in the auditor's report that the above-mentioned consolidated financial statements and separate financial statements presented fairly, in all material respects in accordance with the relevant accounting standards, the consolidated and separate financial positions of the Company and subsidiaries as of 31 December 2019, 2020, and 2021, the results of consolidated and separate operations, and the consolidated and separate cash flows as of the same fiscal year-end of each year.



4.3.2 Summary of consolidated financial statements as of 31 December 2019, 2020 and 2021

Statement of financial position

The Table below presents details about statement of financial position as of the date presented.

Assets

	Year Ended 31 December					
	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Assets						
Cash and cash equivalents	10,073	5.5	15,912	6.7	16,579	6.3
Other current financial assets	1,603	0.9	1,830	0.8	1,508	0.6
Trade receivables	4,383	2.4	4,570	1.9	4,860	1.8
Other current receivables	11,739	6.4	10,129	4.2	9,868	3.7
Short-term loans	40	0.0	44	0.0	142	0.1
Current portion of finance lease receivables	-	-	-	-	36	0.0
Inventories	37,436	20.4	34,296	14.3	36,516	13.9
Derivative assets	-	-	-	-	5	0.0
Other current assets	511	0.3	396	0.2	404	0.2
Total current assets	65,785	35.8	67,177	28.1	69,918	26.6
Investments in associates	517	0.3	483	0.2	390	0.1
Investments in joint ventures	464	0.3	548	0.2	5,169	2.0
Other non-current financial assets	209	0.1	1,603	0.7	1,617	0.6
Finance lease receivables	-	-	2,177	0.9	2,171	0.8
Investment properties	10,866	5.9	13,807	5.8	16,284	6.2
Property, plant and equipment	41,862	22.8	41,654	17.4	43,359	16.5
Right-of-use assets	-	-	67,029	28.0	65,338	24.8
Goodwill	27,500	15.0	27,948	11.7	38,085	14.5
Leasehold rights	21,042	11.5	-	-	-	-
Intangible assets other than goodwill	6,526	3.6	6,842	2.9	8,885	3.4
Deferred tax assets	1,604	0.9	3,382	1.4	4,815	1.8
Other non-current assets	7,130	3.9	6,530	2.7	7,197	2.7
Total non-current assets	117,720	64.2	172,003	71.9	193,310	73.4
Total assets	183,505	100.0	239,180	100.0	263,228	100.0



Statement of financial position (continued)

Liabilities and equity

Year Ended 31 December

	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Liabilities						
Short-term loans from financial institutions	51,104	27.8	31,625	13.2	35,632	13.5
Trade payables	37,101	20.2	31,569	13.2	36,905	14.0
Other current payables	29,946	16.3	16,483	6.9	17,828	6.8
Derivative liabilities	-	-	12	0.0	3	0.0
Current portion of long-term borrowings	429	0.2	2,763	1.2	13,418	5.1
Current portion of lease liabilities	31	0.0	6,471	2.7	7,428	2.8
Current income tax payable	902	0.5	126	0.1	448	0.2
Current liabilities	119,513	65.1	89,049	37.2	111,662	42.4
Long-term borrowings	9,395	5.1	29,492	12.3	28,517	10.8
Lease liabilities	197	0.1	51,566	21.6	50,300	19.1
Deferred tax liabilities	3,215	1.8	2,669	1.1	3,042	1.2
Non-current provisions for employee benefits	2,467	1.3	2,228	0.9	2,309	0.9
Unearned lease income	6,213	3.4	5,673	2.4	5,521	2.1
Long-term derivative liabilities	-	-	-	-	21	0.0
Other non-current liabilities	4,986	2.7	2,788	1.2	2,775	1.1
Total non-current liabilities	26,474	14.4	94,416	39.5	92,485	35.1
Total liabilities	145,986	79.6	183,465	76.7	204,147	77.6



Statement of financial position (continued)

Liabilities and equity

Year Ended 31 December

	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Equity						
Authorised share capital ⁽¹⁾	6,320	3.4	6,320	2.6	6,320	2.4
Issued and paid-up share capital ⁽²⁾	4,700	2.6	6,031	2.5	6,031	2.3
Share premium						
Share premium on ordinary shares	12,971	7.1	66,761	27.9	66,761	25.4
Share premium on treasury shares	67	0.0	123	0.1	123	0.0
Difference in value arising from restructuring transactions of entities under common control	(2,393)	(1.3)	(2,393)	(1.0)	(2,393)	(0.9)
Retained earnings						
Legal reserve	632	0.3	632	0.3	632	0.2
Unappropriated	12,549	6.8	10,145	4.2	7,792	3.0
Difference arising from acquiring of non-controlling interests	-	-	(23,265)	(9.7)	(23,265)	(8.8)
Other components of equity	(3,717)	(2.0)	(4,641)	(1.9)	707	0.3
Equity attributable to owners of the parent	24,810	13.5	53,394	22.3	56,388	21.4
Non-controlling interests	12,709	6.9	2,321	1.0	2,693	1.0
Total equity	37,519	20.4	55,715	23.3	59,081	22.4
Total liabilities and equity	183,505	100.0	239,180	100.0	263,228	100.0

⁽¹⁾ Compose of 6,320 million shares, Par at 1 Baht

⁽²⁾ Compose of 4,700 million shares, Par at 1 Baht as of 31 December 2019 and

Compose of 6,031 million shares, Par at 1 Baht as of 31 December 2020 and 2021

**Statement of comprehensive income**

The Table below presents details about statement of comprehensive income as of the date presented.

Year Ended 31 December

	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Revenue						
Revenue from sale of goods	195,355	87.7	173,138	89.1	175,975	89.9
Revenue from rental services	6,979	3.1	5,598	2.9	4,990	2.6
Revenue from rendering of services	1,674	0.8	1,212	0.6	826	0.4
Insurance compensation	3,283	1.5	-	-	-	-
Interest income	248	0.1	302	0.2	221	0.1
Other income	15,198	6.8	14,062	7.2	13,641	7.0
Total revenue	222,737	100.0	194,311	100.0	195,654	100.0
Expenses						
Cost of sales of goods	142,672	64.1	133,033	68.5	134,082	68.5
Cost of rental and rendering of services	2,184	1.0	1,915	1.0	1,765	0.9
Selling expenses	45,852	20.6	40,514	20.8	40,363	20.6
Administrative expenses	16,480	7.4	16,574	8.5	16,705	8.5
Total expenses	207,188	93.0	192,036	98.8	192,914	98.6
Profit from operating activities	15,549	7.0	2,275	1.2	2,739	1.4
Finance costs	(1,085)	(0.5)	(2,950)	(1.5)	(3,113)	(1.6)
Share of profit of associates and joint ventures accounted for using equity method	391	0.2	132	0.1	279	0.1
Profit (loss) before tax expense (income)	14,854	6.7	(543)	(0.3)	(95)	0.0
Tax expenses (income)	2,495	1.1	(884)	(0.5)	(372)	(0.2)
Profit for the year	12,359	5.5	341	0.2	277	0.1



Statement of comprehensive income (continued)

Year Ended 31 December

	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Other comprehensive income						
Items that will be reclassified subsequently to profit or loss						
Exchange differences on translating financial statements	(1,250)	(0.6)	(452)	(0.2)	5,422	2.8
Profit (Loss) on cash flow hedges	-	-	(12)	(0.0)	9	0.0
Net change in fair value of available-for-sale investments transferred to profit or loss	2	0.0	-	-	-	-
Income tax relating to items that will be reclassified	-	-	3	0.0	(2)	(0.0)
Total items that will be reclassified subsequently to profit or loss	(1,248)	(0.6)	(461)	(0.2)	5,428	2.8
Items that will not be reclassified to profit or loss						
Gain (Loss) on investments in equity instruments designated at FVOCI	-	-	(86)	(0.0)	(1)	(0.0)
Gain (Loss) on remeasurements of defined benefit plans	(384)	(0.2)	(14)	(0.0)	157	0.1
Income tax relating to items that will not be reclassified to profit or loss	78	0.0	21	0.0	(32)	(0.0)
Total items that will not be reclassified to profit or loss	(306)	(0.1)	(79)	(0.0)	124	0.1
Other comprehensive income for the year, net of tax	(1,555)	(0.7)	(540)	(0.3)	5,553	2.8
Total comprehensive income for the year	10,805	4.9	(199)	(0.1)	5,830	3.0



Statement of comprehensive income (continued)

Year Ended 31 December

	2019		2020		2021	
	THB Million	%	THB Million	%	THB Million	%
Profit attributable to:						
Owners of the parent	10,633	4.8	46	0.0	59	0.0
Non-controlling interests	1,726	0.8	295	0.2	217	0.1
Profit for the year	12,359	5.5	341	0.2	277	0.1
Total comprehensive income attributable to:						
Owners of the parent	9,130	4.1	(393)	(0.2)	5,407	2.8
Non-controlling interests	1,675	0.8	194	0.1	423	0.2
Total comprehensive income for the year	10,805	4.9	(199)	(0.1)	5,830	3.0
Basic earnings per share	2.26		0.01		0.01	

Statement of cash flows

The following table sets forth a condensed summary of our statement of cash flows for the periods presented.

Year Ended 31 December

	2019	2020	2021
	(THB Million)		
Statement of cash flows			
Net cash from (used in) operating activities	18,386	11,961	23,360
Net cash from (used in) investing activities	(13,588)	(8,779)	(22,906)
Net cash from (used in) financing activities	(6,480)	2,905	(149)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(1,682)	6,087	306
Effect of exchange rate changes on cash and cash equivalents	(316)	186	572
Translating foreign operations	1,006	(435)	(210)
Net increase (decrease) in cash and cash equivalents	(992)	5,839	667
Cash and cash equivalents at 1 January	11,065	10,073	15,912
Cash and cash equivalents at 31 December	10,073	15,912	16,579

**Other financial information**

The table below presents a reconciliation of our profit from continuing operations to normalized net profit for the periods presented.

Year Ended 31 December			
	2019	2020	2021
	(THB Million)		
Reconciliation of normalized net profit			
Profit from continuing operations	12,359	341	277
Normalized items after tax	3,343	956	(130)
Total Adjustments to Earnings after tax	9,016	(614)	407
Normalized net profit margin ⁽¹⁾	4.0	(0.3)	0.2

⁽¹⁾ Percentage margin is calculated from normalized net profit divided by total revenue.

The table below presents adjustments to earnings, net of tax for the period presented.

Year Ended 31 December			
	2019	2020	2021
	(THB Million)		
Adjustments to Earnings, net of tax			
Net gain / (loss) on foreign exchange	48	686	(249)
Impairment loss – reversal and others	234	138	119
Net gain / (loss) on disposal of assets	(73)	(36)	(0.5)
Gain on disposal of investment	151	-	-
Insurance compensation	3,283	-	-
One-time increase in provision for retirement benefits	(300)	-	-
Deferred tax asset in prior year which recognized in this year	-	168	-
Total Adjustment to Earnings, net of tax	3,343	956	(130)



4.3.3 Financial ratios

The table below presents certain financial ratios for the periods indicated.

	Year Ended 31 December		
	2019	2020	2021
Liquidity Ratios			
Current ratio (times)	0.6	0.8	0.6
Quick ratio (times)	0.2	0.4	0.3
Cash flow liquidity ratio (times) ⁽¹⁾	0.2	0.1	0.2
Accounts receivable turnover (times) ⁽²⁾	42.8	38.0	36.0
Average collection period (days)	8.5	9.6	10.1
Inventory turnover (times) ⁽³⁾	3.8	3.5	3.5
Inventory days (days)	95.0	105.4	104.6
Accounts payable turnover (times) ⁽³⁾	4.0	3.9	4.0
Accounts payable days (days)	92.3	92.9	92.0
Cash cycle (days)	11.3	22.1	22.7
Profitability Ratios			
Gross profit margin (%) ⁽²⁾	29.0	25.0	25.3
Operating margin (%) ⁽²⁾	7.6	1.3	1.5
Non-operating profit margin (%)	8.4	7.4	7.1
Cash flow to income ratio (%) ⁽¹⁾	118.2	525.7	852.8
Net profit margin (%)	5.5	0.2	0.1
Net profit margin for the owner of the Company (%)	4.8	0.0	0.0
Return on equity (%)	23.6	0.7	0.5
Return on equity for the owner of the Company (%)	26.5	0.1	0.1
Efficiency Ratios			
Return on total assets (%)	6.8	0.2	0.1
Return on fixed assets (%)	28.5	16.1	13.2
Total asset turnover (times)	1.2	0.9	0.8

⁽¹⁾ Cash flow ratio is calculated as cashflow exclude cashflows from discontinued operations

⁽²⁾ Net sales = Revenue from sales of goods + Revenue from rental services + Revenue from rendering of services

⁽³⁾ Cost of sales of goods = Cost of sales of goods + Cost of rental and rendering services



The table below presents certain financial ratios for the periods indicated (continued)

	Year Ended 31 December		
	2019	2020	2021
Financial Policy Ratios			
Interest bearing debt to equity (times)	1.6	1.1	1.3
Net Interest bearing debt to equity (times)	1.4	0.9	1.0
Debt to equity (times)	3.9	3.3	3.5
Interest coverage ratio (times)	23.8	6.4	6.4
Obligation coverage ratio (EBITDA) (times)	0.5	0.6	0.4
Dividend payout ratio (%)	303.2	5,214.2	n.a. ⁽⁴⁾

⁽⁴⁾ Board of Director's meeting of the Company has a resolution to propose annual dividends based on the operating profit for the year 2021 of Baht 0.3 per share to shareholders for approval at the Annual General Meeting of Shareholder on 29 April 2022.

Financial Ratio Formula

Liquidity ratios

- Current ratio is calculated as total current assets divided by total current liabilities.
- Quick ratio is calculated as the sum of cash and cash equivalents, current investments, trade accounts receivables and other receivables divided by total current liabilities.
- Cash flow liquidity ratio is calculated as cash flow from continuous operation divided by average total current liabilities.
- Accounts receivable turnover is calculated as the sum of revenue from sale of goods, revenue from rental services and revenue from rendering of services divided by average trade accounts receivable before allowance for doubtful account.
- Average collection period is calculated as 365 divided by account receivable turnover.
- Inventory turnover is calculated as the sum of cost of sales of goods divided by average inventories, excluding work in progress, raw material and factory supplies and others.
- Inventory days is calculated as 365 divided by inventory turnover.
- Accounts payable turnover is calculated as the sum of cost of sales of goods and cost of rental and rendering services divided by average trade accounts payable.
- Average accounts payable days is calculated as 365 divided by accounts payable turnover.
- Cash cycle is calculated as the sum of average collection period and inventory days minus average accounts payable days.

Profitability ratios

- Gross profit margin is calculated as gross profit (loss) divided by the sum of revenue from sale of goods, revenue from rental services and revenue from rendering of services multiplied by 100.
- Operating margin is calculated as operating income divided by the sum of revenue from sale of goods, revenue from rental services and revenue from rendering of services multiplied by 100.
- Non-operating profit margin is calculated as the sum of investment income, other income and gain on disposal of assets divided by total revenue, multiplied by 100.
- Cash flow to income ratio is calculated as cash flow from continuing operation divided by operating income, multiplied by 100.
- Net profit margin is calculated as profit (loss) for the period divided by total revenue, multiplied by 100.
- Return on equity is calculated as profit (loss) for the period divided by average total shareholders' equity, multiplied by 100.

Efficiency Ratios

- Return on total assets is calculated as profit (loss) for the period divided by average total assets, multiplied by 100.
- Return on fixed assets is calculated as the sum of profit (loss) for the period and depreciation divided by the sum of net property, plant and equipment, net investment property, net leasehold rights, net rights of use and net other intangible assets, multiplied by 100.
- Total asset turnover is calculated as total revenue divided by average total assets.

Financial Policy ratio

- Interest-bearing debt to equity is calculated as total interest-bearing debt - cash and cash equivalents divided by total equity.
- Debt to equity is calculated as total liabilities divided by total equity.
- Interest coverage ratio is calculated as the sum of EBITDA divided by finance cost paid.
- Obligation coverage ratio (cash basis) is calculated as EBITDA divided by repayment of short-term loans and current portion of repayment of long-term loans.
- Dividend payout ratio is calculated as dividend paid divided by profit (loss) for the period from continuing operation.



5

General Information





5.1 General Information

(as at 31 December 2021)

Company's name	: Central Retail Corporation Public Company Limited
Type of Business	: Holding Company
Head Office	: 22 Soi Somkid, Ploenchit Road, Lumpini Sub-District, Pathumwan District, Bangkok
Registration Number	: 0107562000386
Registered Capital	: THB 6,320,000,000 (Six Thousand Three Hundred Twenty Million Baht)
Paid-up Capital	: THB 6,031,000,000 (Six Thousand Thirty-One Million Baht)
Par Value	: THB 1 (One Baht)
Website	: http:// www.centralretail.com
Telephone Number	: +66 (0) 2650 3600 Ext. 1654
Registrar	: Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, 14 th Floor, Ratchadapisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok, 10400 Tel.: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991 Website: www.set.or.th/tsd
Auditor	: KPMG Phoomchai Audit Ltd. 1 Empire Tower, 48 th -51 st , South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120 Tel.: +66 (0) 2677 2000 Fax: +66 (0) 2677 2222 Website: home.kpmg/th/en/home.html



5.2 Other Material Information

5.2.1 Other Information That May Materially Affect Investors' Decisions

The Group's retail businesses are under several laws of Thailand, Italy and Vietnam. Applicable and important laws that affect these businesses are summarized as follows

A. Thailand

1. Laws on Town Planning, Building Control, and Environmental Impact Assessment (EIA)

1.1 Town Planning Act

The Town Planning Act B.E. 2562 (including amendments) ("Town Planning Act") is the law on the formulation, preparation and implementation of town plans, both unitary town plans and specific townplans, for urban and rural zones for the purposes of preparing urban development in an orderly manner and also of promoting social, economic and environmental development. Works done under this law take into account asset utilization, public safety, social welfare, as well as the conservation of fine arts, architectures, natural resources, landscapes, etc. A town planning committee shall be a regulator and enforcer of the Town Planning Act. For example, town planning in Bangkok is subject to the Ministerial Regulation on Bangkok Town Plan of B.E. 2556 ("Bangkok Town Plan"), which is issued under the Town Planning Act. This regulation governs land utilization in the Bangkok Town Plan according to zoning. There are residential zones, commercial zones, industrial zones, warehouse zones, and conservation zones, etc. The town planning regulation governs land utilization to the point of looking into commercial operations, office-building constructions, warehouses, and billboard installations in each zone too.

The Department of Public Works and Town & Country Planning and relevant local officials must review the ministerial regulation at least once every five years. This regulation can be revised to improve the overall town plan in events that the review shows the situation and environment have already changed significantly and without an update, the town plan will

no longer be appropriate for developing/maintaining the town, and that the revision is needed for urban development's economic, social, and environmental benefits. The overall town plan applies to each of its zone, requiring land utilization to match the zone assigned. Each zone has different restrictions on land usage. For example, the Bangkok Town Plan has the following rules:

- (1) Yellow Zone Type Yor 1 is a sparsely populated residential zone. It is designated as such for the purpose of promoting suburban environment for residences in the zone. Land plots in the zone cannot be used for many activities. For example, a commercial operation in the zone must not cover more than 100 square meters of area each. The zone also prohibits shop houses, row houses, warehouses, freight stations, and logistics businesses.
- (2) Red Zone Type Por 1 is a commercial zone. It is designated as such to facilitate communities' commercial center, and distribute commercial activities/services for the convenience of people living in suburban areas. This zone imposes certain restrictions of land utilization. For example, while a commercial business is allowed, its total space must not be over 5,000 square meters each. Exceptions are granted only when the commercial business of over 5,000 square meters of space is located on a public road with at least 16-meter-wide traffic surface and is within 500 meters from an electric-train station.
- (3) Purple Zone Type Or 1 is an industrial zone. It is designated as such to manage environmental impacts from industrial operations with low pollution. In this zone, a commercial business of over 300 square meters of space is prohibited unless it occupies no more than 500 meters of space and is located on a public road with at least 16-meter-wide traffic surface. In an event that a commercial business spans over 500 square meters but not more than 1,000 square meters of space, it is allowed in the zone if it is located on a public road with at least 30-meter-wide traffic surface.
- (4) Reddish Purple Zone Type Or 3 is a zone for warehouses. It is designated as such to host warehouses that back Southeast Asia's transportation hub. This zone has land-utilization restrictions. For example, a commercial business of over 300 square meters of space is not allowed.



- (5) White Zone with Green Diagonal Lines Type Kor 1 is a zone for conserving rural life and agriculture. It is designated as such to maintain the natural landscape of rural and agricultural areas. Restrictions are imposed on such zone. For example, the zone prohibits a commercial business occupying over 100 square meters of space, except when a commercial business having more than 100 square meters but not over 300 square meters of space is located on a public road with at least 16-meter-wide traffic surface and has an empty space of at least six-meter width in front of its building. This zone prohibits warehouses, freight stations and logistics businesses.
- (6) Light Brown Zone Type Sor 1 is a zone for conserving Thai arts and culture. This zone bans certain activities, including a commercial business occupying more than 1,000 square meters of space, warehouses, freight stations and logistics businesses.
- (7) Blue Zone Type Sor is a zone for government agencies, public utilities, and public facilities. Land utilization in this zone must serve the purposes related to government agencies providing public utilities/public facilities or public benefits, government agencies, religions, education, public utilities, public facilities, and public benefits only.

The Town Planning Act has direct impacts on the Company's property development and business expansions including the increase of its branches. Any new branch established must comply with applicable local town plans.

1.2 Building Control Act

The Building Control Act B.E. 2522 (including amendments) ("Building Control Act") aims to control constructions and ensure that buildings are secure and safe. It therefore governs the constructions of various types of buildings, their utilization, modification, and demolition. Under this law are the process to request construction permits, which must be done prior to construction, and the process to request the certification for building constructions, which is issued after the construction is completed. Stipulations are different depending on each type of buildings. The Building Control Act affects

the Company's businesses in regard to constructions, additions, modifications, and utilization of buildings. The Company has the duty to comply with this law, including to seek permits required by it.

1.3 Enhancement and Conservation of National Environmental Quality Act

The Enhancement and Conservation of National Environmental Quality Act of B.E. 2535 (including amendments) ("Environmental Quality Enhancement and Conservation Act") aims to control and solve environmental problems by engaging people and non-governmental organizations in the enhancement and conservation of environmental quality. The Minister of Natural Resources and Environment, with the endorsement from the National Environment Board, has the power to issue regulations requiring entrepreneurs whose operations have adverse environmental impacts and meet prescribed criteria to conduct an environmental impact assessment ("EIA") and submit it to seek an approval from the Office of Natural Resources and Environmental Policy and Planning (ONEP). The size and type of operations requiring EIA are in line with the Natural Resources and Environment Ministry's announcement on projects, businesses, or operations requiring an EIA and EIA criteria, methods and conditions dated 19 November 2018, which was promulgated in the Royal Gazette on 4 January 2019 and took effect the following day, and also the Natural Resources and Environment Ministry's announcements that some provincial authorities have enforced for EIA process in their areas.

When expanding its businesses or branches, the Company has to comply with the Environmental Quality Enhancement and Conservation Act. This law has required that some types of buildings such as a building for retailing and wholesaling, an office building, a private building that is more than 23 meters high or have the combined space of over 10,000 square meters either on one floor or more to conduct an EIA in compliance with the Natural Resources and Environment Ministry's announcement on projects, businesses, or operations requiring an EIA and EIA criteria, methods and conditions dated 19 November 2018, which was promulgated in the Royal Gazette on 4 January 2019. A request for construction permit can be submitted only after the ONEP approves the EIA.



2. Laws on Consumer Protection and Product Liability

2.1 Consumer Protection Act

The Consumer Protection Act B.E. 2522 (including amendments) (“Consumer Protection Act”) aims to prescribe rights to consumers and duty to manufacturers/service providers so as to ensure fairness to consumers. This law lays down criteria on consumer protection in many ways, including:

- (1) The law gives consumers an option to lodge a complaint to the Consumer Protection Board, when the nature of their complaint in fact falls under a specific law but executors of that law have not acted on their complaint within 90 days since the acceptance of their complaint or when the case is considered too urgent to wait any longer.
- (2) Regarding advertising, the law requires that advertisements do not present unfair content such as exaggeration or a misleading message that may cause significant misunderstanding in the product/service.

In addition, the advertisement must comply with the Ministerial Regulation B.E. 2564 regarding unfair advertising messages of goods or services that may cause negative effects on society as a whole. Initially, there must be a statement stating or declaring that the business operator will arrange a giveaway or a prize by gamble before authorized by the official under the law on gambling, or a statement indicating that the business operator has been authorized by the official under the law on gambling to arrange for a giveaway or a prize by gambling.

- (3) Regarding labels, the law requires that labels must present accurate information and must not contain any message that may cause significant misunderstanding in the product. Also, the law stipulates that the label must display the name of manufacturer or importer, the place of manufacturing or the business venue of the importer, information on product category, quantity, instructions, advice, and other necessary information.

2.2 Product Liability Act

The Product Liability Act B.E. 2551 (“Product Liability Act”) aims to remedy parties suffering damages from unsafe goods. Under this act, an “entrepreneur” refers to a manufacturer; a person/entity paying for manufacturing; importer; and seller who is unable to identify a manufacturer, a person/entity paying for manufacturing, or importer; and a person/entity using the name, a trademark, a sign, a message or any presentation that convince others that he/she/it is a manufacturer, a person/entity paying for manufacturing, or importer shall be liable to damages under the Product Liability Act. A damaged party may sue an entrepreneur under the act without any need to prove which entrepreneur has caused damages, as the damaged party is required to prove that it is damaged only. Damages from unsafe goods refer to damages arising from manufacturing/design defects or entrepreneurs’ failure to provide instructions, storage guideline, warnings or product information, or failure to accurately and clearly provide the said information given the nature of product conditions, usage conditions, and storage.

An entrepreneur shall not be held responsible for damages if it successfully proves that the product is not unsafe or that the damaged party has known before that the product is unsafe or has sustained damages because they have themselves failed to use or store goods properly despite reasonable instructions, storage guideline, product information given by the entrepreneur.

However, the Product Liability Act has defined entrepreneurs broadly and given consumers the right to not prove which entrepreneur has been responsible for damages. When this law is invoked, each accused entrepreneur has the duty to prove its innocence itself.

3. Law on Trade Competition

The Trade Competition Act B.E. 2560 (“Trade Competition Act”) regulates and prevents monopoly, including reduced or restricted trade competition, by business operators. Under this law, “business operators” are defined as a vendor producer for sale, person who orders or imports goods into Thailand for sale, buyer for production or resale of goods, or service provider in the business. The Trade Competition Act issues measures to control product/service selling prices, trade conditions, the partial/complete acquisition of assets/takeover of another business, etc.



The Office of Trade Competition Commission has issued several announcements, pursuant to the Trade Competition Act so as to prescribe guidelines for the enforcement of the law. One of the announcements gives the guideline on how to review unfair trade practices between retailers/wholesalers and manufacturers or vendors (“Announcement on Unfair Trade Practice Review Guideline”), which has taken effect from 20 July 2019. Based on the guideline, activities that may be unfair or cause damages to manufacturers/vendors include:

- (1) Setting buying prices or buying goods from manufacturers/vendors at the rate lower than normal prices, or forcing manufacturers/vendors to lower prices of goods that have already been delivered and accepted without any sound reason;
- (2) Demanding unfair economic benefits by requiring manufacturers/vendors to award benefits that they need not give or that is too much without any reason when taking into account interest manufacturers/vendors will likely get. These benefits, for example, are in the form of listing fees, fees for goods’ special corners, performance fees or additional discounts on special conditions; rebates, and discounts for lost goods after acceptance, etc;
- (3) Unfair and unreasonable return of goods, which happen not on the fault of manufacturer/vendor or is carried out without any prior agreement or without consent. For example, goods are returned because agreements are changed from purchase agreements to consignment agreements;
- (4) Using unfair consignment agreements that require manufacturers/vendors to agree to unfair conditions that put them at serious disadvantage when compared with normal consignment, or forcing specific manufacturers/vendors to enter into consignment agreements instead of purchase agreements in order for retailers/wholesalers to reap benefits from consignment agreements just like from purchase agreements;
- (5) Unfairly forcing manufacturers/vendors to buy or pay service fees for the benefits of retailers/wholesalers without any sound reason, for example, by requiring manufacturers/vendors to buy some or all of retailers/wholesalers in an unfair manner, or unreasonably forcing them to pay for the advertising of goods while retailers/wholesalers are major beneficiaries;
- (6) Giving unfair assignments to staff of manufacturers/distributors, without their consent or without prior agreements. For example, manufacturers/distributors are forced to pay staff of retailers/wholesalers or forcing staff of manufacturers/distributors to work at the business places of retailers/wholesalers and assist with works that normally belong to retailers/wholesalers with aim to reduce retailers’/wholesalers’ expenses except in events of exemptions mentioned in the “Announcement on Unfair Trade Practice Review Guideline”;
- (7) Unfair refusal to accept all or some goods ordered for a private brand/house brand of retailers/wholesalers, which are manufactured based on specific standard, format and type without a sound reason, without the fault on the part of manufacturers/distributors, or without prior notice except in events that manufacturers/distributors agree to accept the refusal and retailers/wholesalers pay for damages that are generally incurred from refusal; and
- (8) Other unfair trade practices by retailers/wholesalers that may cause damages such as delaying payments for goods, estimating purchase volumes, or ending business contacts in retaliation against manufacturers/distributors’ refusal to comply with retailers’/wholesalers’ conditions, or unreasonable delisting or delisting made for a reason not mentioned in agreements.

These measures have posed significant restrictions in business operations and expansions, which are designed to promote free and fair trade.

As the Group’s retail businesses are considered business operators under the Trade Competition Act, their operations and expansions are subject to the law.



4. Law on Direct Sale and Direct Marketing

The Direct Sale and Direct Marketing Act B.E. 2545 (including amendments) (“Direct Sale and Direct Marketing Act”) aims to govern business operators engaged in direct sale and direct marketing for increased consumer protection. The Direct Sale and Direct Marketing Act defines “direct marketing” as marketing goods or services directly to consumers at a distance with aim to sell goods or services to each consumer. This definition covers the direct presentation of goods to consumers via media such as internet or TV too. The electronic distribution of goods via the Group’s websites or internet as a result is considered a direct sale business. The Group therefore has the duty to register itself as an operator of direct sale business with the Office of the Consumer Protection Board to comply with the law. For registration, direct-sale business operator must submit documents to Office of the Consumer Protection Board for review. Only qualified operators shall be registered in line with legal requirements. For example, direct marketing business operators must not sell goods that are not allowed for direct sale such as medicines, medical appliances, liquor, and fertilizer. Also, they must have never had their direct-sale licenses revoked in the past five years since the submission of the latest license request. Direct marketing business operators must also comply with applicable rules: for example, they must neither force consumers nor unreasonably tout goods under a brand name. Agreements made must contain minimum details required by laws. Also, the operator of a direct sale business must submit their operation reports to the Registrar.

5. Laws on Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing

The Anti-Money Laundering Act of B.E.2542 and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (including amendments) aims to prevent ill-gotten or illegally-acquired gains from being laundered to ensure such money or assets are no longer used for crimes, terrorist acts, or terrorism support. These laws affect and apply to financial institutes, including legal entities whose business operations are related to financial activities covered by the laws namely the operators of payment system businesses pursuant to laws on

payment systems and operators of payment service businesses pursuant to laws on payment systems. In addition, these two acts apply to practitioners of certain professions such as those working in the field of e-Money cards and are not financial institutions under the Finance Ministry’s Announcement on Credit Card Businesses or the law on financial-institution supervision or those working in the field of e-payment pursuant to the law governing e-payment services.

Judging by the nature of its businesses, the Group is an operator of payment service businesses that is under the law on payment systems and the supervision of the Bank of Thailand. As a result, the Group is considered a financial institution with the duty to comply with requirements related to The Anti-Money Laundering Act of B.E. 2542 and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (including amendments). It is also under the supervision of the Anti-Money Laundering Office, which has the power and duty to formulate guidelines on how to enforce, supervise, audit, and evaluate compliance with the laws. Under the laws, the Group has the duty to report transactions based on criteria and guidelines prescribed. For example, all financial institutions have to report a transaction of over Bt100,000 to the Anti-Money Laundering Office and shall require all customers to identify themselves prior to conducting any transaction, unless that customer has previously done so before, or require occasional customers to identify themselves prior to any of the following transactions: (1) a payment-service transaction involving more than Bt50,000; and (2) a transfer of e-Money or an electronic transfer of money involving more than Bt50,000. In addition, the Group must compare customer names against Thailand’s list of high-risk persons and the Civil Court-designated high risk persons and the UN Sanction List in compliance with laws.

6. Law on Public Health

The Public Health Act B.E. 2535 (including amendments) (“Public Health Act”) aims to take care of people’s health, with the Public Health Committee as the executor of the act. This law governs key issues related to the hygiene of people such as the establishments of markets, food shops, or food storages, waste management, hygienic conditions of buildings, nuisances to neighbors, and unhealthy business operations. Different activities covered by the law are subject to different control measures as follows:



- (1) The establishments of food shops or food storages:
In an event that a food shop or a food storage shall cover more than 200 square meters of space, its establishment must obtain a permit from local officials in advance. If a food shop or a food storage shall cover no more than 200 square meters of space, the business operator involved shall have to notify local officials to obtain a certificate prior to establishment.
- (2) If business operations are unhealthy by the definition of the Public Health Ministry's announcements or local stipulations such as bakeries or electronic-device production/repair, the business operator involved shall have to obtain a permit from local officials prior to the start of the business operations.

The Group's business operations involving the establishment of food shops/food storages and unhealthy business operations that affect the hygiene of people are under the Public Health Act. Also, the Group must ensure that it does not cause a nuisance to people in its neighborhoods. For example, it must refrain from any activity that threatens health with noise, odor, or dust. Such polluting activities are governed by the Public Health Act.

7. Law on Personal Data Protection

The Personal Data Protection Act B.E. 2562 ("Personal Data Protection Act") aims to protect personal data that has been compiled, used or disclosed by data controllers. Under the Personal Data Protection Act, "data controllers" mean a person or legal entity having the power to make decisions regarding collection, use or disclosure of personal data. Today, advanced technologies and communication systems make it easy to compile, use, disclose or seek benefits from personal data and such action may disturb or damage personal-data owners. The Personal Data Protection Act is executed by the Personal Data Protection Committee, which has the duty to supervise and take actions for the protection of personal data in regards to its collection, use, and disclosure, including the formulation of necessary measures such as:

- (1) Personal data shall be collected where necessary and for legitimate purposes of data controllers only. Data controllers must inform personal-data owners of the purposes of data collection, the types of collected data, and the types of persons or agencies personal data may be disclosed to either prior to or during the collection;
- (2) Collection, usage and disclosure of personal data can be done with consent from personal data owners only, except in events sanctioned by laws, and data usage must be made for the purposes stated to personal data owners prior to or during data collection only; and
- (3) Management of Data Subject Rights. In order to properly comply with the rights of the data subject under the law, which are 1. the right to receive notification 2. the right to amend information 3. the right to withdraw consent 4. the right to request for suspension of information use 5. the right to access, request a copy, or disclose the acquisition of personal data 6. the right to obtain and transfer personal data 7. the right to object to the collection, use, or disclose of personal information 8. the right to request the deletion or destruction of personal information 9. the right to make a complaint via various forms of systems for the data subject to submit the complaint request easily and conveniently.

In carrying out its retail business, the Group may obtain customer data that is defined as personal data. Therefore, the Group is a data controller under the Personal Data Protection Act, and its collection, use, and disclosure of personal data must comply with the Act's stipulations. The complete Personal Data Protection Act will come into force in 2022. The Act comprises of broad and non-specific laws, which most of the regulations require that individuals who collect, use, or disclose personal data must have standardized measures to strictly keep personal data. This is considered a preventive measure before any damage to personal data occurs. In addition, in terms of penalties under the Personal Data Protection Act, it also requires the court to calculate punitive damages as a punishment to those who collect or process personal data without consent, or those committing any acts against this Personal Data Protection Act, whether intentionally or not,



to pay damages to the owner of the personal data accordingly. The Group recognizes great importance of complying with the Personal Data Protection Act. The Group has conducted studies, plans, and implementations according to the law, ensuring that the Group will comply with the law accurately and completely.

8. Important Draft Laws Related to Business Operations

-None-

B. Italy

1. Law on Retail Businesses

Retail businesses in Italy is under its Legislative Decree 114/1998 ("Decree 114/1998") and other applicable regional laws. The Decree 114/1998 has categorized business places into three groups based on their "Sale Surface Area" (It refers to areas for selling activities, shelves, and other similar activities. It excludes storage spaces, areas for manufacturing process, offices, and service points, etc.). Each group of business places undergoes different procedures to start its operations. The process for the three groups of business places can be summarized as follows: (a) Small Retail Business each with the sale surface area of no more than 150 square meters; (b) Medium Retail Business each with the sale surface area of between 151 square meters and 1,500 square meters; and (c) Large Retail Business each with the sale surface area of over 1,500 square meters. In a municipal area with more than 10,000 residents, maximum sale surface areas range between 250 and 2,500 square meters.

A small retail business may start its operation by submitting "SCIA" (SCIA refers to a certificate on the start of operations pursuant to Article 19 of Law 241/1990). Members of the private sector may submit SCIA for its activities, without the need to undergo an inspection by state officials. Their operations however are subject to checks to determine if they meet laws-prescribed criteria and conditions (Code on Buildings in Municipal Areas and Zoning Criteria). If municipal officials find that applicants lack a qualification or fail to meet any condition prescribed by laws, they may ban the operation within 60 days

since SCIA submission. The ban shall not be imposed if applicants take necessary measures to comply with the qualification or the condition within 30 days since being informed by municipal officials.

A medium or large retail business need a trade license. If applications for the license comply with municipal officials' stipulations related to retail plans and general regional regulations, municipal officials have the duty to issue the license to applicants. A medium retail business may open, relocate or expand its area (to the maximum area allowed for a medium retail business) with the license issued by municipal officials in its area. In an event that municipal officials do not reject an application for medium-retail-business license within a deadline (90 days since the submission of applications), applicants shall be considered as having been granted the license (in the process known as "Silent Consent").

The opening of a large retail business and its expansion are under regional regulations. Operators must comply with commercial-area regulation plans, with their shops adhering to environmental and town-planning rules. To open, relocate, or expand a large retail business, business operators must obtain a permit from municipal authorities in their area. Within 60 days since the submission of applications, municipal authorities must convene a committee meeting. This committee shall comprise three members namely a representative of the region, a representative of the province and a representative of the municipality. The permit can be granted only with the approval from the representative of the region. Regional authorities have the duty to formulate guidelines governing large retail businesses, including general guideline on when an applicant shall be considered as having got the permit if there is no clear rejection of their application (no more than 120 days since the committee holds its meeting).

Operators of retail non-food businesses have the duty to comply with "Good Reputation" stipulations of Article 71 of Legislative Decree 59/2010 (they must not be convicted of several types of crimes). Retail food business operators shall have to comply with specific guideline on their professions too.



In addition, the Parliament of Italy is now reviewing a draft law that may require shops and department stores to close on Sunday and national holidays. At present, it remains unclear as to whether the draft law will receive parliamentary approval and whether the said draft law will grant certain exemptions. There are also uncertainties about how local authorities will enforce this law, if it is introduced.

2. Law on Food and Beverage Services

In Italy, services related to food and beverages including alcoholic drinks for members of the public or in a public space are under Law No. 287/1991 that is issued pursuant to Legislative Decree 59/2010 as well as regional/local laws/rules (including those of municipalities). Such services refer to the distribution of food and beverages to customers for consumption within the places of business (such as bars or restaurants) or a public space or an area designated for food/beverage services (Article 1 of Law No. 287/1991).

Generally, to start or transfer a food/beverage business requires the submission of a letter on the start of operations or SCIA (segnalazione certificate di inizio attività). With the submission, the business can be immediately launched while officials reserve the right to review documents or compliance with applicable regulations for 60 days since the submission (Article 54, Clause 1 of Legislative Decree 59/2010).

For a business unit located inside a protected area (such as old town, historical town, or art town), the start or transfer of food/beverage business is subject to provisions on official license applications and certain restrictions such as the maximum number of new businesses allowed (Article 54, Clause 3 of Legislative Decree 59/2010).

Starting a business requires compliance with regulations on town planning, laws on building controls, hygiene, and workplace safety (Article 54 Clause 6 of Legislative Decree 59/2010), as well as any technical standards issued by local authorities. Regarding a food/beverage business, Article 71 of Legislative Decree 59/2010 stipulates that business operators must comply with good reputation stipulations (as mentioned earlier for retail businesses) as well as requirements related to their professions. For example, the operators of

food/beverage businesses must undergo training related to their operations, food/beverage preparations and management. Also, the operators must complete secondary education or higher education in the field of trade and food preparations. In addition, they must have operated food services/food and beverage services for a combined period of at least two years during the past five years prior to applying for a license (Article 71, Clause 5 of Legislative Decree 59/2010).

3. Laws on Jewelry Trade

Regarding stipulations on jewelry retail, Article 127 of Consolidated Act of Public Security (pursuant to Royal Decree No. 773 dated 18 June 1931 or "ICAPS") requires manufacturers, traders or agents of gems or precious items to seek and obtain a license from the chief of police departments in their areas (enforcing local officials). This license applies to all kinds of shops or retail outlets of the same company, regardless of where they are located (Article 127.4 of ICAPS). These legal stipulations apply to foreign traders, manufacturers and entrepreneurs engaged in the distribution of precious metals in Italy.

Agents, representatives, and salespersons of the foreign entrepreneurs have the duty to seek the license by proving their status based on certificates issued by authorities of countries where their companies have been registered. The certificates must be certified by an Italian consulate too (Articles 127.5 and 5.6 of ICAPS). Article 243 of rule on ICAPS compliance, which is pursuant to Royal Decree No. 635 dated 6 May 1940, stipulates that manufacturers, traders, and agents of precious metals have the duty to seek a license from police chiefs even when they conduct their operations on an occasional basis. The issuance of licenses shall be subject to some ethical requirements as stated in Article 11 of ICAPS (for example, license holders must not be a convict of serious crimes against others, theft, robbery, extortion, kidnapping or a crime against the state or public order).



4. Laws on Beauty-Salon Operators

Operations related to hair and beauty services pursuant to Article 241/90 and amendments require “SCIA”, which must be submitted to the Single Productive Activities Desk (SUAP) of an applicable jurisdiction.

Whether conducted in a private or public place at a fee or without a fee, operations related to hair and beauty services are under subjective and objective legal requirements:

4.1 Subjective Requirements Refer to:

- a) Moral code pursuant to Article 71 of Royal Decree No. 59/2010 and amendments, as well as Royal Decree No. 159/2011 (Code of Mafia Suppression); and
- b) Professional stipulations pursuant to related laws.

4.2 Objective Requirements Refer to:

- a) Ownership of land and buildings (agreements on ownership, the right to reap benefits from, lease, and borrowing) that is registered under laws; and
- b) Compliance with regulations on land and buildings pursuant to sanitation, building and town-planning laws.

Manicurists, tattoo artists and body piercers may proceed with service checks through a jurisdiction of health services mentioned in regulations on land and buildings, equipment, goods and others, laws related to employees' health and safety, and rules on preventive measures for safety by consulting Circular 05.02.1998 No. 2.9/156 “Subject: Public Health Ministry's Policy Guideline on Tattoo and Body Piercing Procedures” and explanations mentioned in Circular 16.07.1998, which are given for efficient contacts related to health and sanitation with municipal offices. Operators for the aforementioned businesses must meet, if any, professional qualifications, as required by laws.

5. Laws on Personal Data Protection

EU Regulation No. 679 dated 27 April 2016 of the European Parliament and the Individual Protection Committee on the processing and free flow of personal data (“General Data Protection Regulation” or “GDPR”) and the Italian Law No. 163 dated 6 November 2017, which was approved under Legislative Decree No. 101 dated 10 August 2018 (“Decree 101”), aim to lay down GDPR as a legal framework for Italy in regards to personal data protection that applies to companies and organizations in Europe. Personal data means any data that can be used to identify a person. Decree 101 has taken effect from 19 September 2018, automatically cancelling the Italian Law No. 196 dated 30 June 2003 (“Code of Data Protection”) and introducing new stipulations for data protection that is in line with GDPR.

Many stipulations of GDPR are related to the core businesses of the Company. For example, the Company is required to send a letter on personal data to data owners again and also to comply with legal requirements on the processing, collection, recording, and storage or any action regarding personal data; assessments of data-protection impacts; and the appointment of data controllers. Violations against GDPR may result in an administrative punishment in the form of a fine of up to 20,000,000 Euro or no more than four percent of the Company's global revenue in the past accounting year, whichever amount is higher. Decree 101 of Italy has been amended to ensure its adequacy and compliance with GDPR in regard to data protection. As parts of the amendment, criminal punishments are also prescribed (for example, a jail term of up to six years) for violations (such as the disclosure of certain types of information or unauthorized marketing).

6. Laws on Consumer Protection

Selling goods to retail customers is under Italy's law on consumer protection, which is issued pursuant to Legislative Decree No. 206/2005 (“Code of Consumer Protection”). This law protects consumers in every stage of selling process including marketing, the disclosure of product information and prices, product safety and quality, disclosure of contractual information, fairness, and class-action lawsuit procedures. In addition, the Code of Consumer Protection bans unfair trade. Trading activities shall be considered unfair when they are against the guideline on professionals' precautions, materially



distort information, or may materially distort economic activities of general consumers or members of target groups. In particular, unfair trade practices cover.

(1) Misleading trading activities and (2) Aggressive trading activities. Misleading trading activities refer to practices that use or contain false information, or generally deceive consumers into making a transaction even when the information is correct in essence. If the said information prompts consumers into making a transaction that they might not do if taking into account all relevant topics such as the availability or conditions of products, prices, pricing method, and price advantages, it is considered misleading in all events. Aggressive trading activities refer to events whereby trading practice violates consumers or forces them with physical means or illegitimate influence in a way that significantly strips them of the freedom to choose or take an action regarding that product, and making them or having the possibility to make them do a transaction that they would not do otherwise.

The Code of Consumer Protection also defines what are considered unfair contracts between professionals and consumers. According to the code, a contract is unfair when it is dishonest and causes significant inequalities in the rights and duties under the contract with consumers at a disadvantage. Under the code, any unfair clause of contracts shall be invalid while other clauses remain enforceable.

Under the Code of Consumer Protection, sellers have the duty to submit products to consumers without delay or within 30 days since the signing of contracts. The products can be submitted by a transfer of ownership or by handing over the control of the said product to consumers.

If the seller is also a manufacturer, it shall be subject to manufacturers' liability stipulations. It must take responsibility when a product is defective. A defective product is a product that cannot be used safely, failing to meet the reasonable expectations of persons. These stipulations take into account related issues such as: (1) distribution method; (2) reasonable use of products or (3) distribution period. In events of defective products, manufacturers must pay compensation for damages caused to a life or body, as well as assets in addition to the defective product on conditions that that product is for personal use and the damaged party is the main product user.

Lastly, it should be noted that the Code of Consumer Protection stipulates a guideline on consumer goods warranty. In particular, the code states that sellers have the duty to deliver products to consumers in line with purchase agreements and shall also be liable to consumers if the delivery fails to meet any stipulation of the contract. In an event of contractual breach, consumers may exercise judgement in asking the sellers to repair or replace products without any additional expense. If the sellers fail to provide such remedy or fail to proportionately remedy the damages, consumers may ask for a discount or the cancellation of the contract. End-sellers shall be liable to consumers for any contractual noncompliance arising out of an action or an inaction of manufacturers, any seller, or any intermediary in the same chain. When shouldering such liability towards consumers, end-sellers shall have a right of recourse against other in the same chain for the contract except when it has been agreed otherwise or when end-sellers have agreed to waive this right. Sellers shall have the duty to inform consumers of any non-compliance detected within two years since their acceptance of products. Consumers shall also have the duty to inform sellers of any non-compliance detected within two years since the detection. Consumers, however, shall not have the duty to inform sellers of non-compliance in an event that sellers are fully aware of it or try to conceal it.

7. Laws on Employment and Hygiene Including Workplace Safety

Laws and regulations on employment, including collective bargaining agreements, aims to protect employees and ensure that their workplace is safe and complies with legal requirements.

Law No. 300/1970 ("Employment Law") covers other laws that stipulate general principles and rights (individual or collective) for employees' benefits, for example, the right to establish or join an organization/a strike, economic benefits, and protection against discrimination and unfair termination of employment.

Regarding employment with clearly specified employment period and staff-leasing, Italian laws and collective bargaining agreements set the maximum number of employees who were recruited without a specified end of employment period in the past year, the maximum length of such



employment contracts, the maximum number of renewals, and needs (for some situations) to provide guideline on how to hire employees with a clear employment period. Legal entities hiring employees with clear employment period and temporary employees are under the aforementioned legal stipulations.

Companies in Italy must comply with Legal Guideline on Employment No. 68/1999. Under this legal framework, companies must hire physically challenged persons as well as members of protected groups such as orphans and war widows. There are specific guidelines on how to calculate the number of physically-challenged or vulnerable employees, as well as how to fulfill employers' other duties.

Moreover, criteria laid down by Decree No. 81/2008 require that companies implement safety measures so as to prevent accidents at workplaces as well as occupational health problems.

8. Laws on Legal Entities' Liabilities

Legislative Decree No. 231 dated 8 June 2001 ("Decree 231") lays down guideline on legal entities' administrative liabilities. This guideline applies to companies as well as associations, regardless of whether they are legally recognized as juristic persons or not. Duties and liabilities of legal entities are referred to as administrative duties and liabilities even when liabilities arise out of crimes. The Criminal Court shall be responsible for handling cases related to administrative liabilities through criminal proceedings.

Decree 231 applies to various cases and to any company (hereinafter called "organization"). Under this decree, organizations may be liable to criminal actions done for their benefits with persons taking liabilities for (collectively referred to as "representatives") such events are: (a) person holding the highest position that represent the organization, the Management, or executives in any line of the organization who can act alone in regard to finance and operations, or persons involved in the management of the organization; and (b) the person holding the next lower level or persons under the command or supervision of the highest executive.

Organizations shall have to take administrative liabilities for crimes, including:

- (1) Criminal offences related to contacts with state officials such as bribery or embezzlement of public fund;
- (2) Computer crimes/criminal offences related to data processing;
- (3) Organized crimes;
- (4) Public frauds (such as currency counterfeiting, credit-card or revenue-stamp forgery);
- (5) Crimes done to trade and industries;
- (6) Corporate crimes (bribery within private sector);
- (7) Terrorism or overthrowing of democratic system;
- (8) Crimes related to female genital mutilation;
- (9) Crimes done to a person (including some illegitimate forms of employment);
- (10) Crimes related to unfair practices in the market (such as insider trading);
- (11) Crimes namely manslaughter and a violation of hygiene/workplace safety laws that cause serious injuries or serious accident to a person;
- (12) Crimes related to acceptance of stolen items, money laundering, use of ill-gotten money or goods, and self-laundering;
- (13) Intellectual-property crimes;
- (14) Persuading a person to not respond to a request of or providing false information to judicial officials;
- (15) Environmental crimes (including actions that have just been classified as crimes namely polluting environment and causing environmental disasters);
- (16) Hiring illegal migrants;
- (17) Racist and xenophobic crimes; and
- (18) Some types of international crimes.



Decree 231 states that organizations may use management and control system (“Control System 231”) that is appropriate for the prevention of legal offences to disclaim liabilities related to the decree. Although the law does not make Control System 231 mandatory, organizations should use such system to avoid liabilities. For example, if its top executive commits a crime, the organization may not be held liable for the crime if it can prove that:

- (1) The organization has prepared and implemented Control System 231 prior to the crime;
- (2) The organization has assigned an independent internal unit to supervise Control System 231;
- (3) The person committing the crime has deceived Control System 231; and
- (4) The internal unit in charge has correctly controlled and supervised Control System 231.

The organization needs to monitor the implementation of Control System 231 on a continued as is to uphold its efficiency and also to ensure that its members have constantly complied with the system.

C. Vietnam

1. Laws on Enterprises and Investments

In 1999, Vietnam passed the Law on Enterprises for the first time to create a modern legal system for the establishments and operations of private enterprises. This law has made a major change-enabling the registration of a company instead of requiring a company to seek a license that was granted on authorities’ judgments. On 29 November 2005, the National Assembly of the Socialist Republic of Vietnam (“National Assembly of Vietnam”) cleared the new Law on Enterprises (with amendments made through Law No. 38/2009/QH12 on 19 June 2009). It also passed Law on Investment with aim to streamline bureaucratic procedures and promote equal treatments towards Vietnamese and foreign businesses.

The aforementioned laws as well as regulations issued under them allowed foreigners to invest in Vietnam with some exceptions. For example, foreign investments were prohibited in projects that might cause damages or threaten national security, public morality or public health; broadcasting business; transportation business; educational or training operations; hospitals or clinics. Legal stipulations of Vietnam had to comply with international conventions that Vietnam had agreed to. In such context, foreign investments in Vietnam had increased after Vietnam became a member of the World Trade Organization (WTO) and had to honor its obligations under the WTO especially the Schedule of Specific Commitments in Services.

Nearly one decade after the issuance of the aforementioned laws on enterprises and investments, it became evident that a legal reform must happen to update Vietnamese regulations on enterprises and investments for the purpose of creating transparent and balanced environment. In response to such need, the National Assembly of Vietnam passed the Law on Enterprises No. 68/2014/QH13 (“2014 Enterprise Law”) and the Law on Investment No. 67/2014/QH13 on 26 November 2014 (“2014 Investment Law”) to replace the old laws from 1 July 2015 onward. Although these new laws are unable to deliver tangible changes, they reflect Vietnam’s efforts to ease foreign investors’ burdens through the following amendments:

1.1 Connected Transactions

While the 2014 Enterprise Law gives a broad definition of connected persons, it does not govern all types of their transactions. Only contracts/transactions between the Joint Stock Company (“JSC”) or Limited Liability Company (“LLC”) and some of its connected persons are under the 2014 Enterprise Law. In JSC cases, connected persons mean (1) any shareholder holding more than 10 per cent of the JSC’s already-issued shares, his/her authorized person, and persons related to such person; (2) Members of the JSC Board of Directors/committees, managing director, chief executive officers, and persons related to them; (3) A business owned by Members of the JSC Board of Directors/committees/Audit Committee, managing director, or manager or having such persons as its shareholders; and (4) A business jointly or separately owned by persons related to Members of the JSC Board of Directors/committees/Audit Committee, managing director, or manager or having such persons



as shareholders with the combined shareholding percentage over 10 per cent of JSC's registered capital. To conduct a connected transaction or transactions between connected persons, JSC must seek approval from its applicable unit and shareholders or members having vested interest in that transaction (whichever is the case) shall have no voting right on the said transaction.

1.2 Restrictions on Foreign Investments

Restrictions on foreign investments are stipulated in (1) Vietnam's obligations to the World Trade Organization, international conventions, and bilateral agreements to which Vietnam has been a party; and (2) Vietnamese laws. Vietnam's obligations to the World Trade Organization refer to stipulations of international conventions that govern foreign investments. According to these stipulations, Vietnam agrees to allow foreign investors to access all key businesses in the service sector. There are restrictions on foreign investments in Vietnam, though, pursuant to applicable Vietnamese restrictions and laws including the 2014 Enterprise Law, the 2014 Investment Law, and other specific laws that control some business sectors. In Vietnam, restrictions on foreign investors are mainly in the form of some bans on foreign investments, prescribed forms of investments, scope of investing activities, foreign shareholding restrictions, requirements for joint ventures with Vietnamese operators, and mandatory licenses for foreign investors and other requirements.

1.3 Investment Protection

The 2014 Investment Law has general investment protection provisions. Under the law, there shall be no transfer of the ownership of a business to the state. In addition, the law protects the transfer of assets out of Vietnam and prescribes state support for infrastructure. Foreign investors may also choose how to settle a dispute between them and the government over their investments in Vietnam-taking the case to the Vietnamese arbitration committee or a Vietnamese court-for the purpose of ending the dispute and protecting their legitimate interests (except when stated otherwise by applicable agreements or international conventions to which Vietnam has been a party).

2. Acceptance and Enforcement of Foreign Final Rulings/Verdicts

2.1 Final Ruling of Foreign Arbitration Committees

Article 424.1 of the Civil Procedure Code states that a Vietnamese court shall consider accepting and enforcing a foreign arbitration committee's final ruling if it is passed in a country that has ratified the same and relevant international conventions as Vietnam (such as New York Convention) or if the final ruling is passed by that country's arbitration committee. Also, a Vietnamese court may consider accepting and enforcing a foreign arbitration committee based on a reciprocal basis even when Vietnam and the other country involved are not parties to the same convention.

Under Article 459.2(b) of the Civil Procedure Code, a Vietnamese court shall not accept and enforce a foreign arbitration committee's final ruling when finding that the acceptance and enforceability in Vietnam would contravene "the fundamental principle of Vietnamese laws" (A Vietnamese court may decide to not accept and enforce final rulings of foreign arbitration committees on other grounds too).

Article 6 of the Law on Commercial Arbitration No. 54/2010/QH12 (passed by the National Assembly of Vietnam on 17 June 2010) stipulates that, "When parties in the dispute had agreed earlier that if any dispute arose, they would settle it through arbitration process but one of the parties brought the dispute to a court, that court must reject it except in events that the said agreement on arbitration is considered invalid or unenforceable". A Vietnamese court may invoke this article in denying its jurisdiction over a dispute when parties in the dispute earlier agreed to settle any of their dispute through arbitration process.

2.2 Verdicts/Rulings of Foreign Courts

Article 423.1 of the Civil Procedure Code states a Vietnamese court shall consider accepting and enforcing a foreign court's verdict if (1) it is passed in a country that has ratified the same and relevant international conventions as Vietnam or if the final ruling is passed by that country's court; or (2) if Vietnamese laws allow the acceptance and enforceability of that verdict; or (3) if it is based on a reciprocal basis even when Vietnam



and the other country involved are not parties to the same convention. Therefore, a verdict of a federal/state court passed in the country that has not entered the same convention on the acceptance and enforceability of a court verdict as Vietnam may not be accepted and enforced in Vietnam.

In addition, Article 439.8 of the Civil Procedure Code stipulates that a foreign court's verdict may not be accepted and enforced in Vietnam if a Vietnamese court rules that the acceptance and enforceability in Vietnam would contravene "the fundamental principle of Vietnamese laws" (A Vietnamese court may decide to not accept and enforce a foreign court's verdict on other grounds too).

Commercial Activities in Vietnam

3. Law on Trade and Commerce

Trading and commercial activities in Vietnam are under the Law on Commerce No. 36/2005/QH11, which was passed by the National Assembly of Vietnam on 14 June 2005 ("Law on Commerce"). This law applies to profit-generating commercial contracts (This law may also apply to contracts between a commercial party and a non-commercial party if the non-commercial party agrees to comply with this law). Under this law, commercial activities are defined as activities done for the purpose of generating profits, including selling and buying, providing services, investing, commercial promotions and any activities that focus on profits. In general, Law on Commerce lays down the fundamental legal principle of commercial contracts namely the freedom of entering into contracts, making of contracts, and breaches of contracts.

4. Law on Foreign Trade Management

On 12 June 2017, the National Assembly of Vietnam passed the Law on Foreign Trade Management No. 05/2017/QH14 that lays down regulations on foreign trade management measures, development of foreign trade activities, and solutions to disputes related to foreign trade ("Law on Foreign Trade Management"). This law aims to set standards for legal stipulations on foreign-trade activities and to integrate trade-related remedial measures to centralized mechanisms for the purposes of simplifying complicated bureaucratic

process, promoting transparency and enhancing equality. The law also prescribes public relations for the protection of the legal rights and benefits of the state as well as business operators, and the promotion of domestic manufacturing and exports. Under the Law of Foreign Trade Management, foreign trade activities mean activities conducted to exchange products between countries in the forms of exports, imports, temporary exports, temporary imports, trade, and transits, and any other activities related to international exchanges of products pursuant to Vietnamese laws and international conventions that Vietnam has ratified.

5. Law Related to Commerce in Vietnam

On 15 January 2018, the Vietnamese government issued Decree No. 09/2018/ND-CP to promulgate the enforcement of the Law on Trade and Commerce and the Law on Foreign Trade related to foreign investors'/foreign businesses' trading activities and directly-related activities in Vietnam ("Decree 09"). From 15 January 2018, Decree 09 replaces Decree No. 23/2007/ND-CP of the Vietnamese government and dated 12 February 2007 that laid down guideline on trading activities and directly-related activities of enterprises invested by foreigners in Vietnam ("Decree 23"). Under the Decree 23 and circulars pursuant to the decree, investment certificates issued to enterprises that were invested by investors could be used as a trading license. Such enterprises, as a result, could conduct trading activities mentioned in investment certificates. However, the Decree 09 clearly stipulates that enterprises invested by foreigners shall have to seek a separate license for their trading activities ("Trade License"). Moreover, such enterprises are barred from selling certain types of products such as tobacco, medicines, and gemstones under Circular 34/2013/TT-BCT (The Ministry of Industry and Trade, dated 24 December 2013) on strategic trading and directly-related activity plans of enterprises invested by foreigners in Vietnam.

5.1 Trade License

Enterprises invested by foreigners shall need a trade license to conduct trading activities as follows: (1) Retailing including retailing of rice, sugar, newspapers, magazines and tapes; (2) Imports and wholesaling of



petroleum products and lubricants; (3) Transportation services excluding transport businesses that the Vietnam agrees to liberalize to comply with international conventions it has ratified; (4) Lease of goods except financial leases and leases of construction equipment to entrepreneurs; (5) Promotion services except advertising; (6) Trade intermediary services; (7) E-commerce services and (8) Bidding services. Enterprises invested by investors that engage in trading activities outside the scope of the aforementioned activities, for example export, import, and transportation (except petroleum products and lubricants) do not need to obtain a trade license.

A trade license is valid for five years in events that investors do not come from countries that have ratified the same international conventions as Vietnam, or in events that their business activities are not covered by those conventions, or in events that their traded products are not on the list of items entitled to market access under those conventions. The Decree 09 does not mention the validity of trade license for other trading activities.

The provincial department of industry and trade in provinces where enterprises invested by foreigners are located have the power to issue their trade license. The review process for a trade license takes 28 working days (including the time used to consult the opinions of the Ministry of Industry and Trade and relevant authorities).

An enterprise invested by foreign investors that operates without a trade license shall be liable to a fine of up to 20,000,000 Vietnamese dong (or about 862 US dollar).

5.2 Retail License

Under the Decree 23, enterprises invested by foreigners did not need to obtain a separate retail license for the establishment of their first retail outlet. However, the Decree 09 now stipulates that enterprises invested by foreigners shall have to seek and obtain a retail license for each of their outlets including their first outlets. In addition, before opening new outlets except for their first outlets, economic needs for such outlets must be determined first except in events that the new retail outlets have less than 500 square meters of space each or are located inside department stores and are not a convenience store or a mini supermarket.

A retail license is valid for the remaining period of projects where the outlet is located, as shown in the investment registration certificate of a company involved. In an event that the company involved does not have an investment registration certificate, its retail license shall be valid in accordance with the time mentioned in the document issued to the place where the retail outlet is located.

The provincial department of industry and trade in provinces where retail outlets are located have the power to issue retail licenses. The review process for the license to set up the first outlet, takes 20 working days (there is no need to determine economic needs first). The review process for the license to set up other retail outlets takes 58 days (check of economic needs is mandatory). In all events, the provincial department of industry and trade must consult the opinions of the Ministry of Industry and Trade prior to issuing or amending retail licenses.

An enterprise invested by foreigners that operates without a retail license is liable to (1) a fine of up to 80,000,000 Vietnamese dong (or about 3,404 US dollar); (2) up to six months of business suspension; and (3) confiscation of revenue from their illegal businesses.

5.3 Liquor Trade

The current regulation on the control of liquor production and trade is the Decree No. 105/2017/ND-CP, which was issued by the government on 14 September 2017 ("Decree 105"). This law governs activities related to liquor trade, covering the production, import, distribution, wholesaling, retailing, and selling for immediate consumption at designated space.

Alcohol-beverage trade is subject to legal stipulations. Decree 105 stipulates that a business selling alcohol (including distribution, whole selling and retailing) must obtain a license to sell alcohol from the Ministry of Industry and Trade or the local department of industry and trade (depending on each case). An enterprise shall have the right to sell alcohol from the day of license granting. Under Decree 105, there are three types of licenses to sell alcohol namely alcohol selling licenses, alcohol-wholesaling licenses, and alcohol-retailing licenses (collectively referred to as "licenses to sell alcohol"). Alcohol sellers must comply with legal requirements



to obtain the license to sell alcohol, for example, requirements on warehousing, food safety, trade systems, and contracts with business partners. A license to sell alcohol is valid for five years. It can be renewed.

5.4 Promotion

Promotion is a part of trade/commerce development and under both the Law on Trade and Commerce and Decree 81/2018/ND-CP, which was issued by the Vietnamese government on 22 May 2018. Promotion plans must be registered or reported to authorities. Promotion plans involving prizes requires registration with and permission from the provincial department of industry and trade/the Ministry of Industry and Trade prior to implementations. Relevant authorities must also be notified of other promotion plans.

5.5 Supermarkets

Supermarkets and shopping malls are categorized based on criteria laid down by Decision 1371/2004/QĐ-BTM of the Commerce Ministry (previously known as the Ministry of Industry and Trade). Such businesses must undergo inspections by the applicable Department of Industry and Trade too. In addition, supermarkets and shopping malls must comply with local commerce/trade network development plans. Supermarkets and shopping malls must also prepare their own internal rules and register them with provincial Department of Industry and Trade.

6. E-commerce

An enterprise invested by foreigners must obtain a trade license to operate e-commerce. In addition, the Vietnamese government passed Decree No. 52/2013/ND-CP on 16 May 2013 to lay down regulations on the development, use and management of e-commerce (“Decree 52”). Decree 52 applies to all traders, organizations, and persons engaged in e-commerce. The said traders, organizations and persons shall have to notify and/or register themselves with the Ministry of Industry and Trade so as to legally operate e-commerce.

6.1 Notification of Commercial Websites to the Ministry of Industry and Trade

If traders, organizations or persons give information on their promotion and their sale of products/services on their solely-owned websites, they must notify the Ministry of Industry and Trade via its E-commerce Management Portal.

6.2 Registration of Commercial Website with the Ministry of Industry and Trade

Any commercial website created for any of the following activities shall have to be registered with the Ministry of Industry and Trade: (1) E-spaces where other traders, organizations and persons can fully or partially sell their products/services; (2) Promotion for the sale of products/services of other traders, organizations, and persons; and (3) E-auction websites where other traders, organizations and persons can also organize auctions.

7. Food Industry in Vietnam

7.1 Regulations on Food and Applicable Authorities

Before 1 July 2011, Vietnam did not have a comprehensive food law. It had several overlapping laws and regulations that prescribed legal requirements on food safety, hygiene, product quality and standards. Dated 26 July 2003, Ordinance No. 12/2003/PL-UBTVQH11 governed food safety and hygiene. However, from 1 July 2011 onward, the said ordinance was replaced by Law No. 55/2010/QH12 on Food Safety dated 1 July 2011 (“Law on Food Safety”). Under the new law, requirements become stricter for events affecting public interests. Also, the Law on Food Safety lays down guideline on food safety during production and trade, food label, food advertising, remedial guideline for cases related to food safety, food-safety risk analyses, and state responsibility for food safety management (including other relevant topics) too. Food products in Vietnam are under the supervision of several ministries such as the Ministry of Public Health, the Ministry of Agriculture and Rural Development, the Ministry of Science and Technology, the Ministry of Industry and Trade, and the Ministry of Natural Resources and Environment. The Ministry of Public Health is the key agency in promulgating general requirements on food safety and hygiene, including food packaging. The Ministry of Agriculture



and Rural Development, meanwhile, is responsible for formulating stipulations on food safety and hygiene involving agricultural produce, forestry, and fisheries. While the Ministry of Science and Technology is in charge of using state power for product-quality control, the Ministry of Natural Resources and Environment focuses on environmental protection.

7.2 Food Safety and Hygiene

Law on Food Safety lays down safety requirements for business venues engaged in food production, food storage, food business operations, and any business related to food (including production, processing, transportation, import/export, trade, and storage). Under this law, operators of such business venues must obtain “certificate of compliance with food safety and hygiene requirements” (Known in Vietnamese language as “Giấy Chứng Nhận Cơ Sở Đủ Điều Kiện An Toàn Thực Phẩm”).

In addition, business venues related to food shall have to comply with additional regulations issued by relevant ministries. For example, Decree No. 55/2018/ND-CP dated 12 November 2018 of the Vietnamese government requires that food producers/traders comply with requirements related to (1) Establishment conditions; (2) Equipment and tools, and (3) Staff who are directly related to food production and/or trade (In other words, they must comply with requirements on health, knowledge and practice, as well as acquire health certificate and the certificates of training in consumer goods safety and hygiene) (and other relevant conditions) in full.

This new law is different from Ordinance No. 12/2003/PL-UBTVQH11 in that it prescribes both general conditions and specific conditions, which are designed to promote the safety of certain food products such as (1) Food must comply with applicable technical requirements; (2) Food must meet contaminant limits in regard to pathogenic microorganisms, pest-prevention products, pesticides and preservatives; and (3) Food must adhere to conditions related to ingredients, contaminants, food packaging and labels, and preservatives that are prescribed by specific rules for specific food types. In addition, the new law lays down specific safety requirements on some specific types of food, such as the origin conditions. This law also requires hygiene certificates of animals used for fresh food.

On the overall, Vietnamese laws handle food-safety risks based on four main principles: (1) Tests by an authorized agency upon request by a relevant authority or person; (2) Food-safety risk analyses conducted by the Public Health Ministry, the Ministry of Agriculture and Rural Development, and the Ministry of Industry and Trade for food with risks of high toxicity; and (3) Prevention of problems or provision of solutions when a problem occurs; and (4) Tracing to origin, recalls and management of unsafe food.

Certificate of Compliance with Food Safety and Hygiene Requirements

Law on Food Safety stipulates that all businesses related to food (including food production, processing, transportation, import/export, trade, and storage) must obtain a “Certificate of compliance with food safety and hygiene requirements” that is issued by an authorized authority under the Public Health Ministry, the Ministry of Agriculture and Rural Development or the Ministry of Industry and Trade, depending on capacity management of agencies involved. Under the old rule, this certificate had no expiry date. However, under the new law, the certificate is valid for three years only.

Certificate of Food Safety Knowledge

Staff directly involved in food production/trade must undergo training and receive a certificate of food safety knowledge from the Public Health Ministry’s Department of Consumer Goods Safety and Hygiene, or the National Agro-Forestry-Aquatic Quality Assurance Department of the Ministry of Agriculture and Rural Development or any institute meeting the qualifications prescribed by the Minister of Industry and Trade. Such certificate is valid for three years.

Certificate of Compliance with Health Standards

Staff directly involved in food production/trade must obtain a “certificate of compliance with health standards”, which is issued by a provincial or district public health authority.



7.3 Food Quality and Technical Standards

Food quality and technical standard requirements applying to both food and consumer goods are stipulated in Law on Product Quality No. 05/2007/QH12 dated 21 November 2007 (“Law on Product Quality”) and Law on Standards and Technical Regulations No. 68/2006/QH11 dated 29 June 2006 (“Law on Technical Standards”). Law on Product Quality stipulates the rights and duties of organizations and persons involved in food production/trade and product quality management. Law on Technical Standards, meanwhile, regulates the issuance of ordinances, announcements, enforcement of standards, compliance assessments, and relevant regulations on technical standards. In addition, ministries have issued regulations to enforce the aforementioned laws. For example, the Ministry of Agriculture and Rural Development has laid down guideline on product quality and technical standards for agricultural and fisheries products.

Announcements on Products

Before 2 February 2018, food products needed announcements that they complied with technical-standard requirements (Known in Vietnamese language as “công bố hợp quy”) or that they complied with food-safety requirements (Known in Vietnamese language as “công bố phù hợp quy định an toàn thực phẩm”) pursuant to Decree No. 38/2012/ND-CP, which was issued by the government and dated 25 April 2015. Following the announcements of compliance with either technical-standard requirements or food-safety requirements, health authorities assigned by the Public Health Ministry or provincial health department shall issue certificates of the announcements on compliance with technical-standard requirements (Known in Vietnamese language as “Giấy Tiếp Nhận Bản Công Bố Hợp Quy”) or compliance with food-safety requirements (Known in Vietnamese language as “Giấy Xác Nhận Công Bố Phù Hợp Quy Định An Toàn Thực Phẩm”).

Decree No. 15/2018/ND-CP, which was issued by the government and dated 2 February 2018, has taken effect from 2 February 2018. For packaged food, food additives, food processing/production aids, packaging/food containers, and primary packaging (with direct contact to food), manufacturers and food sellers may announce product information by themselves via (1) media; (2) their e-portal (such as websites), (3) announcements posted at its head office and also food-safety portal or file a product leaflet with an applicable agency under the local committee of people. After announcing product information, manufacturers and sellers can immediately manufacture or sell products but must be responsible for ensuring product safety.

Advertising

Law on Food Safety stipulates that any advertisement of food must receive a prior approval from an applicable agency. Decree 15/2018/ND-CP states that advertising message for consumer goods such as dietary supplements, medical food, special-purpose food, and foods for kids under 36 months of age must be registered with an applicable agency. After submission of documents to register advertising messages for food to the Public Health Ministry or an applicable provincial authority, the authority shall certify the advertising message if it is deemed to have been in compliance with laws.

Label

Decree 43/2017/ND-CP, which was issued by the government and dated 14 April 2017, (Decree 43), regulates product labels as of now. Under Decree 43, food label must contain the following information: product name, name, and address of an organization/person responsible for the product, origin of food, and other information depending on product specifications. Information on labels must be in Vietnamese language, except for some specification information that must be in a foreign language.

Under Decree 43, manufacturers must be responsible for information on the label of products they have produced for sale in Vietnam. Under the Law on Consumer Protection No. 59/2010/QH12 dated 15 November 2010 (effective from 1 July 2011), distributors also have to affix a product label on products they have sold and comply with regulations on label.



7.4 Imported/Exported Food

Laws on Food Safety prescribes strict regulations on imported/exported food. Under the law, imported food must be registered and relevant authorities must be notified of compliance with import requirements for each import batch. For exported food, it must obtain many types of certificates from relevant authorities including sale certificates and certificates of origin. The Public Health Ministry, the Ministry of Agriculture and Rural Development, and the Ministry of Industry and Trade have the power to issue any additional requirements on imported/exported food.

8. Vietnam's Laws on Land

8.1 Overview of Vietnam's Land System

The people of Vietnam are owners of the land and the state is responsible for regulation to ensure that the people have access to long-term use of land.

Although the private sector is not permitted to own land, a person may acquire the legal right to use land in Vietnam. He or she is considered "a land user" in case of being awarded the right to long-term use of land. Such individuals have the virtual right of landholding. The Vietnamese may have the right over houses and apartments. The country's present system of land usage and management, as well as the rights and duties of land users, are stipulated in the Land Law No. 45/2013/QH13, which was approved by the National Assembly of Vietnam on 29 November 2013, and came into force on 1 July 2014, along with the regulations issued under the legislation.

The state lays down regulations regarding land, as well as the following matters: duration of land use, land allocation and lease, land revocation, usage objective for certain land plots, land evaluation, fees for land use, land rental fees, land taxes, and rights and duties of land users. The right to land use is specified in accordance with the type of land usage, such as for agriculture, for non-agricultural purposes including residential and industrial purposes, and unused land), as well as the type of land users.

The right to land use may be obtained through: (1) Allocation by the state; (2) Lease by the state; (3) Concession awarded for winning an auction or a bidding organized by an authorized agency; (4) Renting from an authorized lessor (such as a developer of an industrial estate/zone); or (5) Transfer of the right to land use (in the form of barter, right transfer, inheritance, donation or funding). Enterprises invested by foreigners are not allowed to use land in the form of land development that charges fees for using land for their business (except for cases where the enterprises invested by foreigners use land for developing projects on investment and construction of residential buildings for sale & lease).

In case of land development, enterprises are required to pay land-use fees for the duration of land development. In case of land lease, enterprises may pay all the rent for the entire rental period or make the payment annually. The method of payment affects the land-use right of enterprises regarding the rented or allocated land plots. Enterprises that pay the land-use fees without relying on state budget or make the payment in a full amount are entitled to various rights, including the right to mortgage or capital payment by invoking the right to usage of land and property in the land plots. By choosing other methods of payment, enterprises that pay their land-use fees with state funds or make the payment in annual installments only have the right to mortgage or capital payment with the property in the land plots. Enterprises invested by foreigners may use land for their business by paying the rental fees in advance or making an annual payment.

Lawful land users are entitled to the certificate of land-usage right under their name. Likewise, lawful owners of properties or buildings on the land have the right to the certificate of ownership. Such certificates are a basic proof of the land-usage right and property ownership, and the documents can be used by the land users or the property owners in claiming their relevant rights, in transferring, mortgaging or selling the right to use land or property, among others.

Generally, the duration of land lease equals the period of investment project, which must last no longer than 50 years (or 70 years in certain cases). The exceptions are when land users have the right over land for an indefinite period (such as land plots used as residence



for Vietnamese families or persons). The duration rules also apply to enterprises invested by foreigners. When the period of land usage/rental comes to an end, the state considers extension of the period if the land users intend to continue using the land plots and have complied with the following conditions: (a) Having strictly followed the law on land during their usage; and (b) Use of land has complied with relevant land zoning. However, during that period, the government has the lawful right to recall the land plots for the purposes of national defense and security, public interest, or economic development.

9. Labour Code of Vietnam

On 18 June 2012, the National Assembly of Vietnam issued the country's Labour Code (the "Labour Code"). Also, the government and the Ministry of Labour, Invalids and Social Welfare legislated different rules and regulations in line with the Labour Code, including ones involving employment contracts.

Under the relevant rules issued in compliance to the Labour Code, an employment contract must be done in writing and signed by the employee and the company's legal representative-except temporary work lasting less than three months. An employment contract must include the followings: Names of the employer and the employee, the scope of work and job description, work time and break, wage or salary and method of payment, place of work, period of the contract, conditions for promotion and wage increase, terms on sanitation and labor safety, health insurance and social security, as well as training and skill development. The employment contract may contain no exact length of time, or it may set a period from 12 months to 36 months, or set a seasonal or temporary period lasting less than 12 months.

On 20 November 2019, a new labour law was promulgated and came into force from 1 January 2021 ("legal code"). Under the 2019 Vietnamese code of law, there are two types of labour employment contracts-one involving employment lasting no more than 36 months and one for employment with an indefinite period of time. Since 2021, the employment contract for a seasonal or temporary period lasting less than 12 months has been cancelled under the current Labour Code. Employment contracts for employees

hired for a specified period of time, for a seasonal period or for certain work for less than 12 months can be cancelled unilaterally by their employers before the contract expires-pursuant to Clause 1 Article 37 of the 2012 Labour Code. However, under the Labour Code of 2019, employees have the right to cancel their employment contract unilaterally before the contract expires, without having to state the reason, for as long as they inform their employers in advance in accordance with the conditions stated in their employment contracts.

10. Vietnam's Regulations on Environment

The Law on Protection of Environment No. 55/2014/QH13 approved by the Vietnamese National Assembly on 23 June 2014-sets the general legal framework for protection of the environment in Vietnam, as well as the right and duty of persons and organizations regarding protection of the environment. This law's objective is to limit negative environmental impacts, restoration from environmental incidents, pollution and erosion, environmental rehabilitation, and also to support the proper usage of natural resources.

Before 1 January 2015, project owners were required to prepare (1) an environmental impact assessment report (EIAR) or environmental protection undertaking (EPU) before starting the project. And from 1 January 2015 onwards, they are required to prepare an environmental protection plan (EPP), depending on the type and size of the project involved.

A project to build a supermarket or any commercial/shopping centre with the first floor's area larger than 20,000 square metres requires preparation of an environmental impact assessment. In case the project's first-floor area measures between 10,000 and 20,000 square metres, an environmental protection plan is required.

Environmental impact assessments need an approval from a provincial committee of people, the Ministry of Natural Resources and Environment, and other ministries empowered to regulate such projects.

Prior to 1 January 2015, obligations on environment protection had to be registered with and acknowledged by a district-level committee of people or a community-level committee of people (that is authorised by a district-level committee of people). However, from 1 January 2015



onward, a plan for environmental protection must be registered with and acknowledged by a provincial natural resources and environment office, a district-level committee of people, a community-level committee of people, or an agency tasked with managing an industrial estate/zone, an economic park/zone or an export park/zone.

After receiving approvals from responsible agencies, an authorized agency may conduct examinations occasionally to ensure compliance with applicable environmental standards.

11. Vietnam's Regulations and Laws on Fire Safety

Before the construction of most commercial buildings (such as a supermarket or a shopping mall), project developers are required to submit a design blueprint for fire prevention and firefighting, with assessment from the Vietnam's national police department or provincial police in charge of fire prevention, firefighting, fire relief and rescue, depending on the size of the construction work. Relevant certificates from state agencies authorized to approve the construction design and issue a construction permit are required. Before business operation begins, the construction work that was evaluated on fire prevention and firefighting must undergo testing on fire prevention and firefighting. The test result forms the foundation for the project's investors to make their decision and to start the construction. Moreover, any company that owns a shopping mall, supermarket or grocery store with an area of 300 square metres and over, or a capacity of 1,000 cubic metres and more, is required to take fire/explosion insurance in line with applicable regulations.

12. Vietnam's Laws on Trade Competition

On 12 June 2018, the National Assembly of Vietnam endorsed a new Competition Law No. 23/2018/QH14 ("Trade Competition Law 2018"), effective from 1 July 2019. This new legislation replaces Competition Law No. 27/2004/QH11, which was issued by the National Assembly of Vietnam on 3 December 2004. The 2018 Competition Law has the following important principles that differ from the previous one: (1) The scope of enforcement-The 2018 legislation governs activities by both Vietnamese and foreign legal entities or persons that "result or may result in restricted competition"

in the Vietnamese market. The law also applies to public service agencies that are not an enterprise, such as hospitals or schools; (2) Calculation of market share-A new method of calculation is set to determine the market share of enterprises in the relevant market. The calculation is based on the percentage of goods and service volume that the enterprise involved sells or buys, in comparison to the total units of goods and service sold or purchased each month, each quarter or each year by all the enterprises involved in the market; (3) Anticompetitive practices agreements-The law prohibits any contract that restricts new competition, including deals on sharing customers, on avoiding transactions with enterprises that have not signed any contract together, on restriction of the product market, product sources, and the service provision to enterprises that have not signed any contract together, as well as other contracts that significantly result or may result in restricted competition; and (4) Business merger-Previously, any transaction that leads to economic concentration (such as a merger, combination or acquisition) is prohibited only in case such an action can result in increasing the relevant enterprise's market share to over 50 per cent. However, under the 2018 legislation, a new definition for "economic concentration" focuses on the fact as to whether the transaction significantly results or may result in restricted competition.

13. Vietnam's Law on Consumer Right Protection

On 17 November 2010, the National Assembly of Vietnam approved the Law on Protection of Consumers' Rights No. 59/2010/QH12, which sets the regulations about the rights and duties of consumers, the liability of organisations or persons selling goods and/or services to consumers, the responsibility of social organisations in protecting consumers' interest, the resolution of disputes between consumers and organisations or persons selling goods and/or services, and the state's responsibility in defending consumers' benefits. This legislation specifies the following responsibilities of relevant agencies that supply goods and services to consumers:

(1) Product labelling in compliance with relevant laws; (2) Public announcement of prices for products and/or services at the place of business; (3) Display of warning and protective measures to consumers in case that goods and/or products may endanger health, life



and property of consumers; (4) Providing information about procurement of product parts and components; (5) Provision of manuals, guidelines, conditions, use life, place and process of product guarantee for warranty on goods and/or services; and (6) Notifying consumers of contracts accurately and completely before conducting a transaction, using contracts that are prepared in line with general format and conditions.

14. Vietnam's Law on Intellectual Property

Vietnam has a rather inclusive law on intellectual property that covers membership of multilateral agreement and other relevant bilateral trade deals. Moreover, the National Assembly of Vietnam approved Law on Intellectual Property Rights No. 50/2005/QH11, with additional amendments on 19 June 2009 ("Law on Intellectual Property Rights") with aim to keep pace with domestic and global economic development. This legislation provides protection on the following intellectual property rights in Vietnam: (1) Copyrights (literature, arts and scientific works) and related rights (performance, images and audios, broadcasts and encrypted satellite signals); (2) Industrial property rights (inventions, industrial designs, semiconductor circuit designs, trade secrets, trademarks, trade names and geographical indication); and (3) Plant variety rights (plant varieties and substances/materials used for plant propagation).

In particular, trademarks are protected in Vietnam whenever they are registered with the National Office of Intellectual Property. The agency also recognizes trademarks registered through the Madrid System of international registration of marks (which are registered in a foreign country that is Vietnam's fellow signatory of the Madrid Protocol. Vietnam's protection also covers trademarks that are widely well-known. Registration of trademarks for products and services must comply with the international practices. The protection lasts 10 years and may be renewed for another 10 years-under the international "first to file" principle, and trademark owners who have registered in other countries before get the better right.

Registration of trademarks in Vietnam is a lengthy process-taking about a year. The process includes key steps as follows: Relevant agencies examine the application to ensure that it completely meets prescribed conditions (this is called an examination in line with regulations)

taking about a month or two; legal announcement of the application (taking about two months); verification of the essential details of the application by relevant agencies (taking about nine months); and granting of protection (taking about 10 days). During the period since the application's announcement until the decision is made by the relevant agencies was to heather to endorse the trademark, a third party has the right to dispute the request for registration.

15. Vietnam's Law on Bankruptcy

On 19 June 2014, the National Assembly of Vietnam approved a new bankruptcy law. Since 1 January 2015, the Bankruptcy Law No. 51/2014/QH13 ("Bankruptcy Law 2014") has replaced the Bankruptcy Law No. 21/2004/QH11 ("Bankruptcy Law 2004"), which was endorsed by the National Assembly of Vietnam on 15 June 2004. The bankruptcy legislation of 2014 changes the definitions of "bankrupt" and "insolvent". An enterprise is considered to be "insolvent" when it is unable to meet its financial obligations and fails to repay debts within three months after the due date. An enterprise is considered to be "bankrupt" when a People's Court rules so. Under the previous Bankruptcy Law 2004, courts executed bankruptcy process directly through a committee set up to manage liquidation. Under the 2014 legislation, the committee is replaced by liquidators or a court-appointed company with expertise in handling liquidation. That is a significant improvement from the previous law but there is much uncertainty about how the new legislation will be applied and interpreted. To date, the government has not yet issued an official guideline on enforcement or interpretation of the law. Therefore, the bankruptcy process may be complicated, uncertain and time-consuming.

16. Rules Regulating Foreign Currency Exchange in Vietnam

In the past, Vietnam had implemented currency exchange control mechanisms with aim to prevent an outflow of foreign currencies from the country. The Vietnamese currency, dong, was required for domestic transactions and there were attempts to direct foreign currencies towards the national banking system. The State Bank of Vietnam was the main agency responsible for managing the country's policy on foreign exchange control. Under Vietnam's current regulation on foreign exchange



control, any person or organisation may exchange the dong into a foreign currency at the exchange rate set by the lending institutions that are authorised to offer the foreign exchange service in Vietnam. Such person or organization, however, is required to specify the objective of foreign-currency spending and reasonably submit related documents as proofs. The objective of spending the said foreign currency must be for transactions permitted for payment with foreign currencies under the rules regulating foreign currency exchange, such as for repayment of foreign debts or international debentures. Foreign currencies may be freely exchanged into the Vietnamese dong or any other foreign currency based on the exchange rates set by the authorised lending institutions mentioned above.

Overseas borrowing refers to a foreign legal entity lending money to a domestic legal entity. An overseas loan refers to either of the following: (1) Short-term loan, with repayment due within 12 months or shorter; or (2) Long-term loan, with repayment due beyond 12 months. Long-term loans must be registered with the State Bank of Vietnam—a process actually tantamount to seeking approval from the central bank. Money borrowed as a long-term loan can be withdrawn only after its registration with the State Bank of Vietnam. Short-term loans are not required to be registered, except in a case where the repayment period is extended beyond 12 months. Any subsequent change from the original information in the registration with the State Bank of Vietnam shall be updated through formal revision with the State Bank of Vietnam.

Money borrowers are allowed to seek loans from overseas in these following cases: (1) To implement their “plan for business and production or an investment project” or that of the company in which they invest (this applies to long-term loans only); and (2) To restructure their overseas debts without increasing the cost of borrowing.

The borrowers must open a current account for foreign currency deposits with authorised lending institutions in Vietnam to receive and send money internationally regarding their overseas loans. Any withdrawal or repayment of an overseas loan must be done through such an account in compliance with the existing rules regulating foreign currency exchange. For enterprises invested by foreigners, such accounts are also intended for their investment money.

5.3 Legal Disputes

The Company or its subsidiaries may occasionally face legal proceedings or become a litigant in legal cases stemming from normal business operations of the Company or its subsidiaries. As of 31 December 2020, the Company or its subsidiaries has no legal case or dispute that is still ongoing, which may have a negative impact on the assets of the Company or its subsidiaries in the tune of over 5 per cent of shareholders’ equity (based on the Company’s consolidated financial statement for the year ending 31 December 2020), or which may significantly impact the business operation of the Company or its subsidiaries, or which may stem from the normal business operation of the Company or its subsidiaries, except the followings:

5.3.1 Dispute About Improvement of a Shopping Mall in Italy

A shopping mall belonging to the Group that is located at Via del Tritone in Rome (“the Tritone branch”) a building with historical significance rented from Rina Estate Italia S.r.l. (“REI”), a company under the Central Group—is being involved in a legal dispute in Italy. (At the Company’s request), REI carried out construction and modification of the building (“construction and modification work”) after obtaining construction permit from the Municipality of Rome and the Heritage Office, which are local authorities (“original construction permit”). Later, in 2012, the owner of a nearby building (“the plaintiff”) protested that the original construction permit was not lawful. In January 2018, Italy’s Council of State issued Order No. 405/2018 annulling the original construction permit. Later, in February 2018, the plaintiff petitioned to Italy’s Council of State seeking an order to dismantle the construction and modification work covering about 4,000 square metres of the building’s area, or an equivalent of about 32.4 percent the net sale surface of the Tritone branch.

In April 2018, the Municipality of Rome issued a new permit for construction and modification to rectify errors in the previous permit based on the opinions of the Heritage Office (“new construction permit”). The plaintiff later petitioned to the Administrative Court of Rome against the Heritage Office’s view and the issuance of a new construction permit. The plaintiff



asked the court to annul the new construction permit and order the construction and modification work to be dismantled. In case no demolition is carried out, the plaintiff requested that a minimum fine of 40 million euros (about 1,490 million baht) be imposed based on the plaintiff's valuation. The plaintiff also demanded about 5 million euros (about 186 million baht) in damages. In addition, the plaintiff petitioned to the President of Italy regarding the matter. This latter complaint was combined with the case previously filed with the Administrative Court of Rome. Later, Italy's Council of State issued Order No. 6580 on 2 October 2019 to declare the new construction permit invalid (This order resulted in termination of the plaintiff's petition regarding the previous construction permit filed in February 2018). For this reason, the plaintiff petitioned Italy's Council of State again for an order of dismantling the construction and modification work covering the building's area of 4,000 square metres. Also, the plaintiff asked for an order that the shopping mall is off-limits, for a ban on commercial use of the old building-which is part of the shopping mall ("Palazzetto C") and for the appointment of a specific official to enforce the order in case the Municipality of Rome refuses to implement it.

Under the Italian law, in case a construction permit is revoked, and no replacement is issued, the authorised authority (that is the Municipality of Rome) may invoke its authority under Section 38 of the Presidential Decree No. 380 dated 6 June 2001, for demolition of any structure built unlawfully. In case demolition is unfeasible (possibly due to safety or technical reasons), the authorised agency may impose a fine comparable to the market value of the building constructed unlawfully.

On 12 December 2019, the Municipality of Rome issued a revised permit ("revised permit") to rectify errors in the original construction permit and the new construction permit. However, the plaintiff may protest the revised permit. In case the plaintiff succeeds in protesting the revised permit or the dispute under consideration, or if any flaw is found in the legal proceeding to counter the protest against the revised permit, the revised permit risks becoming void or invalid. If that is the case, it is possible that the Municipality of Rome or any specially authorised official may: (a) order partial or entire demolition of the construction and modification (no larger than about 4,000 square metres); or (b) order the shopping mall

or Palazzetto C to be off-limits or impose a fine for the construction and modification in case demolition is unfeasible. Such a demolition order may result in reduced net area of the shopping mall, which in turn could force the Group to close the shopping mall temporarily and adversely affect the Group's operations in Italy. In addition, such an order may have a negative impact on the relationship with different brands that are awarded the right to use the affected area. Also, the Group could face demands resulting from contract infringement, which may have a significant negative impact on the Group's business, cash flow, operating results, financial status and business opportunities. Regarding the fine over construction and modification, REI as the building's owner will be held responsible directly for payment. However, in case REI fails to pay the fine, La Rinascente S.p.A. (a subsidiary of the Group) may have to shoulder the responsibility under the Italian law if La Rinascente S.p.A. is found to be directly involved with the planning and modifying the building in question. In that case, La Rinascente S.p.A. retains the right to petition the court in protesting such an order and may exercise the right to seek compensation for its paid fine from REI or any relevant administrative agency.

Thereafter, the Claimants raised an objection to the Council of State, arguing that the Municipality of Rome had no authority to grant the Amnesty Building Permit, where proceedings and witness examination took place on 18 June 2020. On 9 September 2020, the Council of State ordered that we won the case since the Amnesty Building Permit had been lawfully issued and had full legal effect within the authority of the Municipality of Rome. Nevertheless, the Claimants also filed a petition with the Regional Administrative Court to contest on the legitimacy of the Amnesty Building Permit and claim for damages, which would entail further proceedings in the future.



5.3.2 Dispute over Parking Space for Central Chidlom Department Store

A land plot located adjacent to Central Chidlom department store that the Group had rented to be used as parking space for the mall has come under a legal dispute in Thailand. The owner of the land plot filed a lawsuit against the Group and an HCDS associated company in a civil case involving damages of Bt3,815 million. The Group was accused of breaching the land lease for failing to return the rented land plot when the lease expired on 31 December 2018. The plaintiff argued that due to the fact, its auction to find a new tenant failed to attract any interest. The dispute also involves claims over the boundary line of the rented land plot that must be returned after expiry of the land lease and a question whether the structures built before or during the lease extend beyond the boundary line. The land owner requested a court order for the Group to return the rented land plot in accordance with the boundary line claimed by the land owner (or the Group may purchase the disputed section from the land owner). Also, the plaintiff asked the court to rule that the Group dismantle part of the structures that the land owner claimed to have intruded beyond the rented land plot's boundary line and that the Group pay a fine of Bt22.6 million and an additional daily fine of 200,000 baht until a complete return of the rented land and demolition of the structures, in addition to damages of Bt3,581.2 million jointly responsible by the Group and the HCDS associated company.

As of 31 December 2020, the case was being tried by the Civil Court of Southern Bangkok. The court called hearing of the plaintiff's witnesses on 14 and 15 July, and 2 November 2020 and hearing of the defendant's witnesses on 9 and 23 November 2020. On 2 February 2021, the Civil Court of Southern Bangkok dismissed the case and ordered the plaintiff to return the rental surety bond in full amount to the Group, plus interest of 7.5 per cent per annum (in accordance with the Group's countercharge). The court ruled that the Group did not breach the land lease or commit any infringement against the plaintiff. During the production of this publication, the plaintiff has the right to appeal the court's verdict.

Note: The exchange rate between the euro and the baht mentioned in this part refers to the official rate of 37.2578 baht for one euro announced by the Bank of Thailand as of 31 December 2020.

5.3.3 Disputes Relating to the Construction of the Robinson Saraburi Project

Robinson is a land tenant from an associated company of HCDS (lessor) to operate the Robinson Department Store Project, Saraburi Branch. It has been operating for the public since 22 November 2013, until the present (building permits issued on behalf of HCDS associates). During the construction of the building (as of 11 October 2013), an owner of a land plot next to the land of the Robinson Project Saraburi Branch claimed to have suffered damage from the construction, and filed a lawsuit against the president of the Subdistrict Administrative Organization and associates of HCDS to the Central Administrative Court, requesting the revocation of the construction and prohibition to the Company and whoever from entering the building, and to demolish the entire building immediately, claiming that the Robinson Saraburi Branch was constructed in violation of the Ministerial Regulation to enforce the Saraburi Total City Plan 2011 (Town Planning Law). The plaintiff claimed that Robinson Saraburi Branch is a large building with a combined area of more than 2,000 square meters, but did not produce an environmental impact assessment report (EIA), with construction in violation of the land allocation law, namely the Announcement of the Revolutionary Council No. 286 (partial construction overlaps the original entrance and exit servitude), etc.

Later on 22 December 2016, the Central Administrative Court ruled that the construction of the building violated the law, and is a case that cannot be corrected. The Court assessed that the president of the Sub-District Administrative Organization has neglected his/her duties as required by law, therefore adjudicated the President of the Sub-district Administrative Organization an order to force the HCDS associates to demolish the building within 180 days from the date of the final judgment of the Court. Subsequently, the president of the Sub-district Administrative Organization and HCDS's associates filed an appeal against the case with the Supreme Administrative Court on 20 January 2017. The court has issued an order accepting the appeal.



At present, the said case is being considered by the Supreme Administrative Court. However, the Company has followed the procedures of submitting and applying for a construction permit correctly and received a permit for the construction of modifications (Aor. 1) and building operation (Aor. 6) for Robinson Saraburi Branch from government officials who have the authority under the law. Therefore, it is an internal matter between the government sectors as to what criteria are used in considering the approval of the issuance of construction permits to the Company at that time, including the problem of interpretation of the provisions of the Town Planning Law between government agencies that have direct powers and duties with the Central Administrative Court that may disagree. The Company believes in the principle of honesty in the existence of all construction permits which have been reviewed and issued by a government official state. Therefore, the Company as a private sector deserves the protection of its legitimate expectation.

5.4 Secondary Market

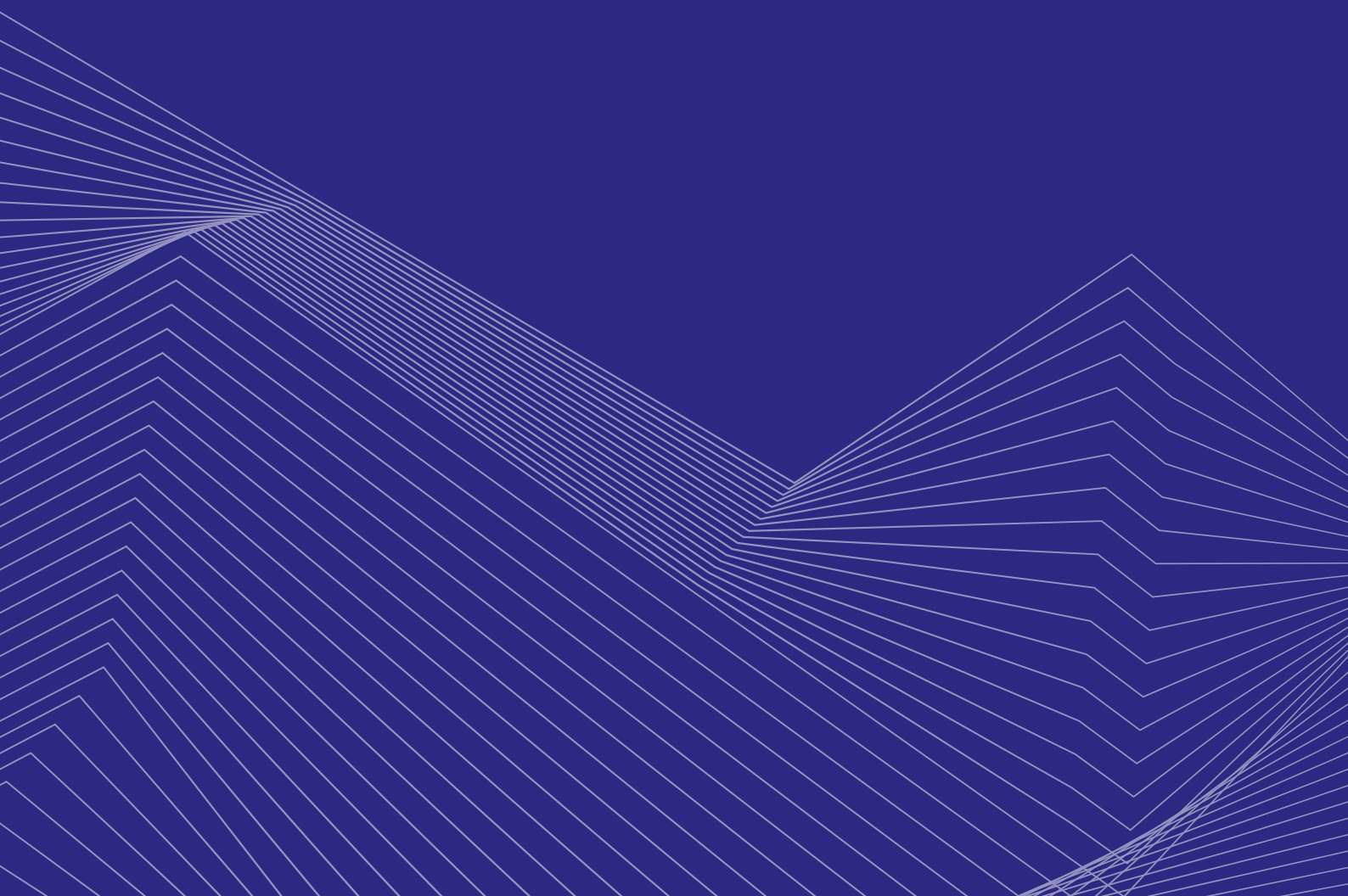
-None-

5.5 Regular Financial Institution

-None-

Part 2

Corporate Governance





6

Corporate Governance Policy





6.1 Overall of Policies and Corporate Governance Practices

During the course of business, the Board of Directors complied with the laws, regulations, its objectives and the shareholders' resolutions, and adhered to the Principles of Good Corporate Governance of Listed Companies issued by the Stock Exchange of Thailand and the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC). The Company has adopted the Corporate Governance Code to be a guideline for the Company's operations to achieve operational efficiency and transparency to investors, leading to outsiders' trust in the Company's operation. The Company's Corporate Governance Policy covers 5 categories of principles as follows:

Section 1: The Rights of Shareholders

The Company recognizes and gives importance to the basic rights of shareholders as investors and company owners such as the rights to purchase, sell, and transfer their own shares; the right to receive the Company's profit; the right to receive clear and accurate information; the right to attend shareholders' meetings and vote on director appointment or dismissal, the right to appoint auditors, and the right to approve significant transactions affecting the Company's business operational directions such as the approval of dividend payment, the amendment of the Company's Memorandum of Association and Articles of Association, the approval of capital increase, capital decrease and special transaction.

The Company has the obligations in supporting and facilitating the shareholder's rights as follows:

- (1) Support and promote all shareholders to be granted basic rights, including:
 - The right to purchase, sell, and transfer shares and to receive part of the profit.
 - The right to receive adequate and proper information to make decision that effect the Company and the shareholders.

- The right to attend shareholders' meetings and vote on significant transactions to make decisions on the Company's fundamental changes according to laws or policies by facilitating and encouraging shareholders and institutional investors to attend the meetings.
- Any other rights the shareholders deserve as specified by laws.

- (2) For the shareholders' meeting, the Company uses the record date so that shareholders have sufficient time to consider the meeting document and information prior to the meeting date.
- (3) Provide details about date, time, place meeting format and meeting agenda, together with the descriptions and reasons for each respective agenda or supporting the resolutions requested in the ordinary and extraordinary general meeting of shareholders' invitations or in the meeting agenda attachments. Refrain from any action that may limit the shareholder's rights of access to the Company's information, by delivering the documents to shareholders and registrar not less than seven (7) or fourteen (14) days (depending on the case) prior to the meeting date and advertising the meeting appointment in the newspapers for three (3) consecutive days prior to the meeting date. The Company will comply with principles and conditions of the laws or the related announcement and try its best to make the shareholders informed before the meeting date as soon as possible.
- (4) The Company facilitates the shareholders to exercise their rights in proper meeting attendance and voting and refrain from any action that may limit the shareholder's rights of meeting attendance. For example, the Company will hold the meeting in an easily-accessible venue, attach the map showing the meeting venue in the meeting invitation, choose appropriate date and time, and allocate adequate time for the meetings. In the case of a meeting via electronic media, the Company will inform the channels of attending the meeting clearly.



- (5) Prior to the meeting date, the Company will provide the shareholders opportunities to submit opinions, suggestions or questions in advance with clearly defined rules and inform the shareholders of the rules in the meeting invitation. The Company will also publish the rules on its website.
- (6) Encourage the shareholders to use the proxy in the form that allows the shareholders to control their votes and to suggest at least one (1) independent director as a choice in appointing their proxies.
- (7) Provide the opinions of the Board of Director in each agenda item and attach the annual report and a proxy form with detail descriptions of the documents needed in granting proxy as supporting documents of the meeting invitation.
- (8) Before considering the agenda items, shareholders are informed about the voting and vote-counting procedures.
- (9) During the shareholders' meeting, the Chairman will allocate proper time for shareholders to have chances in expressing their opinions, suggestions or asking questions in each related agenda freely before voting on resolutions in any agenda.
- (10) Encourage all directors to attend the shareholders' meeting to answer questions in the meeting.
- (11) Prepare the vote casting in the shareholders' meeting for each item in case that there are many items in the agenda, such as the director appointment agenda.
- (12) The Company encourages the use of ballots for casting votes in every agenda for transparency and accountability in vote counting.
- (13) The Company assigns an independent party to jointly examine the vote counting in each agenda for transparency of the shareholders' meeting.
- (14) After the shareholders' meeting, the Company will prepare a complete and comprehensive minutes of the meeting which includes details of the important queries, opinions and suggestions for shareholders to later reviewed. Furthermore, the Company will publish the voting results of each agenda item and the minutes of the meeting on its website and the SET's channels.

Section 2: The Equitable Treatment of Shareholders

The Company observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or minor ones, executive or non-executive, Thai national or foreign. Details are as follows:

- (1) Shareholders will be treated fairly and receive necessary information in timely manners from the Company.
- (2) Shareholders have rights to vote proportionally to the shares they own and have equal access to the information related to the Company.
- (3) Announce the shareholders' meeting, together with the agendas and director's opinions through SET, and publish the schedule in the Company's website. The Company will also prepare and distribute the shareholder's meeting invitation in Thai and English and publish on its website.
- (4) Establish the principle that allows minor shareholders to propose qualified persons for selection as directors prior to shareholders' meetings, with details regarding their qualifications and consent of those who are proposed.
- (5) Establish the principle that allows minor shareholders to propose additional agendas prior to shareholders' meetings for the fair and transparent consideration whether the proposed agenda will be added or not.
- (6) Executive shareholders should not unnecessarily add agendas without prior notice, especially the important ones that require shareholders to take time in consideration before making any decisions.
- (7) In every shareholder's meeting, the Company provide all shareholders equal opportunity. Before the meeting commences, the Chairman will inform shareholders about the meeting rules, voting procedures for each securities type and vote-counting procedures of each agenda item.
- (8) Regarding the appointment of directors, the Company will encourage an individual election, in which one shareholder has one (1) vote per share.



- (9) Directors have to report their interest in any agenda item at least before such agenda item is considered in the Board of Directors' meeting and must not take part in the decision-making process of such agenda item. The directors' interest should be recorded in the minutes of the meeting.
- (10) Set written guidelines for the use or misuse of inside information and announce the guidelines to everyone in the organization. All directors and executives who are required by laws are required to regularly report their securities possession to the Company Secretary to report to the Board of Directors on quarterly basis and the information will also be disclosed in the Company's annual report.

Section 3: The Role of Interested Persons

The Company values the rights of all stakeholders, whether internal – the Company's shareholders and employees or external suppliers and customers. It acknowledges that supports and opinions from all stakeholders will benefit its business operation and development. Therefore, it will comply with the laws and related regulations, treat each group of stakeholders with consideration of the stakeholders' rights according to laws or agreements with the Company, and not violate those stakeholders' rights.

Furthermore, the Company takes the rights of all stakeholders into consideration as detailed below:

1. Shareholders

The Company will conduct the business based on corporate governance, transparency and effectiveness, aiming to achieve good operating results and stable growth for the Company's sustainable and stable financial position, maximally benefiting its shareholders in the long term. It will also disclose the information transparently and trustworthily to the shareholders on its website and through investor relations officers.

2. Employees

The Company equally and fairly treats its employees, respects the rights of every employee and gives appropriate compensation, welfare and benefits not less than the legal requirement and comparable to other companies in the same industry. Furthermore, the Company focuses on the development of skills, knowledge, capabilities and

potential of employees on a regular basis. For instance, the Company widely arranges trainings and seminars for employees and retains high caliber with the Company. The Company also sets the anti-corruption guideline and fosters all staff to comply with the laws and related regulations.

3. Suppliers

The Company establishes its own procedure for business partner selection by having the partners compete with equal information and selecting the partner according to its business partner evaluation and selection principles. Also, the Company uses the proper form of agreement to offer fairness to all suppliers and ensures that all conditions of the agreement are met, and the corruption and misconduct are prevented in every selection process. The Company strictly adhere to all terms of any agreement and keep the suppliers' information confidential without using such information for inappropriate benefit.

4. Competitors

Conducting business with fairness and transparency, competing fairly, refraining from taking commercial advantages over the competitors and refraining from seeking confidential information in illegal ways, and refraining from defaming its competitors with wrong accusations.

5. Customers

The Company is responsible toward its customer in maintaining the quality and standard of its products and services, as well as fulfilling the customers' needs completely or as much as possible, to satisfy customers in the long term. In addition, it cares for the health and hygiene of the consumers of its products, providing correct and complete information regarding the products and services. The Company also provides channels for customers to report the inappropriate products and services, so it can prevent and solve the problems quickly. The customer's confidential information will be protected and not illegally used for personal benefits or that of the related parties.

6. Creditors

The Company will strictly stick to the conditions and requirements of the contracts and financial obligations, as well as pay the principal, interests and collaterals in the related contracts. It will not dishonestly conceal the information or facts that may damage the creditors. In case that it cannot follow any of the conditions, it will notify the creditors immediately to agree on solutions.



7. Government

Conducting business by giving importance to the government, strictly adhering to laws and related regulations, as well as responding to the government's policy as it deemed necessary and appropriate, in consistent with its business operation method.

8. Communities, Societies and Environment

The Company pays attention to and takes importance on the safety and security of the communities, societies, environment and quality of life of those related to its business operation, encourages our employees to be in good conscience and have responsibility towards environment and society and requires them to strictly follow the laws and related regulations.

Additionally, the Company makes efforts to participate in activities that help creating and preserving environment, society and supporting the local cultures where its business is operating. Moreover, stakeholders can inquire, make complaints, inform any illegal conduct and report on the inaccuracy of financial reports, deficient internal controls or any misconduct of the Company via the Company's independent directors or audit committee members. The complaints and whistleblowing information will be kept confidential. The independent directors or audit committee members will investigate, find solutions (if any) and further report to the Board of Directors.

Section 4: Disclosure and Transparency

The Company is committed to correct, complete, timely and transparent disclosure of information, whether financial or non-financial, according to the principles of SEC and SET, as well as other information which may influence the Company's securities prices and then decisions of the investors and stakeholders. The Company will carry out as follows:

- (1) Set mechanism to ensure that the disclosed information is correct, not misleading and adequate for the investors' decision.
- (2) Appoint Investor Relations officers to communicate with investors or shareholders. The Company will publish its information, financial and general information to shareholders, securities analysts, credit rating agencies and related departments

through various channels, namely the SEC, SET and the Company's website. Moreover, it places importance on updating information disclosure in Thai and English for the shareholders to receive information via the Company's website. It will frequently update the information available in the website, including its vision, mission, financial statements, public relations, annual report, corporate structure and executives, as well as shareholding structure and major shareholders and meeting invitation letter.

- (3) The Company will not disclose any non-public information to any unauthorized employees, group of persons or person (including investors, mass media and analysts) until such information is made public. In the event that information has to be released to the auditor, underwriter, bank, legal counsel or other advisors, the Company ensures that such persons utilize it with due care in order to protect its privacy. If any undisclosed information is leaked, the Company will promptly unveil such information in accordance with the SET's regulation on information disclosure and other rules. If necessary, the Company will notify the SET to temporarily suspend the trading of the Company's securities.
- (4) The Company will disclose its financial statements, audited by skilled and qualified independent auditors. It has the policy to change the auditors who review, examine and report on its financial statements for seven (7) fiscal years, whether it is consecutive or not, in order for the true independency of the auditor's report. The Company will be able to reassign the auditors once again at least after five (5) consecutive fiscal years, unless stated otherwise by law. It will publish the financial statements according to the specified principles and via the SET's channels for the benefits for shareholders and investors. Furthermore, the Board of Directors requires the Audit Committee to review the reliability and accuracy of the Company's financial report to ensure the trustworthiness.
- (5) Prepare management discussion and analysis (MD&A) to support financial statements disclosure in every quarter, in order for investors to be better informed and understand the changes to the Company's financial position and operating results in each quarter, apart from figures in the financial statements only.



(6) Disclose the information regarding duties and responsibilities of the Board of Directors and subcommittees, number of meetings and meeting attendance in the previous year, opinions and suggestions, continuous educations and occupational trainings, disclosure of remuneration policy for directors and senior executives, as well as types or methods of remuneration. However, the disclosed remuneration should include the one that each director received from being the director of subsidiaries.

(7) Disclose the audit expenses and other expenses relating to audit's services. Apart from disclosing information in the Annual Registration Statement (Form 56-1) and the annual report according to the SET's principles and channels, the Board will consider disclosing and regularly updating information in both Thai and English language via other channels such as the Company's website.

Section 5: Responsibilities of the Board of Directors

1. Structure of the Board of Directors and Subcommittees

The Company's Board of Directors consists of members with various qualifications in terms of knowledge, capabilities, and experiences beneficial to the Company. The Board of Directors plays a significant role in defining policy and organization overview as well as overseeing, reviewing and evaluating the Company's business operation to ensure it is carried out as planned.

The Board of Directors consists of at least five (5) people, from which independent directors are at least one third (1/3) of all Company's director and at least three (3) persons to maintain the balance in proper consideration and voting. All independent directors should be qualified according to the announcements of Thai Capital Market Supervisory Board, SET's principles and regulations, rules and other related laws.

Each term of directorship is limited to three (3) years as prescribed by the relevant law. Directors may be re-elected if the Board of Directors views appropriate and necessary. Furthermore, the Company's directors and executives can take up position as directors of other companies within and outside the Group on the condition that it is in accordance with the regulations of the SEC, the Capital Market Supervisory Board and

the SET as well as other relevant regulations, rules and laws. Such positions held outside the Company have to be reported to the Board of Directors. Each director may hold the director position at no more than five (5) listed companies. Independent director can be in office for not more than nine (9) consecutive years.

Moreover, the Board of Directors has appointed sub-committees to assist in the Company's governance as follows:

- (1) Executive Committee consists of at least three (3) executive directors to support the Board of Directors in managing the Company's operations in accordance with the policies, plans, requirements, as well as the targets within the scope set by the Board of Directors.
- (2) Audit Committee consists of at least three (3) independent directors to support the Board of Directors in governing and auditing the management, internal control and compliance, as well as preparation of the financial reports in order to ensure transparency and trustworthy of the Company's operation and disclosure. At least one (1) Audit Committee should have knowledge or experience in accounting and finance to review the reliability of the financial statements.
- (3) Nomination and Remuneration Committee consists of at least three (3) Nomination and Remuneration Committee members to nominate qualified persons to take up the positions of directors, members of the sub-committees, Chief Executive Officer and senior executives; to consider the methods and principles in paying remunerations to committees, sub-committees, Chief Executive Officer and senior executives (as per the definition of "executives" in the announcement of the Securities and Exchange Commission at KorChor. 17/2551 regarding the determination of definitions in notifications relating to issuance and offer for sale of securities); to consider the methods and principles in paying remunerations to committees, sub-committees, Chief Executive Officer and senior executives for submitting suggestions for approval of the Board of Directors and/or in the Shareholder's Meeting (as the case may be); as well as to consider the development plans for the Company's Chief Executive Officer and senior executives.



- (4) Risk Policy Committee consists of at least three (3) Risk Policy Committee members to support the Board of Directors in supervising to ensure that the company has an adequate and appropriate risk management system. This will enable the company to achieve its objectives with efficiency and effectiveness and complies with relevant laws and standards in order to ensure that the overall risk is at an acceptable level.
- (5) Corporate Governance and Sustainability Committee consists of at least three (3) Corporate Governance and Sustainability Committee members to support the Board of Directors regarding the corporate governance and sustainability development of the Company as well as to ensure that the company's directions, policies and strategies are well-operated with good corporate governance and sustainable development.

Furthermore, the Company has appointed the corporate secretary to carry out the Board of Directors' and the shareholders' meetings, support the work of the Board of Directors in respect to laws and regulations as well as coordinate to ensure compliance with resolutions of the Board of Directors' and the shareholders' meetings.

2. The Board of Director's Duties and Responsibilities

The Board of Directors is accountable to the shareholders in conducting the Company's business operation. It has duty to define the Company's policy and direction as well as to ensure the business operation is carried out in accordance with the business goal, objective, vision, strategy and direction for the long-term benefit of shareholders within the legal framework and the Company's guidelines while considering the benefit of all stakeholders. Details of the role, duties and responsibilities of the Board of Directors are prescribed in its Charter. Additionally, the Board of Directors is responsible for the following matters:

(1) Good Corporate Governance Policy

The Company sets the Good Corporate Governance Policy in writing and proposes to the Board of Directors' meeting to approve such policy, with the purposes to serve as a guideline for the directors, executives and employees. The policy will be reviewed annually.

(2) Code of Conduct

The Company has the intention to carry out the business transparently, honestly, and with responsibility to the stakeholders, societies and environments. With approval of the Board of Directors, it has set up its Code of Conduct for its employees to adhere as follows:

- Section 1 Guidelines for business conduct
- Section 2 Guidelines for dealing with customers, suppliers, creditors and competitors
- Section 3 Guidelines on conducting towards the Company
- Section 4 Guidelines on social responsibility
- Section 5 Guidelines on violation or non-compliance to the Company's Code of conduct

The Company has announced its practices for acknowledgement and compliance by all employees via its intranet.

(3) Conflict of Interests

The Company manages the conflict of interest carefully, honestly, reasonably and independently under the good ethical framework mainly for the benefit of the Company. Person who has a conflict of interest and/or connected person and person who has interest in any matter have to disclose information to the Company and must not take part in approving such matter.

The Company also sets a policy related to the Related Party Transactions (RPT) and Conflict of Interest Transactions related to laws, regulations of the Office of SEC, SEC, the Thai Capital Market Supervisory Board and SET. The transactions will be disclosed in the Annual Report (Form 56-1 One Report).

(4) Internal Audit

The Company has set up the efficient internal control system in both management and operation levels. The Company's Internal Audit Department is responsible for assessing the adequacy of the internal control system and report to the Audit Committee according to its plan.



(5) Risk Management

The Company has defined proper risk management system and procedures to appropriately reduce the impact towards the Company's business. Its Risk Policy Committee will set the comprehensive internal and external risk management policy, consistent to the business' strategies and directions and submit for approval to the Board of Directors.

(6) The Committee's Report

The Audit Committee has the duty in reviewing the financial statements with the Accounting Department and the auditor and then proposes to the Board of Directors on a quarterly basis. The Board of Directors is accountable for the financial statements of the Company and its subsidiaries and the financial information disclosed in the annual report.

3. The Board of Directors' Guideline

Guideline 1: Recognize the duties and responsibilities of the Board of Directors as the organizational leader who creates sustainable values to the business, understand the roles and recognize the responsibilities of the leader to ensure the good corporate management and govern the business to create values sustainably.

Guideline 2: Set and manage the main objectives and goals for sustainability, which are consistent with the value creation for the corporation, customers, stakeholders and the whole society.

Guideline 3: Be responsible in setting and reviewing the structure of the Board of Directors regarding the size, proportion of proper independent directors necessary in leading the organization to achieve the objectives and goals, as well as ensuring the transparency and clear director selection and nomination for qualified and efficient Board members.

Guideline 4: The Board of Directors should ensure that the Company has effective human resources management and development programs to guarantee that the Company has ample staffs with proper knowledge, skills, experiences and motivation. Also, the Board of Directors should make sure that the succession plan for the CEO and senior executives, the appropriate remuneration structure and the performance evaluation are in place.

Guideline 5: The Board of Directors should focus and promote innovation that creates value for the Company while benefiting clients, other stakeholders, society and the environment. Furthermore, the Board of Directors should ensure that management allocates and manages resources efficiently and effectively throughout all aspects to enable the Company to sustainably achieve its objectives and main goals.

Guideline 6: Ensure that the Company has effective and appropriate risk management system and internal control to achieve the corporate objectives effectively and compliance with related laws and standards. Moreover, the Board of Directors will manage the conflict of interest between the Company, the management, the Board members or shareholders that may arise, and prevent the misuse of the Company's properties, information and opportunities, and transactions with related parties in inappropriate manners.

Guideline 7: In order to ensure the disclosure and financial integrity, the Board of Directors should make sure that the financial reporting system and major information disclosure are conducted accurately, sufficiently, in a timely manner and consistent with applicable regulations, standards and guidelines. Furthermore, the Board of Directors should monitor the Company's financial liquidity and solvency and arrange mitigation plan for the event that the Company faces or tend to have financial difficulties.

Guideline 8: To support the engagement and communication with shareholders, the Board of Directors will ensure that the shareholders are given opportunity to participate in the Company's important decisions.

4. The Board Meeting and Self-Evaluation

The Board of Directors shall meet at least quarterly or more frequently as it deems necessary. The meeting agendas are clearly set in advance and the agenda to follow-up the business operation is regularly fixed. The corporate secretary prepares and informs all directors of the meeting schedules in advance. The Company sends notice of the meeting along with agenda items and relevant documents to all directors no less than seven (7) days prior to the meeting date, except in urgent cases. Minutes of meetings are recorded, certified,



kept for reference and made available for examination. In every meeting, executives and responsible staffs are invited to attend the meeting to present information to the Board of Directors for making accurate and prompt decisions.

The meeting resolution must be passed by a majority vote of the Board members attending the meeting. Each director has one (1) vote. In the event that any director has a conflict of interest in any matter, he/she must not take part in the voting of such matter. In case there are equal votes, the Chairman of the meeting has a casting vote. There must be no less than two-thirds of the total number of directors presented at the meeting except in the agenda of connected transactions which shall be in accordance with the law or SEC regulations.

The Board of Directors conducts a self-assessment at least once a year so as to improve its performance. Assessment aspects have been clearly identified in advance. The result of the Board of Directors' assessment is reported to the Board of Directors' meeting and will be disclosed in the annual report along with the assessment guideline and process starting from the year 2020.

5. Remunerations

The remuneration of the directors should be comparable to the standard practice in the industry, with consideration of the experience, duties and roles, scope of accountability and responsibility and the expected usefulness of each director. Those who are assigned more duties and responsibilities, such as being a member of sub-committees, should receive suitable additional compensations.

The Company has established the Nomination and Remuneration Committee to consider and submit the remuneration methods and principles of director for approval in the Shareholders' Meeting.

6. Director and Executive Development

The Board of Directors' policy is to support and facilitate trainings and educating sessions for the parties related to the Company's governance, such as directors, Audit Committee, executives and company secretary, in order for continuous operation improvement. The trainings and educating sessions may be held internally or by the outside institutions.

In case of any director replacement or new directors, the management will prepare documents with information useful to the operation of the new directors and orient them to the Company's business nature and business operation guideline.

The Board of Directors will rotate the assignments according to the expertise of the executives and employees, mainly with consideration of the appropriateness of the work and time. The CEO will decide the time period and review the operating results to draw up the work development and succession plan in order to improve the knowledge and skills of the executives and employees, enabling them to work on behalf of each other.

The Company has Established Policies Related to Stakeholders in the Following Matters:

Policy to Prevent Misuse of Insider Information

The Company puts emphasis on preventing the use of its internal information. Therefore, it has set the policy to prohibit its directors, executives, employees and workers from misusing and disclosing nonpublic information that may have effect on its share price, significant and undisclosed information that may cause damage or disadvantage to the Company as well as the Company's confidential information directly or indirectly, whether or not for the benefit of themselves or other persons. Such policy also forbids the trading of the Company's share by using insider information. The guidelines for preventing the misuse of insider information of the Company are summarized below.

- (1) The Company's directors and executives are educated on the duty to report their own shareholding, including that of spouse, cohabiting couple and children under legal age, according to the Section 59 and the Section 275 of the Securities and Exchange Act B.E. 2535 (1992) (as amended), as well as the acquisition or disposal of shares held by themselves, spouse, cohabiting couple and children under legal age according to the Section 246 and the Section 298 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) to the Securities and Exchange Commission, Thailand ("SEC").



- (2) The Company's directors and executives, including their spouse, cohabiting couple and children under legal age, must prepare and disclose their holding of the Company's share and any change in the status of such shareholding to the SEC as specified in the Section 59 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) and also hand in a copy of such shareholding report to the Company within the same date.
- (3) The directors, executives, employees and workers of the Company and its subsidiaries, who are aware of important information that may have effect on the change of the share price, have been forbidden to trade the Company's share thirty (30) days prior to the disclosure of its financial statement or such information until at least 24 hours has elapsed after the disclosure. The persons, who involve with such information, must not release it to others till it is reported to the Stock Exchange of Thailand.
- (4) The directors, executives, employees and workers of the Company and its subsidiaries are not allowed to use the internal information or nonpublic information that may have effect on the change of the Company's share price, which is obtained from the performance of duties, for buying, selling, offering to buy, offering for sale or persuading others to buy, sell, offer to buy or offer for sale the Company's share or other securities (if any), either directly or indirectly, that may cause damage for the Company or for the benefit of themselves or other persons. Besides, such information must not be disclosed to other persons for the above-mentioned purposes whether or not for the exchange benefit.
- (5) The current and former directors, executives, employees and workers of the Company and its subsidiaries must not release the internal information or confidential information of the Company or its counterparties, which is obtained from the performance of duties, to other persons even though the disclosure of such information may not damage the Company and its counterparties. Such information must be used only for the Company's benefit, not for direct or indirect benefit of the directors, executives or employees and whether or not for the exchange benefit.
- (6) Any violations of the abovementioned guidelines are considered as the disciplinary offenses according to the Company's work rule. The Company will consider the disciplinary actions ranging from verbal and written warning, probation to dismissal.

Policy to Prevent the Conflict of Interest

The Company defines its Preventing Conflict of Interest Policy based on the principle that the decision for entering into any transaction must be for the highest benefit of the Company and shareholders. The Company should avoid any activity, which may create a conflict of interest, by adhering to the following principles:

- (1) Directors, executives and employees should refrain from conducting the same and competing business with the Company or its subsidiaries, except they can demonstrate that there is a measurement to ensure such conduct has no impact to the Company or it is for the utmost benefit of the company and overall shareholders. Also, directors and executives have to report such conduct to the Internal Audit Department, while employees must report to their supervisors.
- (2) Directors and executives should disclose their business transaction or activity, which may create a conflict of interest with the Company or its subsidiaries, to the Internal Audit Department, for instance,
 - any joint investment or benefit with counterparty of the Company or its subsidiaries;
 - any position taken up or being an advisor of counterparty of the Company or its subsidiaries; and
 - any direct or indirect product or service trading with the Company or its subsidiaries.
- (3) Directors, executives and employees must not misuse the confidential information of the Company or its subsidiaries, such as plan, revenue, meeting resolution, business forecast and auction price, for their own benefit, whether it creates any damage to the Company or not. They must stringently follow this Preventing Conflict of Interest Policy.



- (4) Directors, executives and employees should abstain from holding significant securities of the same and competing business with the Company or its subsidiaries that may interfere or affect their appropriate performance of duties. In case such securities are obtained prior to taking up position at the Company or prior to the Company or its subsidiaries entering into such business, or such securities are obtained by inheritance, they must report to the Internal Audit Department or their supervisors (as the case may be).

Anti-Corruption Policy

The Company recognizes the importance of anti-corruption and intends to operate business with good morals and under good corporate governance framework as well as adhere to the Code of Business Ethics. Meanwhile, the Company takes responsibility to the society, environment, and all stakeholders by arranging for the written Anti-Corruption Policy and defining Anti-Corruption Action Measures, appropriate responsibility, scope and guidelines, whistleblowing or complaints regarding corruption including disseminating the Anti-Corruption Policy. To prevent all types of corruption in all the Company's activities and serve the Company's decision and business operation involving with the risk of corruption, have been thoroughly considered, conducted and covered regarding the corruption, Charity, Donation for Public Interest, Political Contribution, Sponsorships, Facilitation Payment, Revolving Door, Conflict of Interest, Providing Gifts or Service, Entertainment and Hospitality. For more information, please see Enclosure no. 5

Corporate Social Responsibilities Policy

The company is determined to operate its business with fairness along with creating a balance of economy, society, and environment for the best interests of shareholders, customers, employees, society, communities, and all stakeholders. The company, therefore, has a social responsibility policy covering various matters related to society, such as, anti-corruption, respect for human rights, fair treatment of labor, customer responsibility, environmental protection, community development, as well as innovation. The policy is a tool for business operations and creating sustainable value for the business. For more information, please see Enclosure no. 5

Supervision and Governance of Subsidiaries and Associates

Please see the information in 8.1.3

6.2 Code of Business Ethics

Central Retail Corporation Public Company Limited (CRC) sets the following code of business ethics for directors, executives and employees, who are its representatives, to adhere to in performing duties. Detail are as follow;

Shareholders

CRC will conduct the business based on corporate governance, transparency and effectiveness, aiming to achieve good operating results and stable growth for CRC's sustainable and stable financial position, maximally benefiting its shareholders in the long term. It will also disclose the information transparently and trustworthily to the shareholders on its website and through investor relations officers.

Employees

CRC equally and fairly treats its employees, respects the rights of every employee and gives appropriate compensation, welfare and benefits not less than the legal requirement and comparable to other companies in the same industry. Furthermore, CRC focuses on the development of skills, knowledge, capabilities and potential of employees on a regular basis. For instance, CRC widely arranges trainings and seminars for employees and retains high caliber with CRC. CRC also sets the anti-corruption guideline and fosters all staff to comply with the laws and related regulations.

Suppliers

CRC establishes its own procedure for business partner selection by having the partners compete with equal information and selecting the partner fairly according to its business partner evaluation and selection principles. Also, CRC uses the proper form of agreement to offer fairness to all suppliers and ensures that all conditions of the agreement are met, and the corruption and misconduct are prevented in every selection process. CRC strictly adhere to all terms of any agreement and keep the suppliers' information confidential without using such information for inappropriate benefit.



Competitors

Conducting business with fairness and transparency, competing fairly, refraining from taking commercial advantages over the competitors and refraining from seeking confidential information in illegal ways, and refraining from defaming its competitors with wrong accusations.

Customers

CRC is responsible toward its customer in maintaining the quality and standard of its products and services, as well as fulfilling the customers' needs completely or as much as possible, to satisfy customers in the long term. In addition, it cares for the health and hygiene of the consumers of its products, providing correct and complete information regarding the products and services. CRC also provides channels for customers to report the inappropriate products and services, so it can prevent and solve the problems quickly. The customer's confidential information will be protected and not illegally used for personal benefits or that of the related parties.

Creditors

CRC will strictly adhere to the conditions and requirements of the contracts and financial obligations, as well as pay the principal, interests and collaterals in the related contracts. It will not dishonestly conceal the information or facts that may damage the creditors. In case that it cannot follow any of the conditions, it will notify the creditors immediately to agree on solutions.

Government

Conducting business by giving importance to the government, strictly adhere to laws and related regulations, as well as responding to the government's policy as it deemed necessary and appropriate, in consistent with its business operation.

Communities, Societies and Environment

CRC pays attention to and takes importance on the safety and security of the communities, societies, environment and quality of life of those related to its business operation, encourages our employees to be in good conscience and have responsibility towards environment and society and requires them to strictly follow the laws and related regulations. Additionally, CRC makes efforts to participate in activities that help creating and preserving environment, society and supporting the local cultures where its business is operating.

In 2021, the Corporate Governance and Sustainability Committee has assigned the management to prepare the Corporate Governance and Code of Conduct Handbook * (Handbook) of Central Retail Corporation Public Company Limited and its subsidiaries, compiling various policies and practices into one book as a working standard guideline for the Company's personnel and its subsidiaries to comply to, and the handbook is disclosed on the Company's website. The handbook has been prepared in accordance with the principles of good corporate governance of Thailand and international standards, namely the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) of the Office of the Securities and Exchange Commission, Criteria for Corporate Governance Assessment of Thai Listed Companies (CGR), Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), The Organization for Economic Co-Operation and Development (OECD) Criteria, ASEAN Corporate Governance Scorecard, and DJSI Sustainability Assessment.

** Corporate Governance and Code of Conduct Handbook was approved by the Board of Directors on 21 January 2022. For more information, please see Enclosure no.5. The Company has published the handbook and notify its employees via email, Intranet, CNEXT system, and will arrange training and online test regarding this matter as well.*



6.3 Significant Change and Development of Policy, Practices and System of Corporate Governance in the Previous Year

6.3.1 Significant Change and Development of Corporate Governance

1. The Board of Directors has developed a corporate governance system in accordance with the principles of Good Corporate Governance. In 2021, The Board has reviewed and amended Board of Directors Charter; Code of Conduct; Corporate Governance Policy; Anti-Corruption Policy; Whistleblowing Policy and Preventing Conflict of Interest Policy. The main amendments are as follows:

- Amendment on qualifications of independent directors to hold no more than 0.5 % share (amended from 1.0%)
- Amendment on independent directors' term of not exceeding 9 years without conditions

and approval of the charter and policies related to corporate governance for the company to have an efficient management system and create sustainable growth as follows:

- Corporate Governance and Sustainability Committee Charter
- Compliance Policy
- Tax Policy
- Environmental Policy and Guidelines
- Supplier Code of Conduct
- Human Rights Policy
- Investor Relations Code of Conduct
- Information Security Mission Statement and Policy
- Occupational Safety, Health and Work Environment Policy

2. The Board of Directors has agreed that the Company provide opportunities for minority shareholders to participate in proposing meeting agendas and nominating directors to replace the retired directors at the annual general meeting of shareholders. The information is communicated through the Stock Exchange of Thailand and the Company's website.

In 2021, no shareholder has propose meeting agenda or made the nomination for director election.

In addition, the nomination of member of the Board of Directors through the recommendation of the Nomination and Remuneration Committee has been carefully considered regarding selection and screening of qualified persons in accordance with the Company's Articles of Association and Charter and the relevant criteria such as:

- Consider the suitability according to experience and expertise of the directors (Board Skill Matrix) in accordance with the company's strategy
- Consider diversity in the Board of Directors structure, irrespective of gender, race, nationality and age (Board Diversity)
- Considered from the Director Pool database from the Thai Institute of Directors Association

3. The Board of Directors and sub-committees conducted self-assessments both individually and by the whole committee for the year 2021 and presented to the Board of Directors for consideration to use the assessment results to develop the Boards' performance.

4. The Board of Directors reviewed the operation to ensure the alignment with Good Corporate Governance for listed companies (CG Code) of the Securities and Exchange Commission of Thailand, as well as followed up on the application of CG Code to suit the context of the business.

5. The Board of Directors had organized a meeting among the non-executive directors for the year 2021, 1 time, in March. The meeting was to discuss significant management issues and problems, such as the assessment and succession plan for CEO and senior executives and allow non-executive directors to express their opinions freely.

6. The Board of Directors has set a meeting date in advance for 2022 by stipulating that the Board of Directors' meeting be held every month (except June, July and September) and a meeting among non-executive directors has been scheduled once a year in March.



6.3.2 Unaccomplished Principles of Good Corporate Governance for Listed Companies 2017

In 2021, the Board of Directors considered and reviewed the implementation of the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) to the business context of the Company and recorded unaccomplished principles and reasons as part of the Board of Directors' resolution. The Company's unaccomplished principles and reasons are as follows:

- **Determination of the number of directors for at least 5 directors but not more than 12 directors.**

The Company operates business by holding shares in other companies, and has many subsidiaries. Therefore, the Company needs several directors with knowledge and expertise in different areas. The Board of Directors consists of 15 directors in total, with knowledge and expertise in accordance with the skill matrix stipulated by the Company to ensure alignment with its business.

- **The Chairman of the Board of Directors shall be an independent director.**

Although the Chairman of the Board of Directors, who is the person with suitable knowledge and capabilities and well performs his duties, is a non-independent director; however, he holds no shares in the Company and is not the same person as the Chief Executive Officer, thus still maintaining checks and balances.

- **The Nomination Committee and Remuneration Committee shall mostly consist of independent directors.**

The Nomination and Remuneration Committee consists of two-fourths or half of the members who are independent directors. As the Chairman of the Committee is also an independent director, therefore, the meeting agenda and schedule can be independently determined.

6.3.3 Other Practices Following the Principles of Good Corporate Governance in Support of the Assessment

The Company received "Excellent" recognition or "5-Star" on the Corporate Governance Report (CGR) Rating of 2021 from the Thai Institute of Directors (IOD) and 100 scores on the AGM Checklist. The Company always gives importance on operating its business in line with principles of good corporate governance.

In addition to various topics presented in this document, in 2021, the Board of Directors approved the following additional policies for corporate governance:

1) Compliance Policy

The Company determines the Compliance Policy for directors, executives and employees adhere to the principles of individual duties to ensure that the Company's business operations are in accordance with laws, regulations, orders and announcements. Including so-called "rules" both within the company and outside, domestically and internationally, including prevent non-compliance risk to directors, executives and employees regarding business operation, laws, and business ethics against the confidentiality of the information in the Company's possession, laws on free and fair trade competition, taking into account fair mutual interests, laws on prevention and anti-corruption, money laundering prevention and suppression, laws to respect for human rights and equality, as well as respect for the intellectual rights of others and company's policies, including ethical standards, ethics, guidelines or operational manuals relating to the Company's business operations.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-charter-compliance-policy-en.pdf>



2) Tax Policy

Principles of the Tax Policy detail are follow;

(1) Compliance

The Company strictly complies with all applicable tax laws and regulations to the letter and spirit of the countries where the company operates in.

(2) Transfer Pricing

The Company adopts the arm's length standard for transfer pricing. Any business activities between the entities within the Company will be conducted according to the aforementioned principle, so that tax will be paid in the appropriate amount and the Company does not use transfer pricing as an inappropriate tax planning tool.

(3) Tax Structure

The Company does not use contrived tax structures that are intended for tax avoidance and have no commercial substance.

(4) Transparency

The Company holds transparency and accountability to the utmost importance. Our tax reporting is made to ensure tax transparency in accordance to all relevance tax regulations, reporting requirements and standards. The Company will utilize legitimate business tax structures and tax benefits in each country and does not have policy to transfer its profits to low tax jurisdictions.

(5) Relationship with Tax Authority

The Company establishes a cooperative relationship with the Tax Authority, based on transparency and accountability to prevent conflicts, and the possibility of litigation.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-tax-policy-en.pdf>

3) Environmental Policy

The Environmental policy is the commitment of The Company to adhere to the law, regulations, social responsibility, and sustainable development goals with respect to environmental issues ensuring international standards. They include climate change mitigation and adaptation, energy management, air and water pollution prevention, waste management, ecosystem management, maintenance of biodiversity, procurement, and delivery, promoting eco-friendly products and environmental management.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-environmental-policy-en.pdf>

The environmental policy is applied to all businesses within The Company to integrate into their operations and actions to collectively meet the environmental performance targets that are established in the corresponding guidelines. Presently, the guidelines are as follows

- 1) Solid Waste Segregation Guidelines Practice guidelines for all businesses in the Company to fulfil the goals in the Journey to Zero campaign for zero.

For more information <https://www.centralretail.com/storage/document/esg-reporting/crc-solid-waste-segregation-guidelines-en.pdf>

- 2) Food Loss & Waste Reduction Guidelines for food businesses to adopt and to develop its own action plan to reduce food loss and waste within the supply chain, including food waste generated from consumption, to manage waste appropriately, to use resources effectively, and to collectively contribute to the greenhouse gas emissions reduction target.

For more information <https://www.centralretail.com/storage/document/esg-reporting/crc-food-loss-and-waste-reduction-guidelines-en.pdf>

- 3) Reducing Plastic and Packaging Practice guidelines for all businesses in the Company to adopt and to develop its own action plans to reduce the amount of plastic and packaging waste, and to replace entire packaging materials with biodegradable material or



containing recycled plastic or non-plastic packaging with certification standards and recyclable to reduce single-use plastic packaging. This will be led to the efficient use of resources, sustainable waste reduction and to collectively contribute to the greenhouse gas emissions reduction target.

For more information <https://www.centralretail.com/storage/document/esg-reporting/crc-plastic-and-packaging-reduction-guidelines-en.pdf>

(4) Supplier Code of Conduct

The Company has established a supplier code of conduct as a business operating guideline for the Company and suppliers as well as our group's companies to be moral, ethical, transparent, and accountable in accordance with the principles of good corporate governance and aware of the responsibility towards the economic, social, and environment. Moreover, the Company has set the standards and practices in line with the local laws and ESG factors (Environmental, Social, and Governance) such as business ethics, environment, human rights, social development participation, and sustainable procurement policy.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-supplier-code-of-conduct-en.pdf>

(5) Human Rights Policy

The company respects the human rights of all individuals, on the basis of equal human dignity. Therefore, the human rights policy has established in accordance with international frameworks, covering the protection, respect, remedy sustainably for possible human rights violation. This is to serve as principles and guidelines for business to operate reasonably and to ensure that human rights are not directly or indirectly violated, as well as to implant the respect amongst related parties throughout the company's value chain, such as personnel, partners, customers, and joint ventures, to be aware and to act in the same way.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-human-right-policy-en.pdf>

(6) Information Security Mission Statement and Policy

The Company recognizes the importance of corporate management to drive business expansion, stable financial position and generate appropriate returns to shareholders, as well as compliance with good corporate governance principles. The Company has adopted international standards such as ISO 27001, NIST, CSF and CIS as part of our hybrid information security program in order to manage the risks and data protection and the Company's core systems. Therefore, the Company has established the information security mission statement and policy.

For more information <https://www.centralretail.com/storage/document/cg-policy/crc-information-security-mission-statement-policy-en.pdf>

(7) Occupational Safety, Health and Work Environment Policy

The Company is concerned about the life and health of all employees and for the benefit of laying down measures to control, supervise and manage safety, occupational health and working environment appropriately for protection, preserving and maintaining human resources, which is an important force of the company. The Company, therefore, has established a policy on occupational safety, health and working environment.

For more information <https://www.centralretail.com/storage/document/cg-policy/occupational-safety-health-and-work-environment-policy-en.pdf>

Investor Relations (IR)

The Board of Directors strongly emphasizes the importance of disclosure of both financial and nonfinancial information in an accurate, complete, transparent, thorough, and timely manner. For benefit the shareholders and investors in their decision-making, the Company publicizes the information to both domestic and international investors and stakeholders through various channels, for example, disclosing the information and reports via the SET, the SEC, news release, and the Company's website under the heading of Investor Relations (<https://www.centralretail.com/en/investor-relations/home>). The information disclosed on



the website is always updated. It includes the Company's business operation, past operating results, financial reports, Management Discussion & Analysis, stock prices, shareholder information, shareholder structure, dividend payment, shareholders' meeting, annual registration statement (Form 56-1 One Report), annual report (Form 56-2), notice of shareholders' meeting, minutes, news disclosed to the SET, press release as well as IR presentation prepared for investor meetings, both domestically and internationally.

To ensure that the functions have been performed by the Investor Relations in an accurate, complete, and transparent manner as well as in compliance with the laws, public regulations, and the Company's regulations and the SET's regulations, and to comply with the good corporate governance principles of the SET, IR professional standards, including policies and practices regarding the information disclosure and transparency of the Company, the Board of Directors therefore provided the IR Code of Conduct as the practice guidelines for IR officers and the person who involve in the IR function. In addition, the Investor Relations will directly report to the Chief Financial Officer and work closely with senior executives to formulate a policy and quarterly and annual plans as well as operating guidelines and approaches for developing CRC's investor relations practices on a par with leading regional listed companies. The operating results and opinions of shareholders, investors, and analysts are reported to the Board of Directors 4 times a year. Also, a meeting with the Deputy Chief Financial Officer is regularly held on a monthly basis.

The Company sets a silent period, to abstain from communicating to analysts and investors, of at least 15 days prior to the announcement date of quarterly and annual operating results of the Company to the SET to avoid unfair disclosure practices that may influence stock prices during the prohibited disclosure period. The Company has in place the guidelines for keeping the information confidential and restrict the use and disclosure of confidential information to only necessary persons.

The Company's senior executives give priority to the enhancement of good relationships with the investors by allocating their time to participate in the activities organized by the Investor Relations in order to announce the Company's policies and business directions, and hold investor meetings on a regular basis. Due to the COVID-19 outbreak situation that still obstructed the Company's investor meetings both domestically and internationally, including the site visit; however, the Company changed communication channels with the investors by adopting electronic means. The documents and VDOs related to investor meetings are publicized on the Company's website under the heading of Investor Relations to allow investors' access to comprehensive retrospective database.

The Company has continuously carried out a variety of forms of activities to enable the senior executives and Investor Relations to meet and provide the information to related persons in different opportunities. In 2021, the Company provided information to a total of 1,617 analysts and investors. The Company carried out the IR activities as follows:

Investor Relations Activities	Number of Times in 2021
1. One-on-One Meetings / Company visits / Conference Calls	114
2. Analyst & Investor Meetings	4
3. Investor Conferences	22
4. Non-Deal Roadshows	11
5. Investor meetings organized by SET: Opportunity Day / Thailand Focus / Panel Discussion	6
Total	157



7

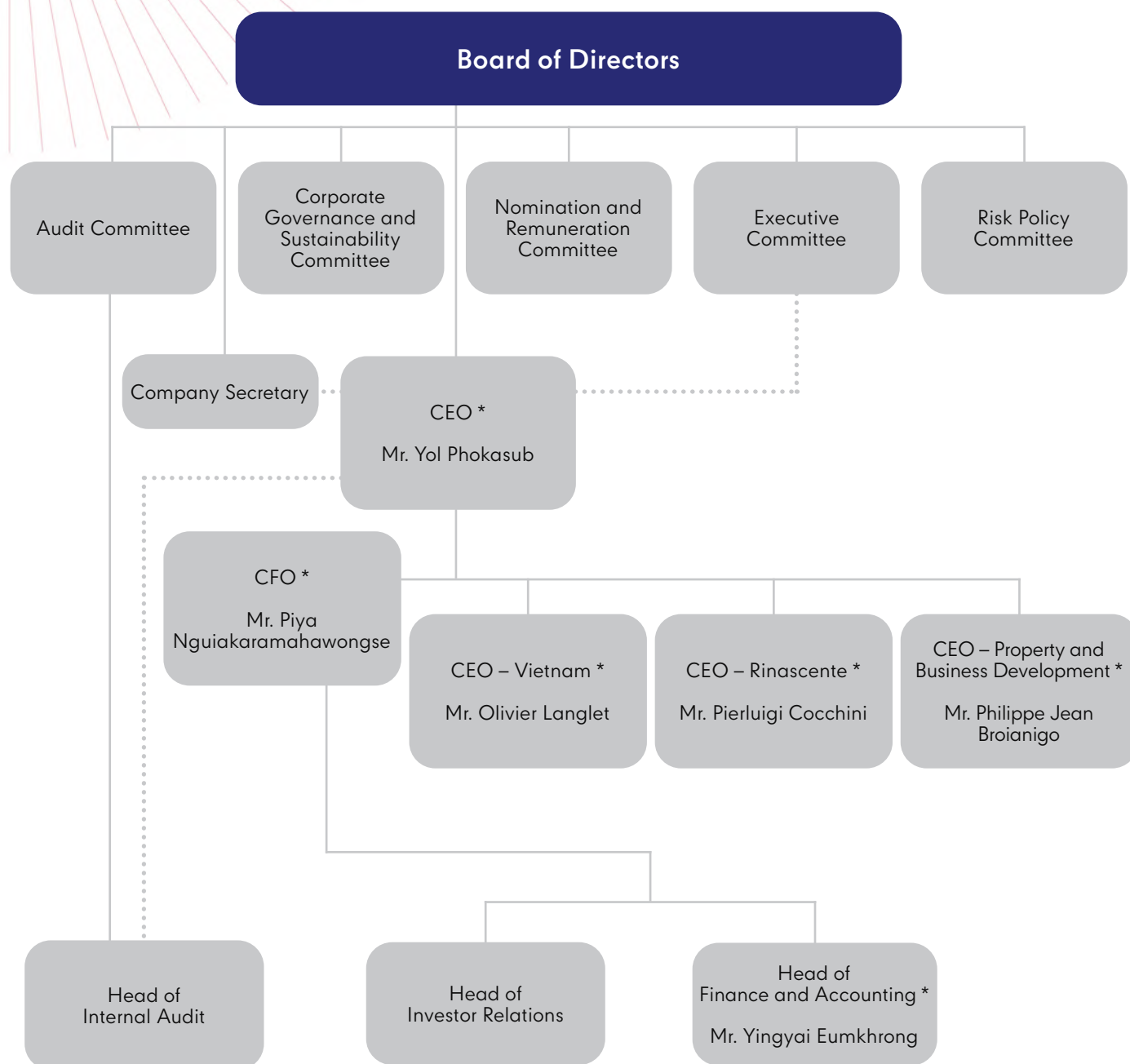
Management Structure / Director, Sub-committee, Management, Employee and other Information





7.1 Management Structure

as at 31 December 2021 is as follows:



Remarks: On 24 September 2020, the Company appointed the Risk Management Committee and on 5 October 2020, the Company appointed Compliance Unit. Details are in part 2 Article 7.6 and Enclosure 3

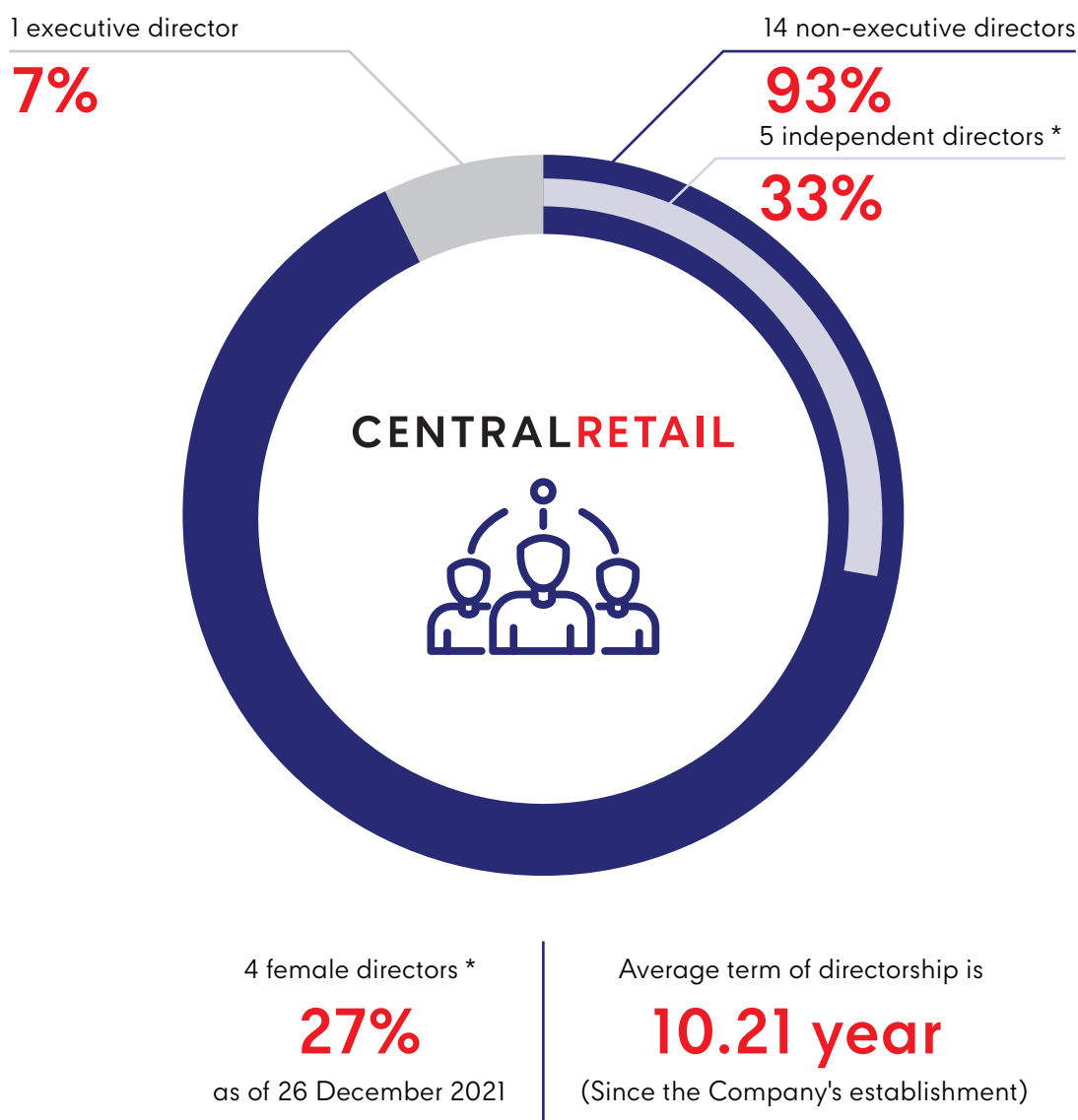
* Being the Management defined by SEC



7.2 Directors' Information

7.2.1 Board of Directors' Composition

The Company has an appropriate composition and qualifications of the Board of Directors as specified, namely where the Board of Directors are equipped with a variety of skills, expertise, knowledge, experience, gender and age, all of which will be beneficial to the Company's business operation. It also consists of an appropriate proportion of independent directors, and the Board of Directors comprises 15 directors, a number sufficient to govern and supervise the operation of the Company. The structure of the Board of Directors as of 31 December 2021 is as follows:



The Company's Audit Committee consists of 3 independent directors, of which is led by Mrs. Pratana Mongkolkul, a knowledgeable and experienced director in reviewing the reliability of the financial statements.

**In this regard, on 27 December 2021, Dr. Atchaka Sibunruang, an independent director made her resignation from the position of director. The Company is in the process of recruiting her replacement.*

**Lists of directors and sub-committees are as follows:**

Name	Board of Directors	Audit Committee	Risk Policy Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Executive Committee
1. Dr. Prasarn Trairatvorakul	Chairman	-	-	-	-	-
2. Mr. Suthichai Chirathivat ⁽¹⁾	Vice Chairman	-	-	-	-	-
3. Mr. Suthikiati Chirathivat	Vice Chairman	-	-	-	-	-
4. Mr. Sudhitham Chirathivat ⁽²⁾	Director	-	-	-	-	-
5. Mrs. Pratana Mongkolkul	Independent Director	C	-	-	-	-
6. Mrs. Patareeya Benjapolchai	Independent Director	D	D	-	C	-
7. Dr. Atchaka Sibunruang ⁽³⁾	Independent Director	-	-	C	D	-
8. Mr. Sompong Tantapart	Independent Director	D	-	D	-	-
9. Mr. Kanchit Bunajinda	Independent Director	-	C	-	-	-
10. Prof.Dr. Suthiphand Chirathivat	Director	-	-	D	-	-
11. Mrs. Yuwadee Chirathivat	Director	-	-	-	-	D
12. Mr. Suthilaksh Chirathivat	Director	-	-	-	-	-
13. Mr. Prin Chirathivat	Director	-	D	-	-	-
14. Mr. Tos Chirathivat	Director	-	-	D	-	C
15. Mr. Pichai Chirathivat	Director	-	-	-	D	-
16. Mr. Yol Phokasub	Director and CEO	-	D	-	D	D

Remark: C = Chairman D = Director

⁽¹⁾ Mr. Suthichai Chirathivat, Vice Chairman, resigned from the position of Vice Chairman and director, effective 25 November 2021.

⁽²⁾ Mr. Sudhitham Chirathivat was appointed as a director, effective 21 December 2021.

⁽³⁾ Dr. Atchaka Sibunruang, Independent Director, resigned from the position of Director, effective 27 December 2021

The details of directors described in Enclosure 1 of this document.

Authorized Directors to bind the Company

Mr. Suthikiati Chirathivat, Mr. Suthiphand Chirathivat, Mrs. Yuwadee Chirathivat, Mr. Suthilaksh Chirathivat, Mr. Prin Chirathivat, Mr. Tos Chirathivat, Mr. Pichai Chirathivat, Mr. Yol Phokasub, Mr. Sudhitham Chirathivat two of nine directors co-signing with company seal affixed.



Report of Changes in CRC's Shares of Directors and Executives

Name	CRC's Shares			
	As at 1 January 2021	Changes Increase (Decrease)	As at 31 January 2022	% of total shares
1. Dr. Prasarn Trairatvorakul	-	-	-	-
2. Mr. Suthikiati Chirathivat	38,835,033	-	38,835,033	0.6439%
3. Mr. Sudhitham Chirathivat *	40,070,249 *	-	40,070,249	0.6644%
4. Mrs. Pratana Mongkolkul	-	-	-	-
5. Mrs. Patareeya Benjapolchai	-	-	-	-
6. Mr. Sompong Tantapart	-	-	-	-
7. Mr. Kanchit Bunajinda	-	-	-	-
8. Prof.Dr. Suthiphand Chirathivat	43,850,621	-	43,850,621	0.7271%
9. Mrs. Yuwadee Chirathivat	17,029,945	-	17,029,945	0.2824%
10. Mr. Suthilaksh Chirathivat	44,895,987	-	44,895,987	0.7444%
11. Mr. Prin Chirathivat	40,522,900	-	40,522,900	0.6719%
12. Mr. Tos Chirathivat	39,336,816	-	39,336,816	0.6522%
13. Mr. Pichai Chirathivat	53,227,462	-	53,227,462	0.8826%
14. Mr. Yol Phokasub	302,200	0.001%	351,902	0.0058%
15. Mr. Piya Nguikaramahawongse	267,300	0.001%	297,957	0.0049%
16. Mr. Philippe Jean Broianigo	69,700	-	69,700	0.0012%
17. Mr. Pierluigi Cocchini	-	-	-	-
18. Mr. Olivier Langlet	-	-	-	-
19. Mr. Yingyai Eumkhong	-	0.000%	3,977	0.0001%

Remark:

- Central Retail Corporation Public Company Limited has a registered capital of THB 6,320,000,000 and paid-up capital of THB 6,031,000,000 (6,031,000,000 shares) The Company was listed in the Stock Exchange of Thailand on 20 February 2020.
- According to SEC regulation, ordinary shares of a company held by the directors and executives defined in SEC's regulation include those held by a spouse, partners in a de facto relationship and minor children shall be reported to SEC within 3 days from the trading date. Any director or executive who fails to comply the aforementioned action shall be liable to a fine not exceeding THB 500,000 and shall be liable to a fine not exceeding THB 10,000 per day until completely reported.
- The Public Limited Companies Act requires divulging the ordinary shares and debentures in the company and in affiliated companies held solely by a Board member as an individual. Moreover, the director shall indicate the total number of shares increasing or decreasing during an accounting year (if any). Any director who fails to comply with section 88 or does comply with section 88 but incompletely or inaccurately as to truthfulness shall be liable to a fine not exceeding THB 20,000.
- Notification of the Office of the Securities and Exchange Commission No. SorJor. 38/2561 defined "executives" means the manager, the next four executives succeeding the manager, every person holding an equivalent position to the fourth executive, and shall include the persons holding an executive position in accounting or finance at a managerial or equivalent or higher level.
- The shares prescribed in the above table has included shares held by a spouse, partners in a de facto relationship and minor children (if any) of directors and executives.
- The Company has an Employee Joint Investment Program (EJIP) for employees at the executive level

* Mr. Sudhitham Chirathivat was appointed as a director, effective 21 December 2021.



7.2.2 The Information of Directors in the Company's Subsidiaries

List of Directors	Subsidiaries																		
	CDS	ROBINS	TWT	CMK	CTD	CNGI	CGO	CFR	CFM	SPS	C Trading	PWB	COL	NK Trading	Cap C	LC Investment	LC Ha Nam	LC Trading	LR
Mr. Suthichai Chirathivat	/							/		/	/	/							
Mr. Suthikiati Chirathivat	/										/								
Mr. Sudhitham Chirathivat		/						/						/					/*
Mr. Suthilaksh Chirathivat	/		/		/			/	/	/		/			/				
Mr. Sudhisak Chirathivat		/									/								
Mrs. Yuwadee Chirathivat	/	/					/												/*
Mr. Tos Chirathivat	/				/			/							/				/*
Mr. Prin Chirathivat	/	/		/	/			/	/		/				/				/*
Mr. Pichai Chirathivat											/								
Mr. Yol Phokasub				/				/	/										
Mr. Piya Nguiakaramahawongse		/											/						
Mr. Philippe Jean Broianigo														/					
Mr. Pierluigi Cocchini																			/
Ms. Jariya Chirathivat	/		/					/		/		/	/	/*		/*	/*	/*	
Mr. Narongrit Chirathivat	/						/	/		/		/			/				
Mr. Kriangsak Chirathivat	/										/								
Mrs. Nidsinee Chirathivat	/																		
Mr. Watt Chirathivat	/																		
Mrs. Sirikate Chirakiti	/																		
Mrs. Sukanya Promphan	/							/		/		/							
Mr. Suthichart Chirathivat	/							/		/	/	/							
Mr. Ty Chirathivat		/											/						
Mr. Fumio Hiraoka			/																



List of Directors	Subsidiaries																		
	CDS	ROBINS	TWT	CMK	CTD	CNGI	CGO	CFR	CFM	SPS	C Trading	PWB	COL	NK Trading	Cap C	LC Investment	LC Ha Nam	LC Trading	LR
Mr. Masahiro Hirata			/																
Mr. Toshiyuki Inada			/																
Mr. Ryoji Adachi				/															
Mr. Stephane Coum				/				/	/										
Mr. Takashi Matsumoto				/															
Mrs. Supatra Chirathivat						/							/						
Mr. Kowin Kulruchakorn						/													
Mr. Panet Mahankanurak							/												
Mr. Parivat Sopasi								/	/										
Mr. Suthisarn Chirathivat					/					/		/		/					
Mr. Nath Vongphanich										/									
Mr. Pong Skuntanaga					/							/							
Ms. Sukulaya Uahwatanasakul	/		/		/	/	/	/	/	/	/	/							
Mrs. Jintana Bunyarat											/								
Mr. Vittorio Radice																			/
Mr. Kajohnsak Jantarustiyakan								/											
Mr. Alexandra Joseph Roger Hammel													/						
Mr. Stefano Della Valle																			/

Remarks: For the overseas companies, *refers to directors who residing in Thailand.

The details of directors of the Company's subsidiaries described in Attachment 1.1 and Attachment 1.3 of this document.

7.2.3 Information of the Board's Authorities, Duties and Responsibilities

The Board's Authorities, Duties and Responsibilities

As the representatives of shareholders, the Board of Directors has the authorities, duties and responsibilities were determined as follows:

- (1) Perform duties and oversee CRC's business in consistent with laws, CRC's objective, articles of association, resolution of the Board of Directors' and the shareholders' meetings with responsibility, honesty and due care for the interest of CRC and all shareholders.



- (2) Define vision, strategy, business direction, objective, policy, target, business plan, budget and management structure as well as delegate authority of CRC and its subsidiaries as proposed by the management. Oversee the business operation and the performance of the management or any assigned persons. Support the use of technology to effectively and efficiently increase the business opportunity and the operating result in accordance with the set vision, strategy, business direction, objective, policy, target, business plan and budget in order to create the highest value to CRC and shareholders. CRC's strategy, business direction, plan and budget are reviewed at least once a year so as to be able to adapt to any changes in economy, market and competition.
- (3) Continuously and regularly monitor and assess the performance of duties of the management and sub-committees to ensure they are in line with the strategy, business plan and budget.
- (4) Ensure that the remuneration framework, policy and structure are properly set. Such remuneration policy should be able to incentivize the directors, sub-committees, executives and employees at every level to perform their duties in accordance with the organization's objective and main goal and for the long-term benefit of the organization. Also, consider the appropriate proportion of remuneration among salary and remuneration that is linked to the organization's short- and long-term performance, business size and individual responsibility. Ensure that the remuneration paid, which is proposed by the Nomination and Remuneration Committee, is comparable with that of other listed companies which have equal size in the same industry.
- (5) Establish the succession plan to prepare candidates for the positions of CEO and senior executives and oversee the personnel development so that CRC has enough calibers with proper motivation. The progress of the succession plan is periodically reported to the Board of Directors by the CEO at least once a year.
- (6) Ensure that CRC and its subsidiaries have appropriate and efficient accounting system and credible financial reporting and auditing, which is in line with the general certified accounting standards of the country where CRC operates the business. Make certain that CRC has sufficient and proper internal control and internal audit systems, the documents are kept for later inspection and technology is used to disclose information.
- (7) Continuously monitor the performance of CRC and its subsidiaries to ensure it is in line with CRC's plan and budget.
- (8) Oversee the safeguard of information, define the data privacy policy, the management of sensitive information that may affect CRC's share price, the silent period for trading CRC's share prior to the disclosure of information that may affect CRC's share price, and ensure that employees and related persons abide by the applicable policies.
- (9) Acknowledge the reports of the Audit Committee as well as other sub-committees and ensure that CRC has the whistleblowing channels and procedures to deal with such reporting.
- (10) Approve the acquisition and or disposal of assets (in case the transaction size does not require the shareholders' approval), new business investment and any other operations in accordance with laws, notifications and applicable regulations.
- (11) Approve the connected transaction (in case the transaction size does not require the shareholders' approval) in accordance with laws, notifications and applicable regulations as well as the principle for the trading agreement with general trading condition for the transactions entered into by CRC or its subsidiaries with the directors, executives or related persons in order to be the framework for the management to conduct the transactions under the scope of laws and applicable regulations.
- (12) Approve the interim dividend payment (if any) for CRC's shareholders and report such payment to the next shareholders' meeting.
- (13) Review the risk management policy and process and conduct the performance review.



- (14) Ensure there is no conflict issue between CRC's stakeholders and its subsidiaries. In the event that any director has an interest in any matter or any change in the shareholding in CRC and/or its subsidiaries, such director has to promptly inform CRC.
- (15) Define the good corporate governance policy, the social responsibility policy as well as the anti-corruption policy and ensure efficient compliance.
- (16) Consider and propose the directors' remuneration (both financial and non-financial) along with other benefits, as recommended by the Nomination and Remuneration Committee, to the shareholders' meeting for approval.
- (17) Establish the sub-committees, such as the Audit Committee and/or other sub-committees, to assist and support the Board of Directors as deem appropriate as well as appoint the CEO.
- (18) Appoint the Company Secretary in accordance with the law on securities and exchange to assist the Board of Directors in performing its duties in operating CRC's business in accordance with laws, notifications and applicable regulations.
- (19) Request additional information from various units of CRC and its subsidiaries for making decision.
- (20) Seek further professional opinion from external consultants, if necessary, for making proper decision.
- (21) Prepare the annual report and take responsible for preparing and disclosing the financial statements, which reflect CRC's financial position and performance in the previous year and have been audited by CRC's auditor prior to proposing to the shareholders' meeting.
- (22) Conduct the Board self-assessment both as a whole and as an individual in order to review the performance, problems and difficulties in each year and utilize the assessment result to develop and improve the performance in various aspects.
- (23) Arrange the annual general meeting of shareholders within four (4) months from the end of CRC's accounting period.
- (24) Approve any matters by considering the benefit of CRC's shareholders and all stakeholders with fairness.
- (25) Authorize any director or a group of director or others to perform any act on behalf of the Board of Directors.

The delegation of authority, duty and responsibility of the Board of Directors shall not have any characteristics that enable the authorized person to approve the connected transaction of himself/herself or related person (as defined in the notifications of the Securities and Exchange Commission and/or the Capital Market Supervisory Board) or the transaction which may have a conflict of interest with CRC or its subsidiaries, except the transactions that are in line with the policy or guideline approved by the shareholders' meeting or the Board of Directors.

- (26) Review the charter of the Board of Directors at least once (1) a year.



Authority, Duties, and Responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer

To ensure checks and balances between the Board of Directors and the management, the Company prescribes that the Chairman of the Board and the Chief Executive Officer are not the same person. The Chairman of the Board acts as the head of the Board of Directors in supporting the management's operation but is not involved in daily operation which is the duty of the Chief Executive Officer.

The authority and duties of both positions are segregated as follows:

Chairman's Authorities, Duties and Responsibilities

The Chairman of the Board of Directors summons the directors by delivering the meeting notice together with the agenda and supporting documents to all directors no less than seven (7) days prior to the meeting to allow the directors to have adequate time to study the information. Except for urgent matters, the meeting can be notified via other means or can be called as soon as possible. If the Chairman of the Board is absent or unable to discharge his duties, if the Vice Chairman is present in the meeting, he/she shall preside over the meeting. However, if there is no Vice Chairman or there is the Vice Chairman, but he/she is absent or unable to discharge his/her duties, the directors attending the meeting shall select one of the directors to preside over the meeting. In each Board of Directors meeting, the Chairman of the Board shall run the meeting in accordance with the sequence of agenda. For the vote casting, in case of tie votes, the presiding Chairman is entitled to the casting vote. Chairman of the Board is the Chair of shareholders meeting. If the Chairman of the Board is absent or unable to discharge his duties, if the Vice Chairman is present in the meeting, he/she shall preside over the meeting. However, if there is no Vice Chairman or there is the Vice Chairman, but he/she is absent or unable to discharge his/her duties, the shareholders's meeting shall select any one of the attending shareholders to preside over the meeting.

Chief Executive Officer's Authorities, Duties and Responsibilities

Executive Officer's authorities, duties and responsibilities were determined as follows:

- (1) Determine visions, strategies, business directions, objectives, policies, business plans, budgets, management structure and delegation of authority of Central Retail Corporation Public Company Limited (CRC) and its subsidiaries to submit to the Executive Committee and/or the Board of Directors for approval.
- (2) Monitor, manage, operate and conduct the regular business-related duties for CRC's interests, according to its visions.
- (3) Determine the business directions, policies, strategies, objectives, business plans and annual budget plans approved by the Executive Committee and/or the Board of Directors, and/or as assigned by the Executive Committee and/or the Board of Directors.
- (4) Coordinate with the Executive Committee for the business actions and risk management to be consistent with CRC's objectives and requirements, together with the resolutions of the Executive Committee and/or the Board of Directors, and/or the Shareholders' Meetings.
- (5) Approve any agreements and/or transactions related to its general business operation (such as trading, investing or co-investing with other parties for its general transactions for the advantages of the operational objectives) under the conditions and within the financial amount set by the Delegation of Authority or the Board and/or the Executive Committee and/or the Board of Directors and/or the related laws and regulations and/or CRC's principles.



- (6) Approve any loans and business loan applications from the financial institutions, as well as lending, pledging, mortgaging or CRC and its subsidiaries standing sureties for loans within the financial amount set by the Delegation of Authority and/or the Executive Committee and/or the Board of Directors.
- (7) Follow up, review and control the performances of CRC, its subsidiaries and/or associated companies to ensure the good performances as the goals set; report to the Executive Committee and the Board quarterly; and seek opportunities to improve and develop for the better operating results.
- (8) Develop the organization's good performance and operating results, with consistent improvement for the sustainable growths.
- (9) Conduct appropriate and thorough technical and financial studies on investment opportunities in good new projects to assist decision-making.
- (10) Appoint consultants in the fields necessary to CRC's operation within the budget and financial amount set by the Delegation of Authority and/or the Board, the Executive Committee and/or the Board of Directors.
- (11) Establish regulations, rules, practices and requirements for the organizational structure of the positions lower than top management (as defined as "Executive" in the Announcement of the Securities and Exchange Commission at KorChor. 17/2551 regarding the determination of definitions in notifications relating to issuance and offer for sale of securities), as well as hiring, appointment, transferring, removal and dismissal of employees in the positions lower than top management.
- (12) Determine the remuneration structure, wage rates, compensation, premiums and rewards, bonuses, and salary increment for executives and employees in the positions lower than top management within the scope and policy set by the Board of Directors and/or the Executive Committee.
- (13) Issue internal orders, announcements and memorandums for CRC's operation to be in line with the policy and for CRC's interests; maintain the internal disciplines, authorize and/or sub-authorize one or many persons to take actions on behalf of the Chief Executive Officer within the scope of authority specified in CRC's Power of Attorney and/or rules, regulations or resolutions of the Board. Such authorizations of the Chief Executive Officer will not be of the authorizations or sub-authorizations enabling the Chief Executive Officer or its attorneys to approve their or the related parties' items with actual or possible conflict of interests (as defined in the Announcement of SEC and/or the Thai Capital Market Supervisory Board), interests or benefits in any form or possible conflict of interests with CRC or its subsidiaries, unless it is the item approval in line with the policies and principles approved by the Board of Directors.
- (14) Conduct other duties assigned by the Executive Committee and/or the Board of Directors and have authority to take actions necessary for the duties.



7.3 Information of Sub-Committees

1. The Audit Committee

The Audit Committee is a sub-committee established to support the Board of Directors in governance and screening of management, internal control, and the related law compliance, as well as preparation of financial reports for the transparency and accountability of the Company's information disclosure.

As of 31 December 2021, the Audit Committee comprises of 3 independent directors with the qualifications as required in the Audit Committee Charter and in accordance with criteria of the Capital Market Supervisory Board. The 2021 audit committee board meeting attendance is as follows:

Name	Position
1. Mrs. Pratana Mongkolkul *	Chairman of the Audit Committee
2. Mrs. Patareeya Benjapolchai *	Member of the Audit Committee
3. Mr. Sompong Tantapart *	Member of the Audit Committee

Remark: * is an independent director

Mrs. Pratana Mongkolkul is an Audit Committee member who has enough knowledge and experience to review the reliability of the Company's financial statements. Mr. Phisoot Suksangtip serves as Secretary of the Audit Committee, appointed by the Board of Directors meeting No. 3/2019 held on 25 March 2019 and began his duty as the Secretary of the Audit Committee since the Audit Committee meeting No. 1/2019 held on 28 March 2019.

The composition, qualifications, tenure, authority and duties are detailed in the Audit Committee Charter which can be found in Enclosure 5, and Report of the Audit Committee which can be found in Enclosure 6.

2. The Risk Policy Committee

The Risk Policy Committee is established to support the Board of Directors in governance to ensure the adequate, proper risk management system is in place for the Company's effective and efficient objective achievement and compliance to the related laws and standards, limiting overall risks to the acceptable level.

As of 31 December 2021, the Risk Policy Committee comprises of 4 members as follows:

Name	Position
1. Mr. Kanchit Bunajinda *	Chairman of the Risk Policy Committee
2. Mrs. Patareeya Benjapolchai *	Member of the Risk Policy Committee
3. Mr. Prin Chirathivat	Member of the Risk Policy Committee
4. Mr. Yol Phokasub	Member of the Risk Policy Committee

Remark: * is an independent director

Ms. Inthira Krattayareungrote was appointed as Secretary of the Risk Policy Committee by the Risk Committee meeting no. 5/2021 held on 22 September 2021

The composition, qualifications, tenure, authority and duties are detailed in the Risk Policy Committee Charter which can be found in Enclosure 5 and Part 8.3 of this report.



3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) is established to nominate qualified persons to take up the positions of directors, members of the sub-committees, Chief Executive Officer and top management (as per the definition of “executives” in the announcement of the Securities and Exchange Commission at KorChor. 17/2551 regarding the determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities), consider and submit the remuneration methods and principles of director, members of the sub-committees, Chief Executive Officer and top management; together with suggestions to the Board of Directors and/or propose for approval in the Shareholders’ Meeting. (If any)

As of 31 December 2021, the Nomination and Remuneration Committee comprises of 4 members as follows:

Name	Position
1. Dr. Atchaka Sibunruang */**	Chairman of The Nomination and Remuneration Committee
2. Mr. Sompong Tantapart *	Member of The Nomination and Remuneration Committee
3. Professor Dr. Suthiphand Chirathivat	Member of The Nomination and Remuneration Committee
4. Mr. Tos Chirathivat	Member of The Nomination and Remuneration Committee

Remark: * is an independent director ** Dr. Atchaka Sibunruang resigned on 27 December 2021

Ms. Rangsirach Pornsutee was appointed as Secretary of the Nomination and Remuneration Committee by the Board of Directors meeting no. 8/2019 held on 19 July 2019.

The composition, qualifications, tenure, authority and duties are detailed in the Nomination and Remuneration Committee Charter and the Nomination and Remuneration Committee Report which can be found in Enclosure 5 and Part 8.3 of this report

4. The Corporate Governance and Sustainability Committee

The Company is committed to complying with the international standards of good corporate governance principles to achieve sustainable development. The Board of Directors had appointed the Corporate Governance and Sustainability Committee on 22 December 2020 to engage in corporate governance and sustainable development activities of the Company while ensuring that the Company’s business operation is in line with the directions, policies, and strategies to achieve corporate governance and sustainable development.

As of 31 December 2021, the Corporate Governance and Sustainability Committee comprises of 4 members as follows:

Name	Position
1. Mrs. Patareeya Benjapolchai *	Chairman of the Corporate Governance and Sustainability Committee
2. Dr. Atchaka Sibunruang */* *	Member of the Corporate Governance and Sustainability Committee
3. Mr. Pichai Chirathivat	Member of the Corporate Governance and Sustainability Committee
4. Mr. Yol Phokasub	Member of the Corporate Governance and Sustainability Committee

Remark: * is an independent director ** Dr. Atchaka Sibunruang resigned on 27 December 2021

Mrs. Ngamchit Kiattavith, the Company Secretary, was appointed as Secretary of the Corporate Governance and Sustainability Committee, responsible for corporate governance. Mr. Kerkrit Wongwan was appointed as Secretary of the Corporate Governance and Sustainability Committee, responsible for sustainability.

The composition, qualifications, tenure, authority and duties are detailed in the Corporate Governance and Sustainability Committee Charter which can be found in Enclosure 5 of this report.



5. The Executive Committee

The Company's Executive Committee is established to support the Board of Directors in governance according to any policy, operation plan, requirements, instructions and goals set within the scope assigned by the Board of Directors.

As of 31 December 2021, the Executive Committee comprises of 5 members as follows:

Name	Position
1. Mr. Tos Chirathivat	Chairman of the Executive Committee
2. Mrs. Yuwadee Chirathivat	Member of the Executive Committee
3. Mr. Yol Phokasub	Member of the Executive Committee
4. Mr. Suthisarn Chirathivat *	Member of the Executive Committee
5. Mr. Piya Nguiakaramahawongse	Member of the Executive Committee

Remark: * Mr. Suthisarn Chirathivat was appointed as the Executive Director to replace Mr. Nicolo Galante on 21 December 2021.
Miss Oranee Bunditdumrongkul is a secretary to the Executive Committee

The composition, qualifications, tenure, authority, and duties are detailed in the Executive Committee Charter which can be found in Enclosure 5 of this report.

7.4 Information of the Managements

As of 31 December 2021, the Company consists of 6 managements as follows:

Name	Position
1. Mr. Yol Phokasub	Chief Executive Officer (CEO)
2. Mr. Piya Nguiakaramahawongse	Chief Financial Officer (CFO)
3. Mr. Olivier Langlet	CEO – Central Retail Vietnam
4. Mr. Pierluigi Cocchini	CEO – Central Retail Italy
5. Mr. Philippe Jean Broianigo	CEO of CRC Property & Business Development
6. Mr. Yingyai Eumkhong	Head of Finance and Accounting

Remuneration of Executives

(1) Monetary Remuneration

As of 31 December 2021, the Company paid remuneration to 6 executives totally THB 93 million form of salaries and annual bonuses (Mr. Olivier Langlet received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

(2) Other Remuneration

The Company paid other remuneration to 6 executives in the form of social security fund contributions, travel expenses, fuel, and telephone bills, etc.

Provident funds

The Company established a provident fund for executives by contributing 3-5 percent of salary. In 2021, the Company contributed a total of THB 2 million to the provident fund for 5 executives (except Mr. Pierluigi Cocchini).



Policy and method to determine remuneration of directors and executives

The Company determines remuneration of directors and executives by considering consistency with the key organizational objectives and goals and long-term organizational benefits as well as appropriateness of salary proportion and remuneration that corresponds to short-term and long-term operating results of the business, size of business, responsibility of such persons, and comparing with remuneration of other listed companies in the same business type and of similar size according to the recommendations of the Nominating and Remuneration Committee in the form of monthly or quarterly remuneration, meeting allowance, and bonus. Currently, such remuneration structure is appropriate for responsibility and ability to induce directors and executives to lead the organization's operations to be in alignment with the short-term and long-term goals, and comparable to the remuneration level applied in the industry.

Employee Joint Investment Program: EJIP

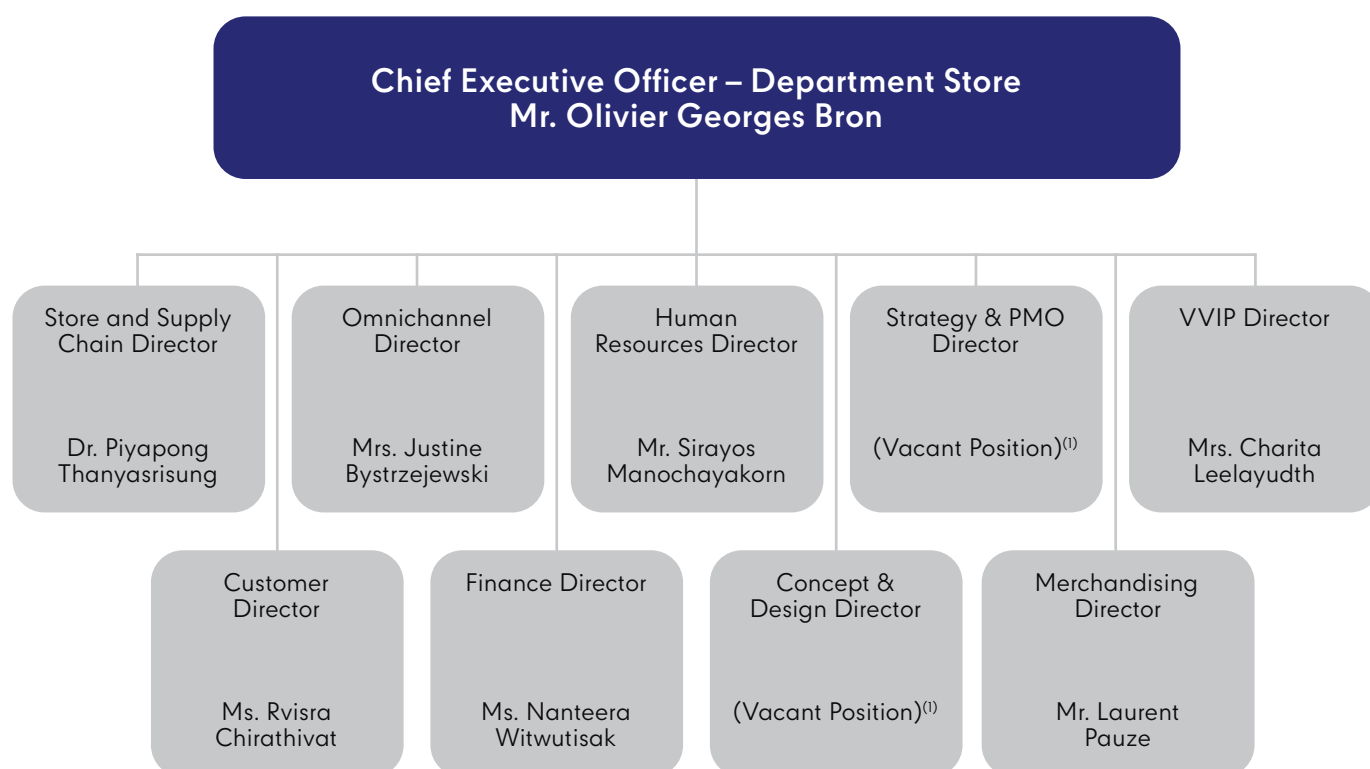
The Company has established Employee Joint Investment Program: EJIP, to enhance employee's participation as the owner of the Company, create incentives, and retaining personnel with the Company. The program takes 3 years, from 1 April 2021 - 31 March 2024. The employees who are eligible for the program must be executives who are regular employees of Central Retail at Management 2 (equivalent to Assistant Vice President Level) upwards with work period of more than 1 year and performance assessment results of the latest year as stipulated by the Company. The Company will deduct 3 percent and 5 percent of base salary depending on position levels of the eligible and voluntary employees until the completion of distribution period and use this amount to gradually invest in the Company's shares based on costs averaging. The Company will pay distributions in the amount that is equal to the amount deducted from monthly salary of the program participants until the completion of period.

In 2021, Joint Investment Program between the Company and employees opened twice for applications, and approximately 60% of the total number of executives eligible for this project have participated in the program.

Executives of the Subsidiaries Operating the Core Business

1. CDS

As of 31 December 2021, the management structure and a name list of CDS executives were as follows:



Remark: ⁽¹⁾ On the process of nominating a person to hold such position
See more details in Enclosure I.3



Remuneration of Directors and Executives

(1) Monetary Remuneration

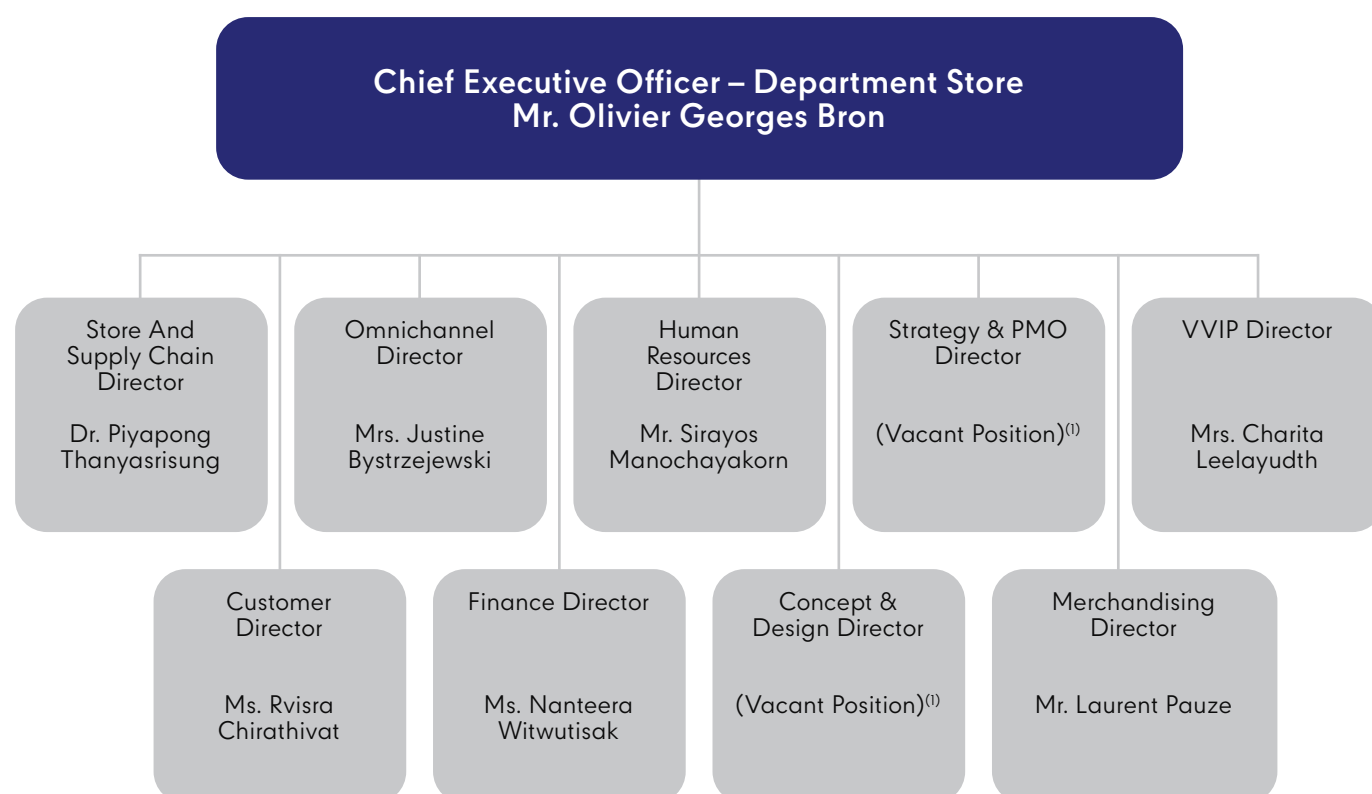
In the fiscal year ended 31 December 2021, CDS paid remuneration to 8 executives in the form of salaries and annual bonuses, amounted to approximately THB 75 million. (Mr. Olivier Georges Bron, Mr. Sirayos Manochayakorn and Mrs. Charita Leelayudth received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

(2) Other Remuneration

In the fiscal year ended 31 December 2021, CDS paid other remuneration to 8 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.

2. ROBINS

As of 31 December 2021, the management structure and a name list of ROBINS executives were as follows:



Remark: ⁽¹⁾ On the process of nominating a person to hold such position
See more details in Enclosure I.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, 8 executives received remuneration for the executive positions under Central Retail from CDS.

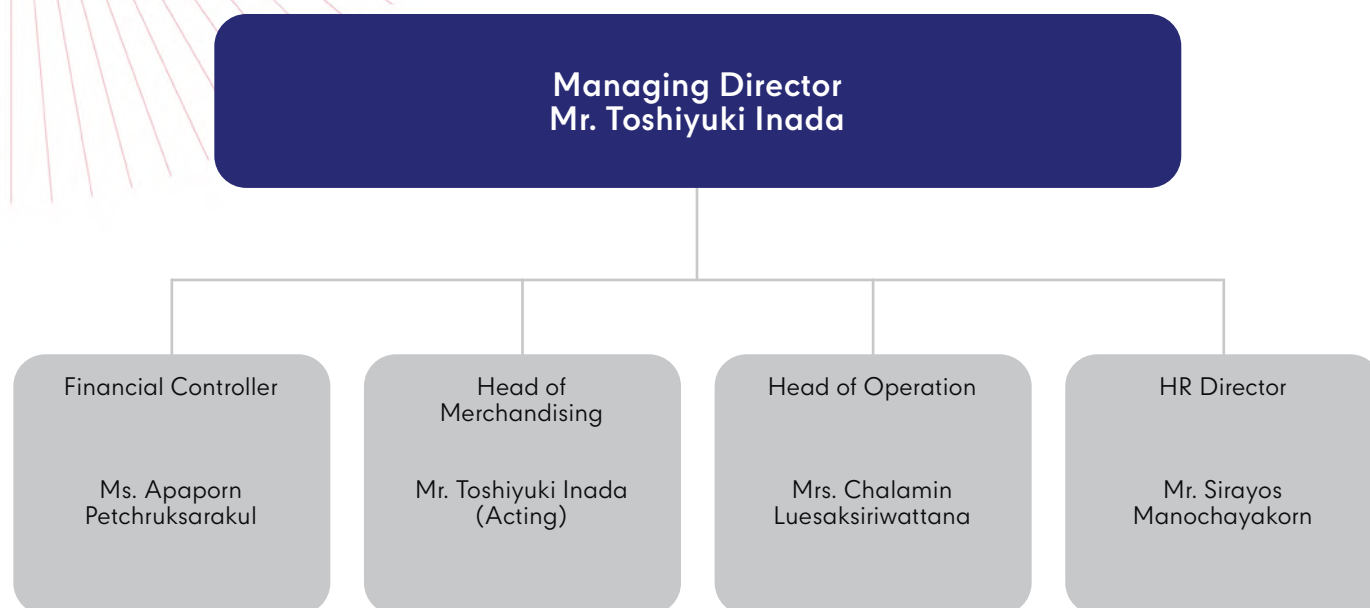
(2) Other Remuneration

In the fiscal year ended 31 December 2021, ROBINS paid other remuneration to 8 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



3. TWT

As of 31 December 2021, the management structure and a name list of TWT executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, TWT paid remuneration to 3 executives in the form of salaries and annual bonuses, amounted to approximately THB 6 million. (Mr. Sirayos Manochayakorn received remuneration for the executive positions under Central Retail from CDS and Ms. Apaporn Petchruksarakul received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

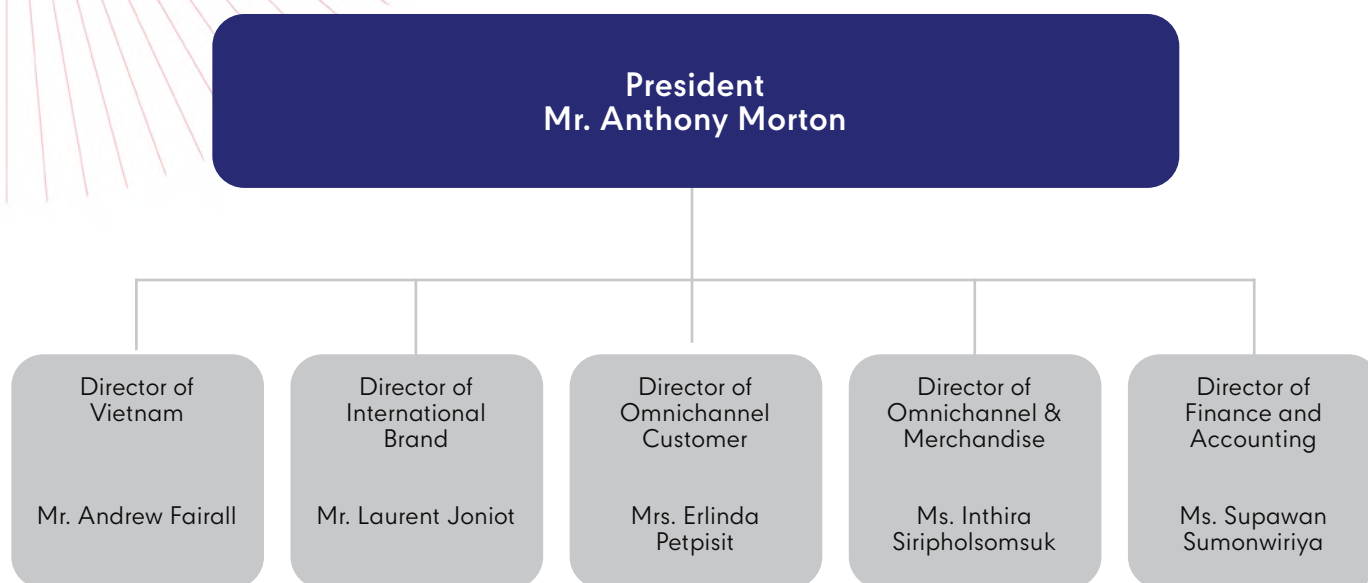
(2) Other Remuneration

In the fiscal year ended 31 December 2021, TWT paid other remuneration to 3 executives in the form of contributions to provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



4. SPS

As of 31 December 2021, the management structure and a name list of SPS executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, SPS paid remuneration to 6 executives in the form of salaries and annual bonuses, amounted to approximately THB 39 million. (Mr. Andrew Fairall received remuneration for the executive positions under Central Retail from Central Retail Vietnam.)

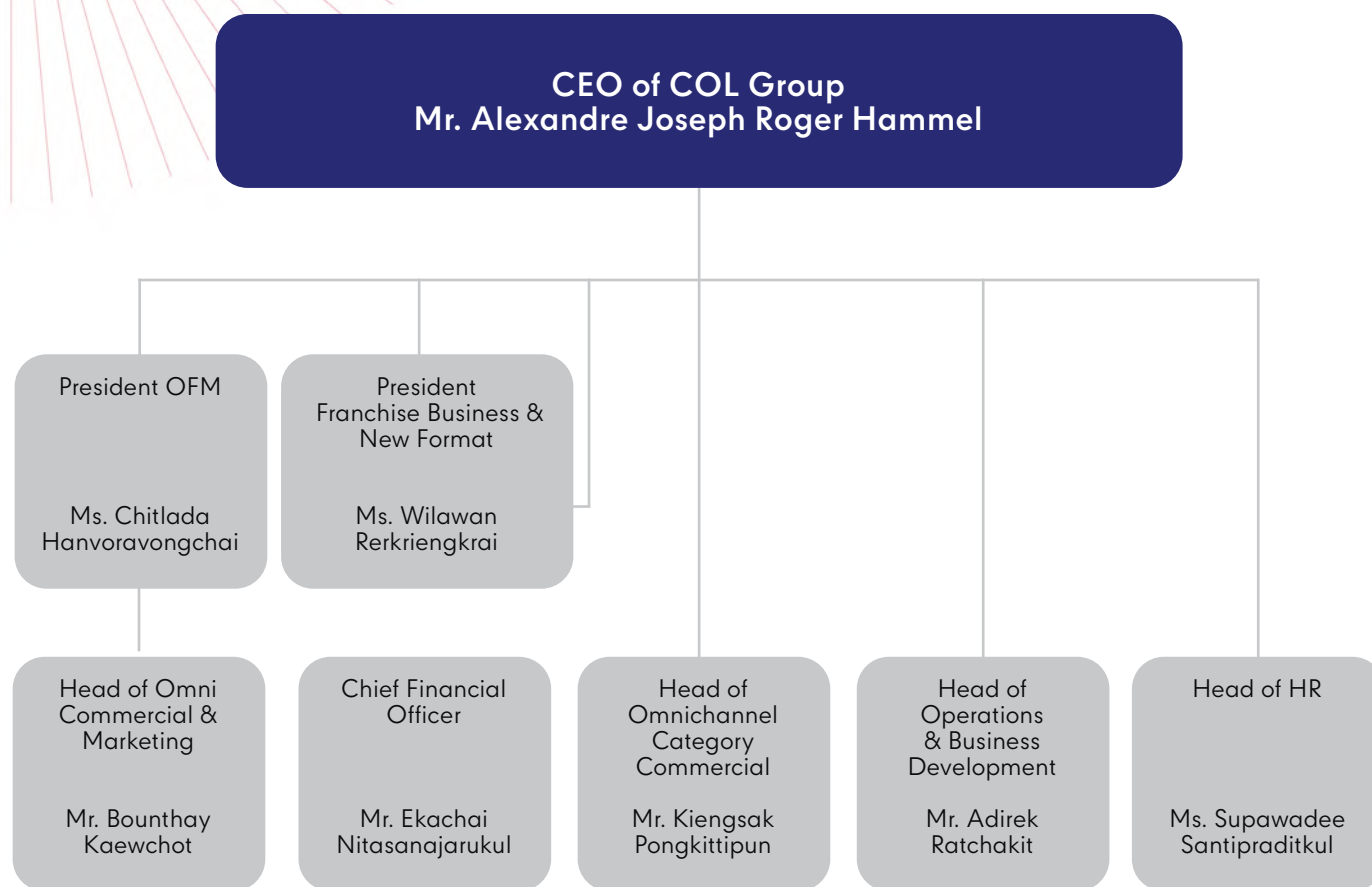
(2) Other Remuneration

In the fiscal year ended 31 December 2021, SPS paid other remuneration to 6 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



5. COL

As of 31 December 2021, the management structure and a name list of COL executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, COL paid remuneration to 8 executives in the form of salaries and annual bonuses, amounted to approximately THB 85 million. (Ms. Supawadee Santipraditkul received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

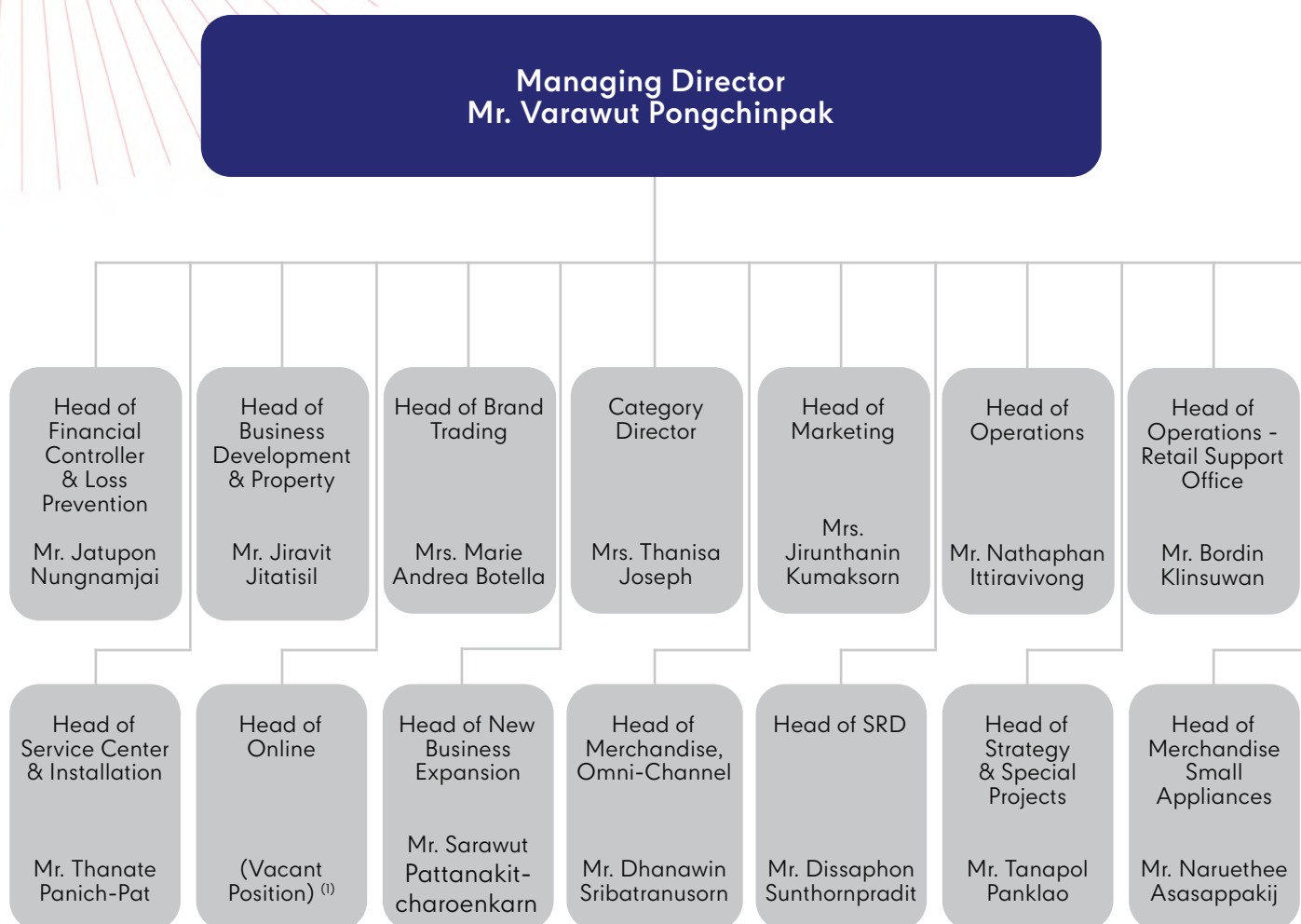
(2) Other Remuneration

In the fiscal year ended 31 December 2021, COL paid other remuneration to 8 executives in the form of contributions to provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



6. PWB

As of 31 December 2021, the management structure and a name list of PWB executives were as follows:



Remark: ⁽¹⁾ On the process of nominating a person to hold such position
See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, PWB paid remuneration to 14 executives in the form of salaries and annual bonuses, amounted to approximately THB 53 million. (Mr. Jiravit Jitatisil, Mrs. Thanisa Joseph, Mrs. Jirunthanin Kumaksorn, Mr. Sarawut Pattanakitcharoenkarn, Mr. Dhanawin Sribatranusorn, Mr. Dissaphon Sunthornpradit, Mr. Tanapol Panklao and Mr. Naruethee Asasappakij received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

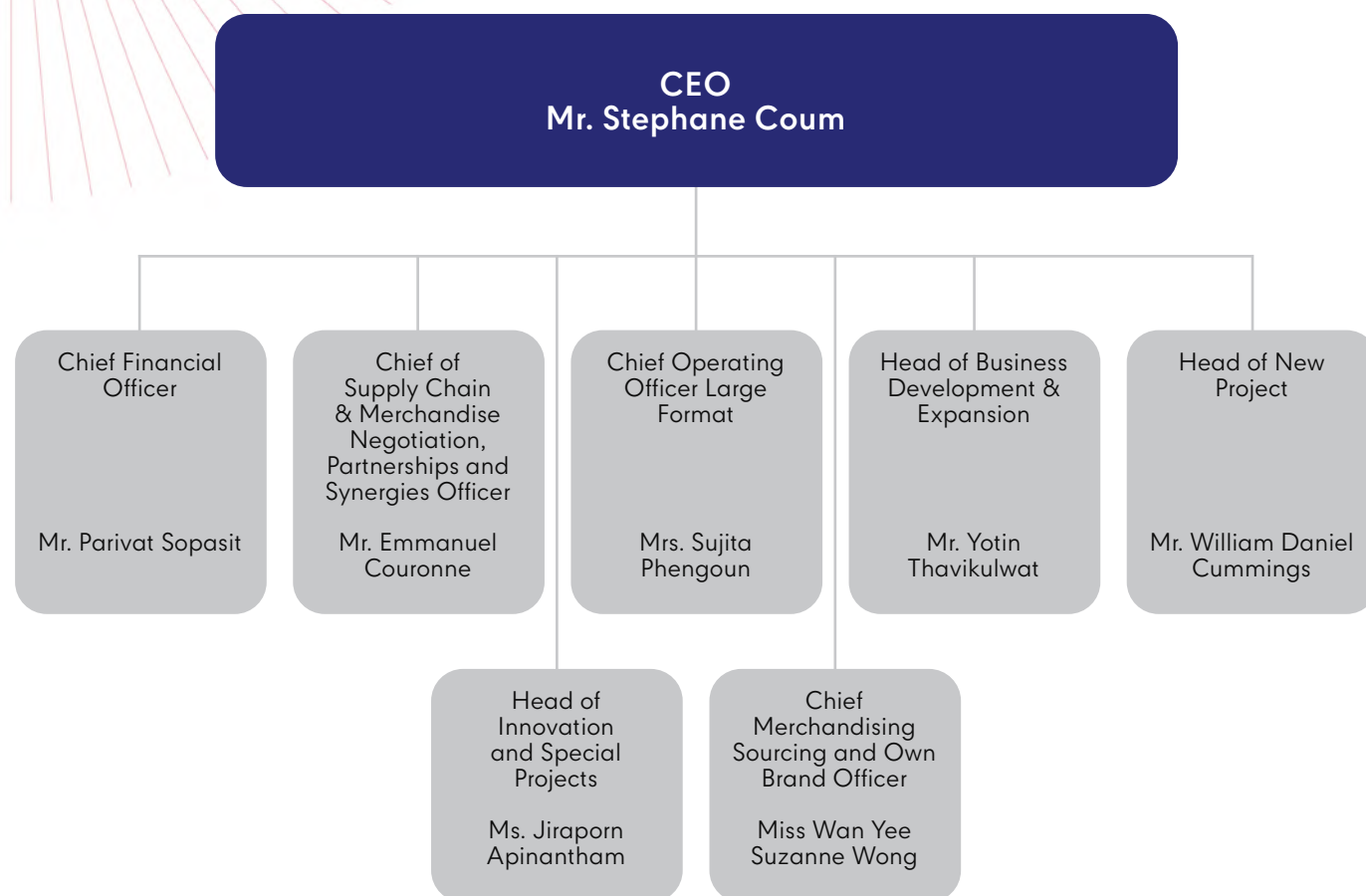
(2) Other Remuneration

In the fiscal year ended 31 December 2021, PWB paid other remuneration to 14 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



7. CFR

As of 31 December 2021, the management structure and a name list of CFR executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CFR paid remuneration to 8 executives in the form of salaries and annual bonuses, amounted to approximately THB82 million. (Ms. Jiraporn Apinantham and Ms. Wan Yee Suzanne Wong received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

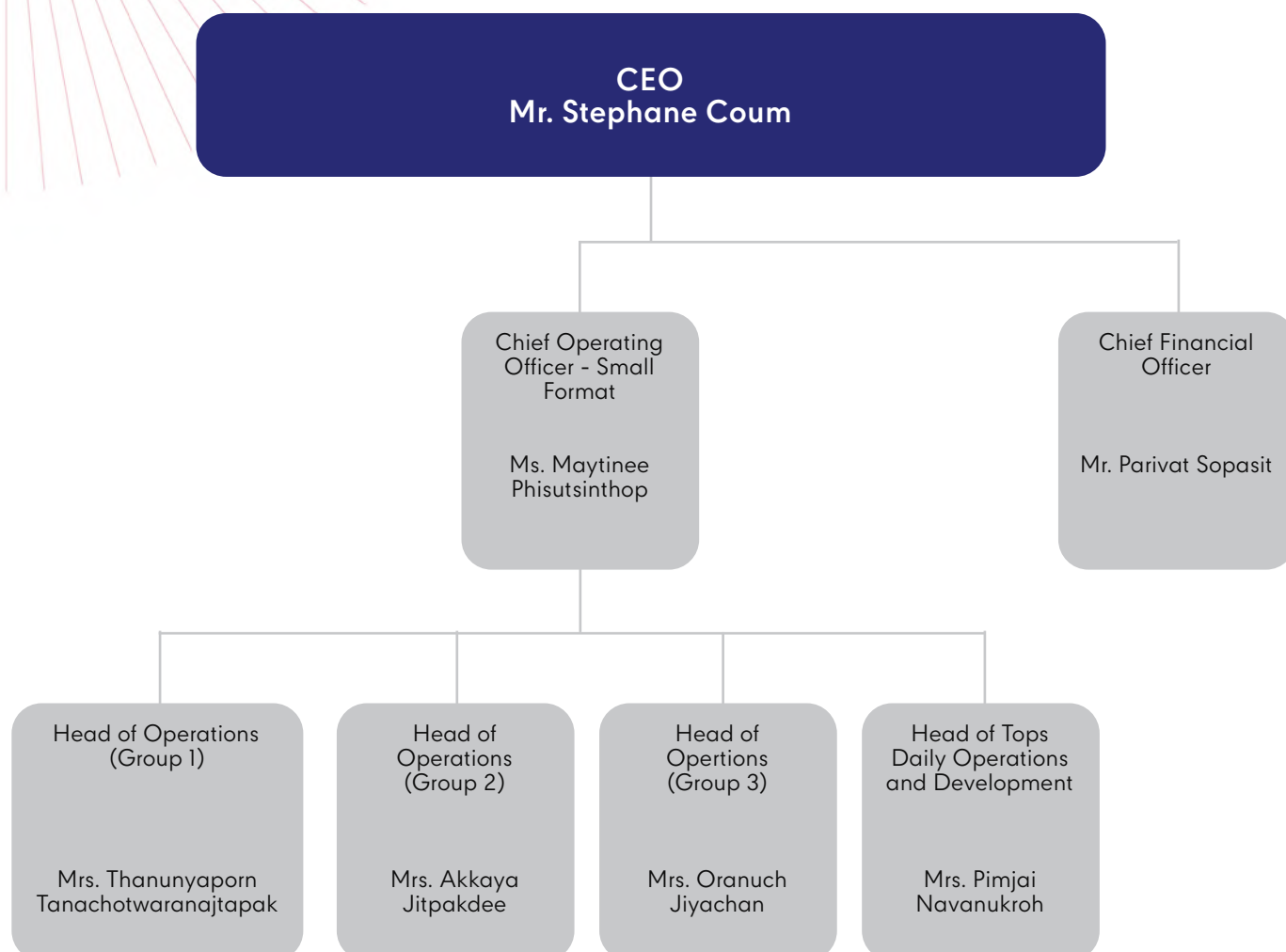
(2) Other Remuneration

In the fiscal year ended 31 December 2021, CFR paid other remuneration to 8 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



8. CFM

As of 31 December 2021, the management structure and a name list of CFM executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CFM paid remuneration to 5 executives in the form of salaries and annual bonuses, amounted to approximately THB 23 million. (Mr. Stephane Coum and Mr. Parivat Sopasit received remuneration for the executive positions under Central Retail from CFR.)

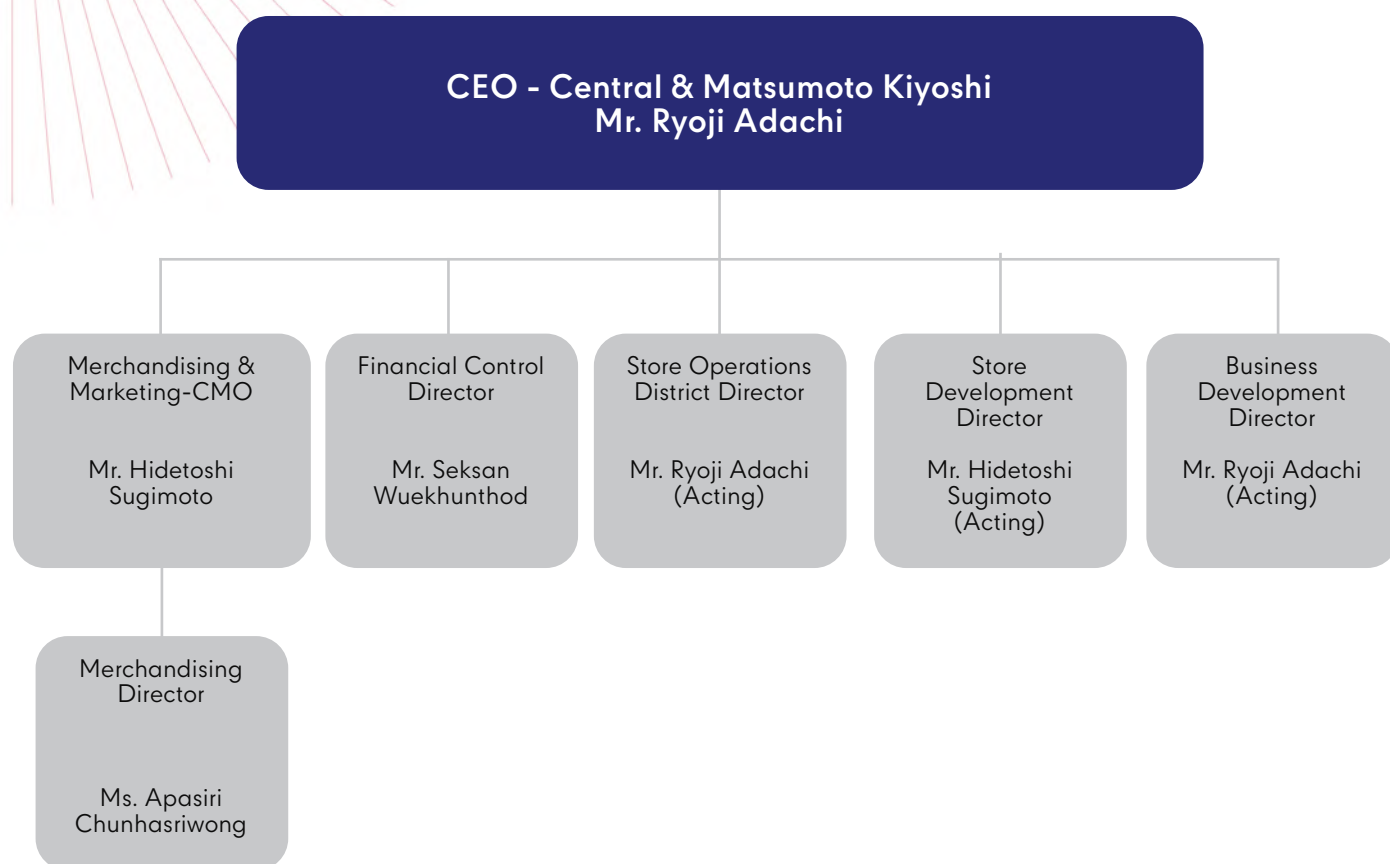
(2) Other Remuneration

In the fiscal year ended 31 December 2021, CFM paid other remuneration to 5 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



9. CMK

As of 31 December 2021, the management structure and a name list of CMK executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CMK paid remuneration to 4 executives in the form of salaries, amounted to approximately THB 6 million. (Ms. Apasiri Chunhasriwong received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

(2) Other Remuneration

In the fiscal year ended 31 December 2021, CMK paid other remuneration to 4 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.

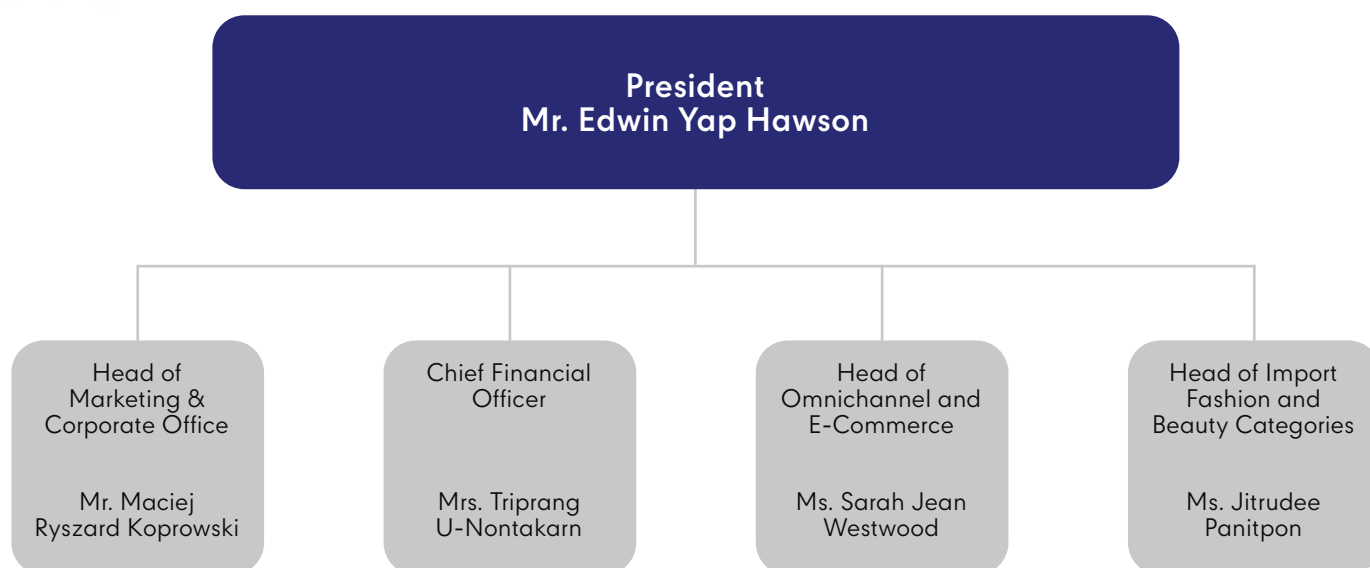


Central Marketing Group (CMG)

CMG Group has one Central Subsidiary, namely C Trading, and two Independent Subsidiary Operating the Core Business, namely John Master and Kiko Garment. In October 2021, both companies ceased their business operations. Therefore, the management structure of CMG Group is as follows:

10. C Trading

As of 31 December 2021, the management structure and a name list of C Trading executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, 5 executives received remuneration from the management of the CMG's subsidiaries in Thailand in the form of salaries and bonuses, amounted to approximately THB 47 million.

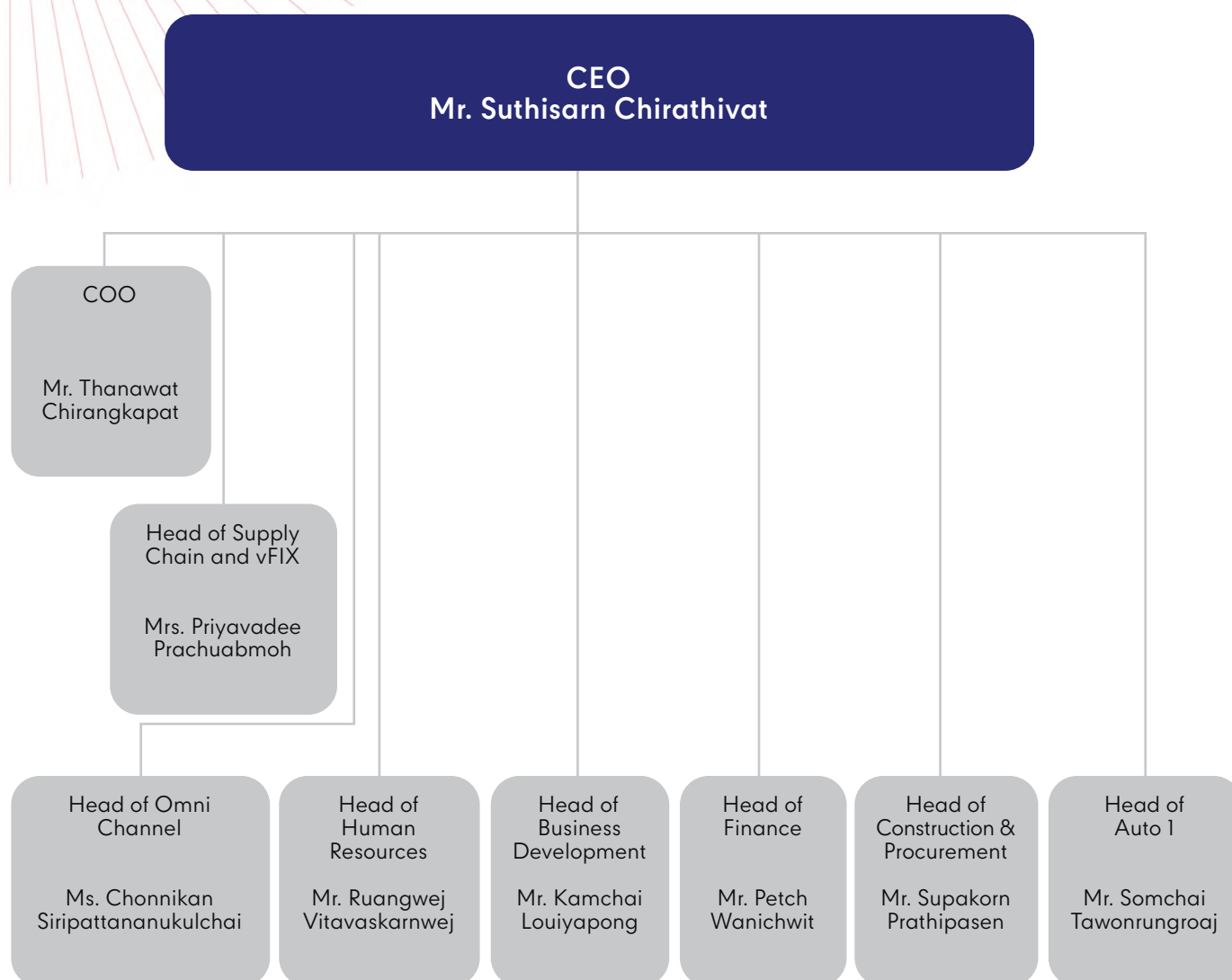
(2) Other Remuneration

In the fiscal year ended 31 December 2021, 5 executives of C Trading received other remuneration from the management of CMG's subsidiaries in Thailand in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



11. CTD

As of 31 December 2021, the management structure and a name list of CTD Garment executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CTD paid remuneration to 9 executives in the form of salaries, amounted to approximately THB 58 million. (Mr. Somchai Tawonrungroaj received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

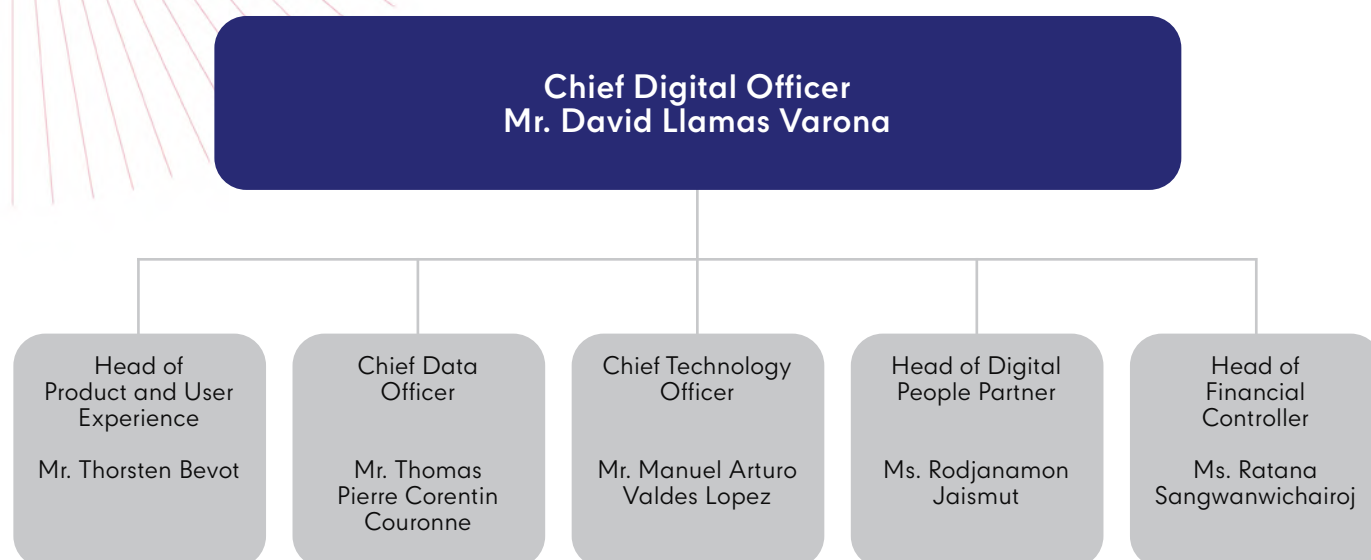
(2) Other Remuneration

In the fiscal year ended 31 December 2021, CTD paid other remuneration to 9 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



12. CNGI

As of 31 December 2021, the management structure and a name list of CNGI executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CNGI paid remuneration to 5 executives in the form of salaries, amounted to approximately THB 54 million. (Mr. Thorsten Bevot, Mr. Thomas Pierre Corentin Couronne and Mr. Manuel Arturo Valdes Lopez received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

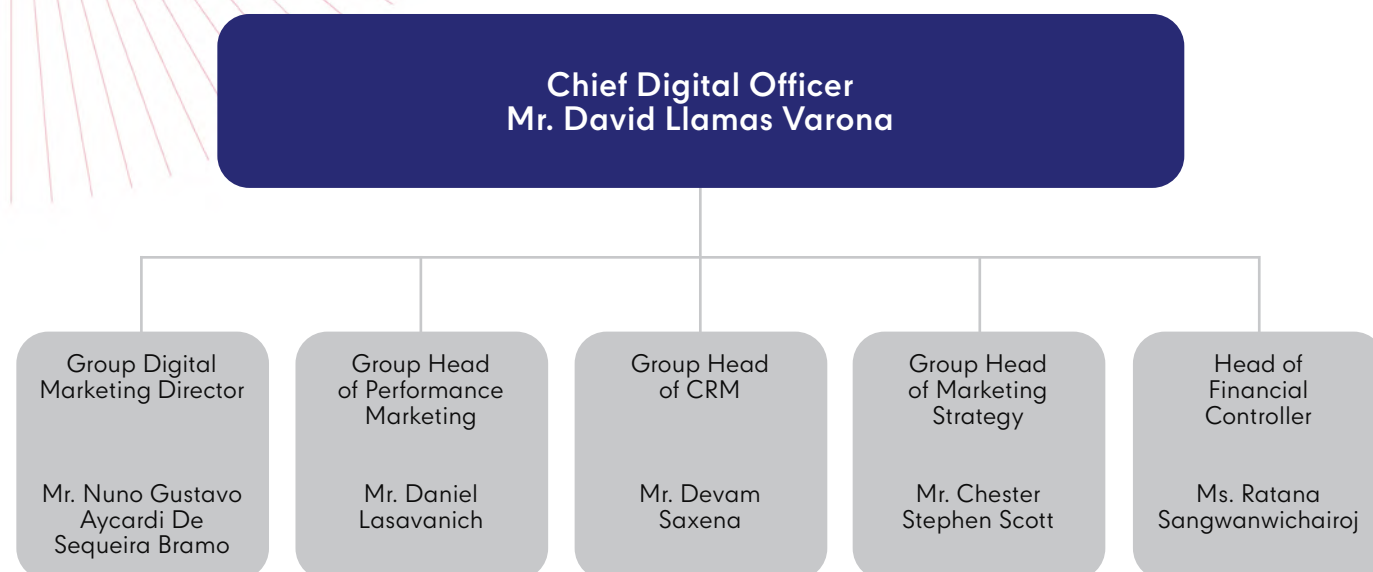
(2) Other Remuneration

In the fiscal year ended 31 December 2021, CNGI paid other remuneration to 5 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



13. CGO

As of 31 December 2021, the management structure and a name list of CGO executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, CGO paid remuneration to 4 executives in the form of salaries, amounted to approximately THB 29 million. (Mr. David Llamas Varona received remuneration for the executive positions under Central Retail from CNGI, Mr. Nuno Gustavo Aycardi De Sequeira Bramo, Mr. Daniel Lasavanich, Mr. Devam Saxena and Mr. Chester Stephen Scott received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

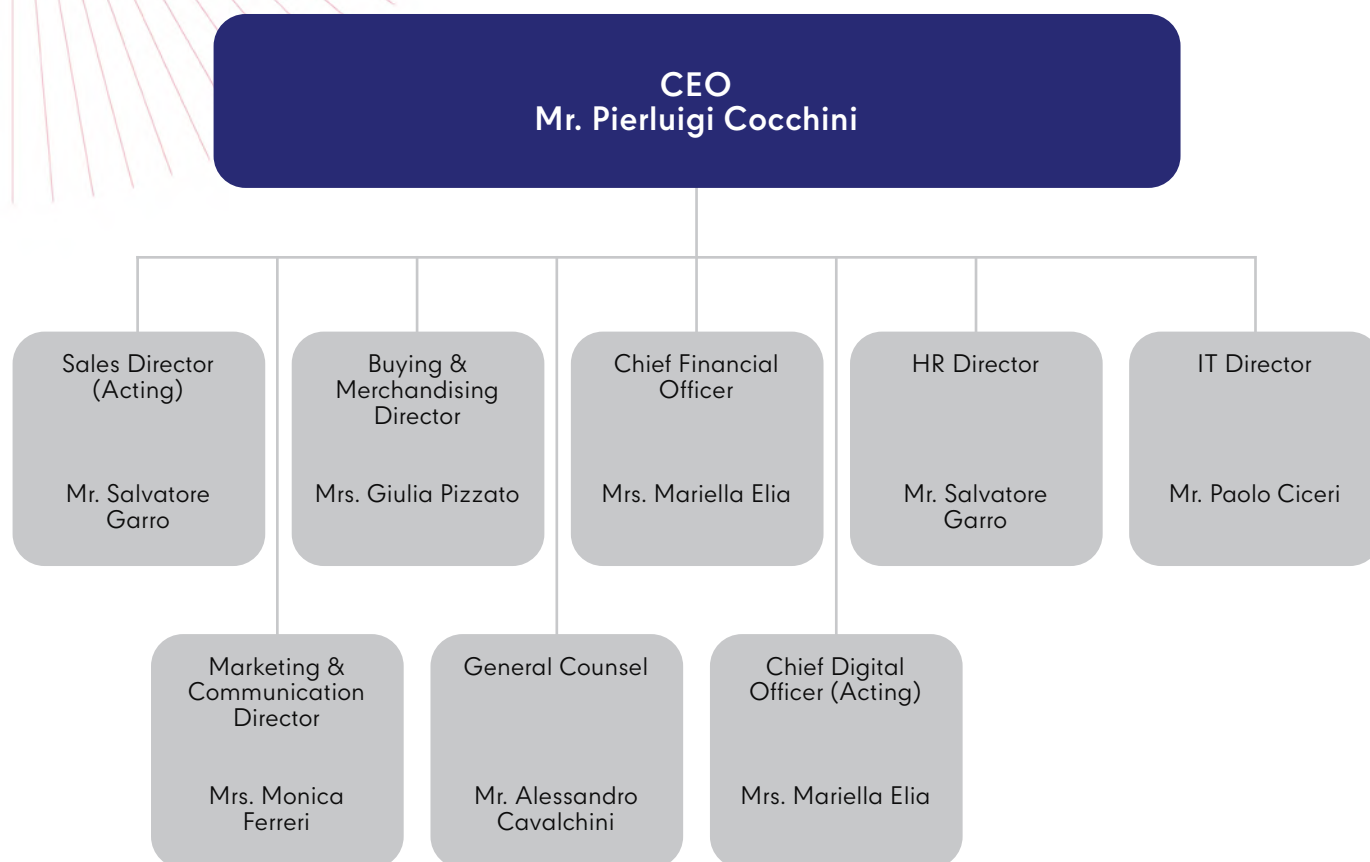
(2) Other Remuneration

In the fiscal year ended 31 December 2021, CGO paid other remuneration to 4 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



14. LR

As of 31 December 2021, the management structure and a name list of LR executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, LR paid remuneration to 7 executives in the form of salaries and annual bonuses, amounted to approximately THB 100 million.

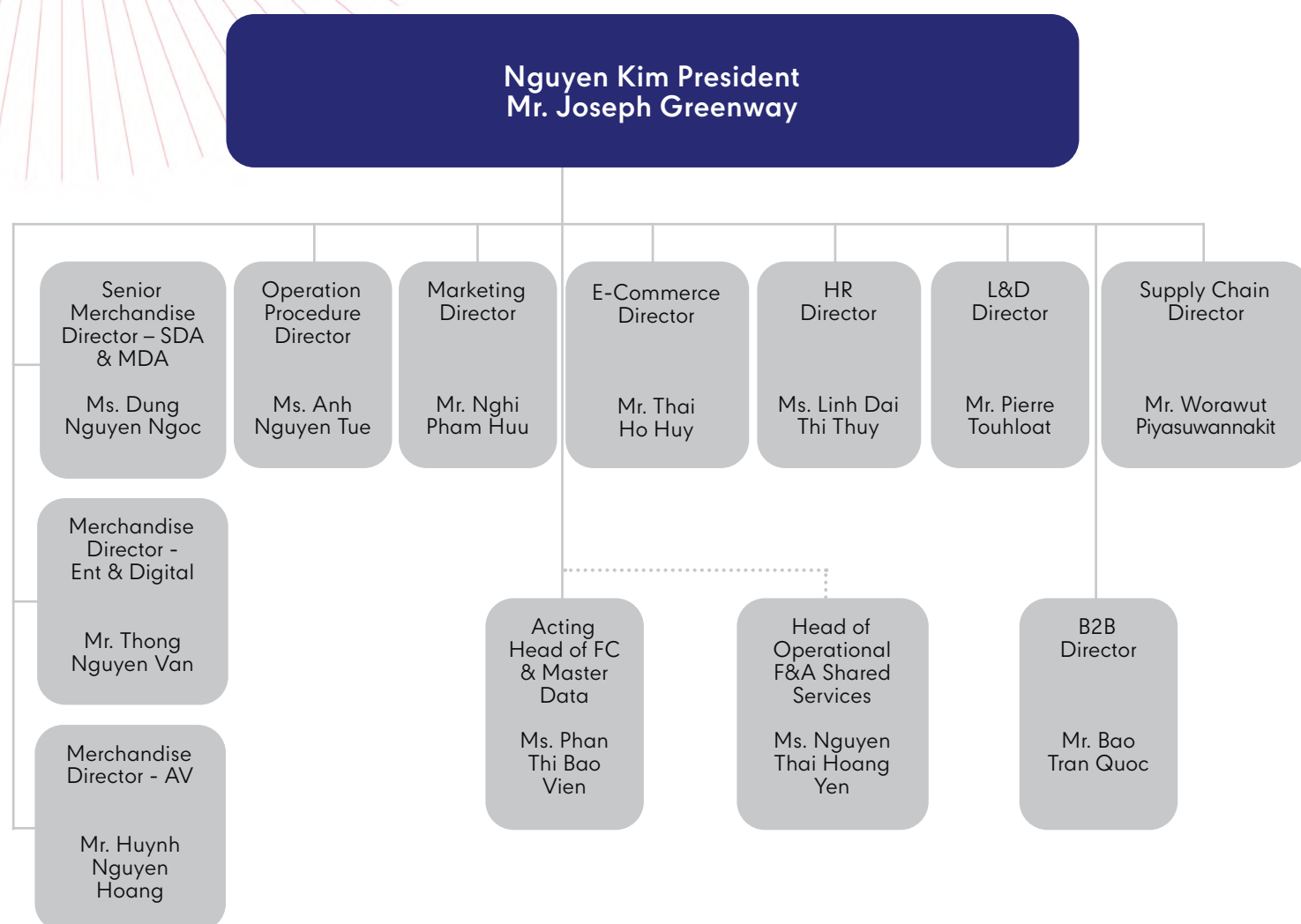
(2) Other Remuneration

In the fiscal year ended 31 December 2021, LR paid other remuneration to 7 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



15. NK Trading

As of 31 December 2021, the management structure and a name list of NK Trading executives were as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, NK Trading paid remuneration to 13 executives in the form of salaries and annual bonuses, amounted to approximately THB 38 million. (Ms. Anh Nguyen Tue, Mr. Nghi Pham Huu and Mr. Thai Ho Huy received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period.)

(2) Other Remuneration

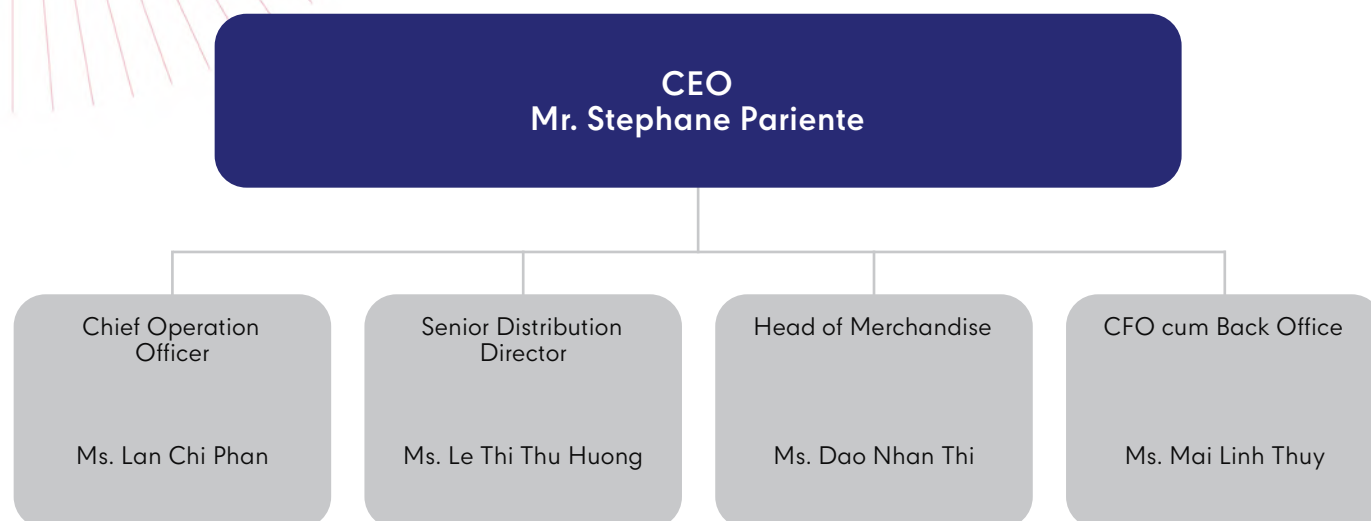
In the fiscal year ended 31 December 2021, NK Trading paid other remuneration to 13 executives in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



16. Lanchi Group

Lanchi has three subsidiaries, LC Investment, LC Ha Nam and LC Trading that operate main business but not under central subsidiaries, which are under the same management. Details are as follows:

As of 31 December 2021, the management structure of LC Investment, LC Ha Nam and LC Trading were as follows:



Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, 5 LC Investment executives received remuneration from the management of subsidiaries under Lanchi, which is inclusive and not only limited to LC Investment, LC Ha Nam and LC Trading, in the form of salaries, amounted to approximately THB 23 million.

(2) Other Remuneration

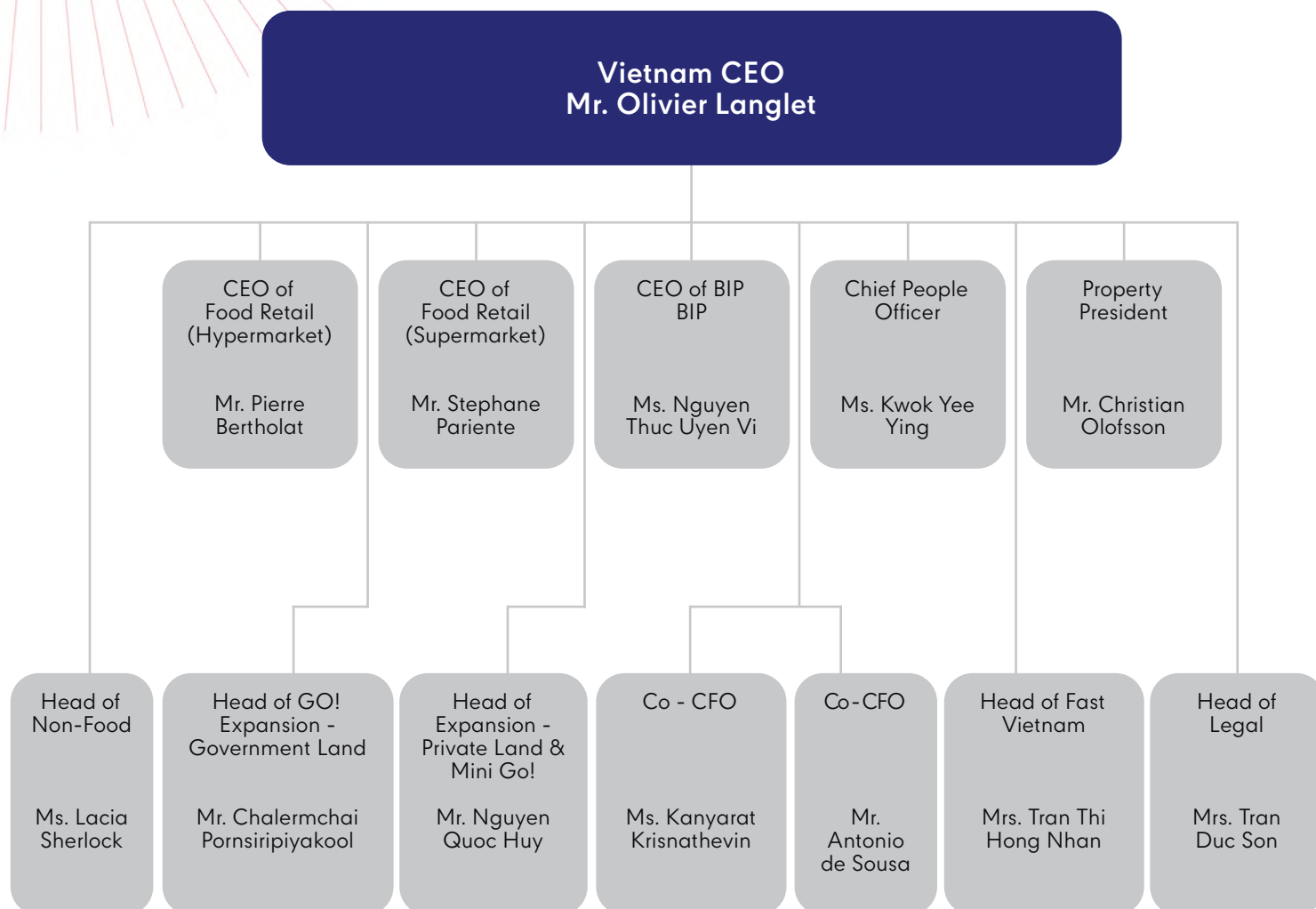
In the fiscal year ended 31 December 2021, 5 executives received other remuneration from the management of subsidiaries under Lanchi, which is inclusive and not only limited to LC Investment, LC Ha Nam and LC Trading, in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



17. Big C Vietnam

Big C Vietnam is a Central Subsidiary which has details as follows:

As of 31 December 2021, the management structure of Cap C was as follows:



Remark: See more details in Enclosure 1.3

Remuneration of Directors and Executives

(1) Monetary Remuneration

In the fiscal year ended 31 December 2021, 12 LC Investment executives received remuneration from the management of subsidiaries under Big C Vietnam in the form of salaries and annual bonuses, amounted to approximately THB 113 million. (Ms. Nguyen Thuc Uyen Vi, Mr. Antonio de Sousa received remuneration that was not based on a full 12-month year since they held positions during the intervals of the period. And Mr. Olivier Langlet received remuneration for the executive positions under Central Retail from CRC)

(2) Other Remuneration

In the fiscal year ended 31 December 2021, 12 executives received other remuneration from the management of subsidiaries under Big C Vietnam in the form of provident fund contributions, social security fund contributions, health insurance, travel expenses, fuel and telephone bills, etc.



7.5 Personnel

(A) Number of Employees

As of 31 December 2021, the Company had 53,585 full-time employees, temporary and part-time consisted of over 36,852 employees in Thailand, thus making it as one of large private employers in Thailand and the Company hired additional temporary and part-time employees, mostly in December for Thailand and February for Vietnam. In addition, the Company had 27,686 employees from suppliers and external service providers working in its stores. Since May until December 2021, that the Group has announced the anti-corruption policy, the Group has not hired any government officials as defined in Article 126 of the Office of the National Anti-Corruption Commission (NACC) as executives, employees and Consultants of the Group. Moreover, the executives and employees of the Group are not hired as government officials.

The table shows the number of full-time, temporary and part-time employees in Thailand

31 December 2021

	Thailand	Vietnam	Italy	Total Number of Employees
Full-time employees	36,852	12,971	1,375	51,198
Temporary and part-time employees	2,368	19	0	2,387

Full-time employees in Thailand

The table shows the number of full-time employees in Thailand, divided into departments as of the specified date.

31 December 2021

	2019	2020	2021
Department			
Operation/Administration	33,399	29,861	27,295
Product Management	1,002	972	955
Marketing	1,157	1,050	1,114
E-commerce/Online/Omni-channel	244	328	559
Organization ⁽¹⁾	3,078	2,253	2,462
Logistics and Value Chain/Plant	3,361	3,723	4,467
Total Number of Employees	42,241	38,187	36,852

⁽¹⁾ Including the Brand Management Department, the Store Decoration and Development Department, the Business Development Department, the Finance and Accounting Department, the Human Resources Department, the MIS/Technology Department, the Legal Department, the Strategic Management and Business Development Department, the Corporate Communication and Social Responsibility Department, and the Management Office Department

**Full-time employees in Vietnam**

The table shows the number of full-time employees in Vietnam, divided into departments as of the specified date

31 December 2021

	2019	2020	2021
Department			
Operation/Administration	12,007	11,091	10,218
Product Management	203	153	165
Marketing	90	89	59
E-commerce/Online/Omni-channel	289	230	735
Organization ⁽¹⁾	862	900	884
Logistics and Value Chain/Plant	1,475	938	910
Total Number of Employees	14,926	13,401	12,971

⁽¹⁾ Including the Brand Management Department, the Store Decoration and Development Department, the Business Development Department, the Finance and Accounting Department, the Human Resources Department, the MIS/Technology Department, the Legal Department, the Strategic Management and Business Development Department, the Corporate Communication and Social Responsibility Department, and the Management Office Department

Full-time employees in Italy

The table shows the number of full-time employees in Italy, divided into departments as of the specified date

31 December 2021

	2019	2020	2021
Department			
Store Network	1,050	923	1,197
Procurement	91	81	84
Marketing & Communication	13	12	14
E-commerce/Online/Omni-channel	45	41	29
Organization ⁽¹⁾	57	54	48
Logistics and Value Chain/Plant	3	3	3
Total Number of Employees	1,258	1,114	1,375

⁽¹⁾ Including the Store Decoration and Planning Department, the Administration Department, the Finance and Accounting Department, the Human Resources Department, the Logistics Department, the MIS/Technology Department, the Legal Department, and the Management Office Department

The Group believes that it has experienced and well-trained employees due to a large number of resource investments in trainings and development in different skills as well as orientations and competency and leadership management programs. Also, the remuneration and benefits offered to the employees can compete in the retail industry in Thailand, Vietnam, and Italy. The Group provides some employees with provident funds to support the employee recruitment and retention.

(B) Significant Change in the Number of Employees during the Past Three Years

In 2021, there were changes in the number of the Company's employees due to the Group's acquisition of COL, the cessation of CMG Group's business in Malaysia, and the COVID-19 pandemic situation. Such events had caused a significant increase or decrease of the employees' number in 2020.

**(C) Employee Remuneration**

The Company has in place a remuneration policy which is fair and competitive in the market as well as enhance career stability and career advancement. The Company also arranges various benefits for its employees as required by the law, for example social security, and other such as travel expenses, fuel and phone bills, employee/family funeral allowance, hamper for employees when sickness, COVID-19 coverage, COVID-19 Insurance, master's degree scholarship for employees, employees' children scholarship, and staff discounts on Central Group's products. Moreover, there are voluntary benefits, for example company cooperative, cremation funds, and Employee Joint Investment Program (EJIP). The program details are shown in Item 7.4.

The Company paid remuneration of approximately THB 17,600 million and THB 18,904 million to its employees in 2020 and in the fiscal year ended 31 December 2021, respectively. Such remuneration was in the form of salaries, bonuses, overtime pay, contributions to provident funds, and other remuneration as well as gratuities and provident funds for employees in Thailand, contributions at the rate of 25 percent of the salaries of employees in Vietnam to social security funds pursuant to Vietnamese laws for employee retirement funds and the establishment of provident funds and gratuity funds for the employees in Italy pursuant to Italian laws.

(D) Provident Fund

For the selection of the Manager of the Provident Fund, the Company supports the Provident Fund Committee of the Company in selecting a fund manager who abides by the Investment Governance Code ("I Code") as practices for fund management according to international approaches and manages investments with responsibility by taking into account the environmental, social, and governance ("ESG") dimensions, which will lead to efficient investment management with consideration on returns and utmost benefits of the members of the Company's provident fund in the long run.

In 2001, The Company and its employees established a provident fund pursuant to the "Provident Fund Act, B.E. 2530 (1987), as amended, with the Siam Commercial Mutual Fund Management Securities Company Limited as the fund manager, under the name of "CRC Group Provident Fund".

Objectives of Establishment

1. To be employee welfare
2. To encourage employee savings
3. To insure the employees and their families in case of death, or removal from work, or retirement pursuant to the Company's regulations

Membership Eligibility

The Company's employees at department manager (DM) level or equivalent who passed the probation

Criteria

1. The membership term starts from the first day of membership to the fund.
2. For the contributions of department manager (DM) level or equivalent to vice president (VP) level, 3 – 15 percent of salaries of the members (employees) is contributed to the fund, and 3 percent of salaries of the employer (Company) is contributed to the fund.
3. Conditions on the receipt of the employer's contributions and benefits

Membership Age	Contributions and Net Average Benefits
Less than 3 years	0%
3-4 years	30%
4-5 years	50%
5-7 years	70%
More than 7 years	100%

**(E) Labor Disputes**

The Company has no significant labor disputes to the Company's operations during the past 3 years.

(F) Personnel Development Policy

The Company realizes the importance of the human resource as a significant asset in the business operation, as well as an essential parts to drive the Company towards its goals. Therefore, the Company has set up a policy aiming to develop personnel skills and ideas to continuously increase the work efficiency of employees at all levels in all aspects, leading to creative ideas and value-added innovations for the Company. As a part of the important strategies, the Company has established policies and guidelines as follows:

- (1) The Company encourages its personnel to develop their knowledge and expertise from the actual practice by providing supervisors in each line to be responsible for training in their specific line of work.
- (2) The Company promotes and provides both internal and external seminars and trainings continuously. The Company aims for its personnel at all levels, from the managerial level to the operational level, to develop knowledge, abilities and potential at work, as well as to apply the knowledge gained from trainings to improve the operation at the Company.
- (3) The Company provides the needs and necessities survey for the personnel development at all levels, from the managerial level to the operational level, and set up the human resource development plan to align with the Company's development plan in preparing and equipping its personnel for the increased responsibility, the career advancement and the competence to fill in vacant positions.
- (4) The Company organizes various activities to enhance proximity, familiarity, and good relationship between management and employees at all levels, to increase work quality and reflect the sense of professionalism, resulting in the highest customer satisfaction.

(G) Occupational Safety, Health and Work Environment Policy

With concern on the life and health of the personnel, Central Retail Corporation Public Company Limited has determined the policy on Occupational Safety, Health and Work Environment matter taking into consideration the benefits upon implementation of measures that control, oversee and manage appropriately for protection, maintenance our human resource which deemed as a major force of our organization. This Occupational Safety, Health, and Work Environment Policy come into force from 1 December 2021 onwards with the following details:

- (1) Promote working with safety among the Company personnel.
- (2) Support by providing adequate tools, equipment safety devices for the working condition.
- (3) Promote, support to raise awareness of potential dangers during work or operation among the Company personnel.
- (4) Advice, explain to them the causes and prevention to ensure safety at work place.
- (5) Appoint the Occupational Safety, Health and Work Environment Policy Committee to prepare a plan and project related to safety, as well as work plan management and development.
- (6) Every supervisor must supervise, oversee, response in occupational safety, health, and work environment matters for their subordinates and the Company personnel to ensure strict compliance with the rules, regulations, and articles of association.
- (7) Establish proper measures, regulations, requirements, or any guidance or handbook that promote the occupational safety, health, and work environment for the Company personnel to prevent any potential loss.
- (8) Initiate the measures, regulations, requirements, guidance practice, handbook, and policies related to occupational safety, health, and work environment for ease of access among the Company personnel.
- (9) The Occupational Safety, Health, and Work Environment Committee's duties are to supervise, oversee the compliance with the measure determined above to ensure the compliance with this policy, regulation, requirement, or practice related to the occupational safety, health, and work environment will be in precise alignment with the standard or applicable law.
- (10) Any violation of the measures, regulation, requirement or any practice or handbook relating to occupational safety, health, and work environment must be reported to the supervisor and Head of Human Resource Department, and the Head of Loss Prevention Department, for further proceed on work regulation immediately.



7.6 Other Significant Information

7.6.1 Name List of Designated Persons as the Person in Charge of Accounting Supervision, Company Secretary, Head of Internal Audit, and Head of Compliance

Person in Charge of Accounting Supervision

Mr. Yingyai Eumkhong, Vice President of Finance and Accounting, has been appointed to be directly in charge of accounting supervision from 1 August 2018. The qualifications can be found in Enclosure 1 of this document.

Company Secretary

Mrs. Ngamchit Kiattanavith, Vice President of Company Secretary Office, has been appointed by the Board of Directors meeting no. 6/2019 held on 13 May 2019, to be the Company Secretary, effective from 21 May 2019 onwards. The qualifications can be found in Enclosure 1 of this document.

Head of Internal Audit

Mr. Phisoot Suksangthip, Vice President of Internal Audit, has been appointed as the Head of Internal Audit from 28 March 2019. The qualifications can be found in Enclosure 3 of this document.

Head of Compliance

Mrs. Lasanan Leelamanee, Vice President of Compliance has been appointed to be the Head of Compliance from 5 October 2020 to supervise personnel and internal units and ensure that their performance of duties or tasks are strictly in compliance with relevant rules and regulations, both internally and externally, domestically and internationally, and the principles of good corporate governance. The qualifications can be found in the enclosure 3 of this document.

7.6.2 Head of Investor Relations and Contact Information

Any shareholders, investors, and interested persons can contact the Investor Relations to request the information related to the Company by post or in person at the following address:

Investor Relations

Miss Rangsirach Pornsutee
Head of Investor Relations
Central Retail Corporation Public Company Limited (Headquarters)
22, Soi Somkid, Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone Number: +66 (0) 2650 3600 #1563-1564
E-mail: ir@central.co.th

7.6.3 Audit Fee and Audit Office

Audit Fee

For the year ended 31 December 2021, the Company and subsidiaries paid audit fees of THB 26.7 million to KPMG Phoomchai Audit Company Limited, THB 14.1 million to KPMG International, and THB 3.9 million to other accounting offices.

Non-Audit Fee

For the year ended 31 December 2021, the Company and subsidiaries paid non-audit fees, as service fees for the preparation of report according to the tax regulations, of THB 0.1 million to KPMG Phoomchai Tax Company Limited, THB 2.6 million to KPMG International, and THB 20.9 million to other companies overseas.



8

Report on Corporate Governance





8.1 Performance Summary of the Board of Directors for the Previous Year

8.1.1 Nomination, Development and Performance Evaluation of Board of Directors

1. Nomination of Directors and Senior Executives

In the selection of directors and senior management, the Nomination and Remuneration Committee will consider those who meet the specified qualifications stated in the Charter of the Board of Directors, which are in accordance with the law and also consider the skill matrix that the Company has set in compliance with its business strategy. In addition, the Board sees the importance of diversity including gender, age, race, ethnicity, nationality and country of origin and takes these factors into account during the process of selecting and nominating Directors. This is to promote equality and eliminate unfair discrimination, and will broaden the prospective which will enhance Board's overall performance. At present, the Company has 3 female directors, who provide variety of perspectives among the Board of Directors.

Skill matrix that the company has set in line with its business strategy are as follows:

- (1) Administration and management of large organizations
- (2) Economics, investment, policy formulation and planning
- (3) Risk and business continuity management
- (4) Human resource management
- (5) Corporate Governance/CSR
- (6) Accounting
- (7) Finance and taxation
- (8) Information technology
- (9) Laws and regulations for listed companies
- (10) Marketing and public relations
- (11) Digital/Online
- (12) Central Retail's core business

To select new directors, the Nomination and Remuneration Committee considers the directors listed in the IOD Director Pool. Moreover, the nominated directors shall not hold director positions in more than 5 listed companies altogether. The independent directors shall possess qualifications of independent directors as stipulated by the law. The existing independent directors to continue their term of office shall consecutively be independent directors for not more than 9 years.

After careful consideration, the Nomination and Remuneration Committee will propose the names of those persons to the Board of Directors meeting for consideration. The Board of Directors will at its discretion consider and screen those names to ensure that the director or executive nominees have qualifications that are suitable for the Company's business to be proposed to the shareholders' meeting for further consideration and selection.

In voting on the election of directors in the shareholders' meeting, the Company provides the shareholders with voting ballots to exercise their voting rights equal to the number of shares held for each director nominated on an individual basis.

Nomination of Independent Directors

In addition to the above, in the nomination of independent directors, the Company considers the persons with qualifications of independent director as follows:

**Independent Director's Qualification**

- (a) Not holding more than zero point five (0.5) percent of the total outstanding voting shares of the Company, its parent company, subsidiary or associated company, major shareholders or controlling person including shares held by related persons of the independent director.
- (b) Neither being nor having been an executive director, officer, employee, advisor who receives a salary of the Company or controlling person of the company, its parent company, subsidiary, associated company, a same-level subsidiary, major shareholder or controlling person; unless the foregoing status ended not less than two (2) years prior to the date of appointment. Such disqualified characteristics exclude the case that the independent director has been a government officer or consultant of government agency which is a major shareholder or controlling person of the company.
- (c) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the company or its subsidiaries.
- (d) Not having nor having had a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person; unless the foregoing status ended not less than two (2) years prior to the date of appointment.

The term 'business relationship' under the above paragraph includes any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action of which value more than 3% of the net tangible assets or exceeds THB 20 million, whichever is lower. The value of each transaction is based on the calculation method for the values of related party transactions under the Announcement of the Thai Capital Market Supervisory Board regarding the related party transactions. Under the regulation, all transactions occurring within one (1) year of preceding transactions must be included in such calculation.

- (e) Neither being nor having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person nor being a substantial shareholder, controlling person or supplier of an audit firm which employs auditors of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person; unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- (f) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding THB two (2) million from the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or supplier of the professional advisor; unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- (g) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to the major shareholders.



- (h) Not conducting any businesses which have the same nature as or are in competition with the Company's or its subsidiaries or neither being a significant partner in a partnership, executive director, employee, officer or consultant who receives regular salary, shareholder holding more than one (1) percent of the voting shares of businesses which have the same nature as or in competition with the Company or its subsidiaries;
- (i) Not having any characteristics that could prevent him/her from giving independent opinions concerning the Company's operation.

In the past fiscal year, none of independent directors have business relationship or provide any professional advisor to the Company.

2. Director Development

In 2021, the Company organized trainings and encouraged directors to attend training programs that were beneficial to their performance of duties as follows:

Director Name	Training Course	Organized by	Date
Dr. Prasarn Trairatvorakul	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Suthikiati Chirathivat	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Sudhitham Chirathivat *	• Economic Outlook 2021	CPN	28 September 2021
Mrs. Pratana Mongkolkul	• Director Leadership Certification Program (DLCP), Class 2/2021	IOD	October 2021
	• Ethical Leadership Program (ELP), Class 21/2021	IOD	19 February 2021
	• Board Nomination and Compensation Program (BNCP), Class 12/2021	IOD	November 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Dr. Atchaka Sibunruang *	• Ethical Leadership Program (ELP), Class 23/2021	IOD	19 July 2021
	• Financial Statements for Directors (FSD), Class 44/2021	IOD	November 2021
	• Director Leadership Certification Program (DLCP), Class 2/2021	IOD	October 2021
Mrs. Patareeya Benjapolchai	• Director Leadership Certification Program (DLCP), Class 0/2021	IOD	April 2021
	• Advanced Audit Committee Program (AACP), Class 42/2021	IOD	October - November 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Sompong Tantapart	• Ethical Leadership Program (ELP), Class 23/2021	IOD	19 July 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Kanchit Bunajinda	• Director Leadership Certification Program (DLCP), Class 0/2021	IOD	April 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021



Director Name	Training Course	Organized by	Date
Prof.Dr. Suthiphand Chirathivat	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mrs. Yuwadee Chirathivat	• Ethical Leadership Program (ELP), Class 21/2021	IOD	19 February 2021
Mr. Suthilaksh Chirathivat	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Prin Chirathivat	• Advanced Audit committee Program (AACP), Class 39/2021	IOD	January - February 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Tos Chirathivat	• Director Accreditation Program (DAP), Class 188/2021	IOD	8 November 2021
Mr. Pichai Chirathivat	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021
Mr. Yol Phokasub	• Director Certification Program (DCP), Class 313/2021	IOD	October - November 2021
	• Ethical Leadership Program (ELP), Class 21/2021	IOD	19 February 2021
	• Thai Private Sector Anti-Corruption Coalition Project (CAC)	CRC	25 March 2021

Remark: * Mr. Sudhitham Chirathivat was appointed as a director on 21 December 2021.

* Dr. Atchaka Sibunruang resigned from the director on 27 December 2021.

3. Directors and Top Management Evaluation

Directors Evaluation

In 2021, the Board of Directors conducted a 2021 self-evaluation on the performance. The self-evaluation forms, approved by the Board of Directors, consists of the collective performance evaluation, the individual performance evaluation, and the sub-committee performance evaluation as follows:

Collective Performance Evaluation

- (1) Structure and Qualifications
- (2) Performing Duties
- (3) Roles, Duties and Responsibilities
- (4) Relationship with the Executives
- (5) Meetings
- (6) Self-Development and Executive Development

The evaluation process is as follows:

1. The Nomination and Remuneration Committee considers evaluation forms and submit them to the Board of Directors for approval.
2. The Board of Directors conducts a collective self-evaluation at least once a year.
3. The Company Secretary collects evaluation forms from directors, prepares a summary of results to be proposed to the Board of Directors for consideration.
4. The Company Secretary coordinates the development of the assessment results in various fields.

The results of Board of Directors' collective performance evaluation for the year 2021 showed an average score of 98.



Individual Performance Evaluation

The individual performance evaluation consists of 3 topics:

- (1) Ethics and Performance of Duties of Director
- (2) Strategy Formulation, Governance and Monitoring of Operations
- (3) Responsibility to Stakeholders

The evaluation process is as follows:

1. The Nomination and Remuneration Committee considers evaluation forms and submit them to the Board of Directors for approval.
2. The Board of Directors conducts a self-evaluation at least once a year.
3. The Company Secretary collects evaluation forms from directors and prepares a summary of results to be proposed to the Board of Directors for consideration.

The results of Board of Directors' individual performance evaluation for the year 2021 showed an average score of 96.

Sub-committees Performance Evaluation

The process for sub-committee's performance evaluation are as follows:

1. Each sub-committee prepares an evaluation form, of which the content covers meetings, and performance of duties. The Nomination and Remuneration Committee then submits it to the Board of Directors for approval.
2. Each sub-committee conducts a self-evaluation at least once a year.
3. The Secretary of each sub-committee collects evaluation forms from directors and prepares a summary of results to be proposed to each sub-committee and then to the Board of Directors for consideration.

The results of performance evaluation for the year 2021 of the Audit Committee, the Risk Policy Committee, and the Nomination and Remuneration Committee and the Corporate Governance and Sustainability Committee showed an average score of 100, 93, 98, and 98, respectively.

Top Management Evaluation

The company has an annual appraisal of top management based on performance and operating results to determine the remuneration of top management. The criteria and process are as follows.

KPI assessment criteria

- Financial success indicators
- Management success indicators including achievements of business expansion new initiatives for company growth, customer satisfaction or work efficiency and the results of the Good Corporate Governance and Sustainable Development Assessment
- Personnel management success indicators such as employee engagement

Assessment process

At the beginning of the year, the top management of the Company agrees to the assessment criteria (KPI) together with the Nomination and Remuneration Committee and proposes to the Board of Directors for approval. At the end of the year, the top management will conduct a self-assessment to present to the Nomination and Remuneration Committee for consideration which will be presented to the Board of Directors for approval of the appraisal result.



8.1.2 Meeting Attendance and remuneration of Each director

Meeting Attendance of the Board of Directors and Sub-Committees

The Company has guidelines for the Board of Directors to attend on average at least 80% of the Board of Directors' meetings for the full year. Each director should have at least 75% of attendances.

In 2021, there were 10 meetings of the Board of Directors, in the form of in-person 3 times and electronic media (e-meeting) 7 times. All members of the Board of Directors attended all meetings, representing 100% of the meetings.

Directors	Position in the Board of Directors and Sub-Committees	Meetings						
		Shareholders	The Board of Director	Audit Committee	Risk Policy Committee	Nomination and Remuneration Committee	Executive Committee	Corporate Governance and Sustainability Committee
1. Dr. Prasarn Trairatvorakul	Chairman	1/1	10/10	-	-	-	-	-
2. Mr. Suthichai Chirathivat ⁽¹⁾	Vice Chairman	1/1	9/9	-	-	-	-	-
3. Mr. Suthikiati Chirathivat	Vice Chairman	1/1	10/10	-	-	-	-	-
4. Mr. Sudhitham Chirathivat ⁽²⁾	Director	-	-	-	-	-	-	-
5. Mrs. Pratana Mongkolkul	Independent Director	1/1	10/10	-	-	-	-	-
	Chairman of the Audit Committee	-	-	13/13	-	-	-	-
6. Mrs. Patareeya Benjapolchai	Independent Director	1/1	10/10	-	-	-	-	-
	Member of the Audit Committee	-	-	13/13	-	-	-	-
	Chairman of the Corporate Governance and Sustainability Committee	-	-	-	-	-	-	4/4
	Member of the Risk Policy Committee	-	-	-	6/6	-	-	-



Directors	Position in the Board of Directors and Sub-Committees	Meetings						
		Shareholders	The Board of Director	Audit Committee	Risk Policy Committee	Nomination and Remuneration Committee	Executive Committee	Corporate Governance and Sustainability Committee
7. Dr. Atchaka Sibunruang ⁽³⁾	Independent Director	1/1	10/10	-	-	-	-	-
	Chairman of the Nomination and Remuneration Committee	-	-	-	-	4/4	-	-
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	-	4/4
8. Mr. Sompong Tantapart	Independent Director	1/1	10/10	-	-	-	-	-
	Member of the Audit Committee	-	-	13/13	-	-	-	-
	Member of the Nomination and Remuneration Committee	-	-	-	-	4/4	-	-
9. Mr. Kanchit Bunajinda	Independent Director	1/1	10/10	-	-	-	-	-
	Chairman of the Risk Policy Committee	-	-	-	6/6	-	-	-
10. Prof. Dr. Suthiphand Chirathivat	Director	1/1	10/10	-	-	-	-	-
	Member of the Nomination and Remuneration Committee	-	-	-	-	4/4	-	-
11. Mrs. Yuwadee Chirathivat	Director	1/1	10/10	-	-	-	-	-
	Executive Director	-	-	-	-	-	13/13	-
12. Mr. Suthilaksh Chirathivat	Director	1/1	10/10	-	-	-	-	-



Directors	Position in the Board of Directors and Sub-Committees	Meetings						
		Shareholders	The Board of Director	Audit Committee	Risk Policy Committee	Nomination and Remuneration Committee	Executive Committee	Corporate Governance and Sustainability Committee
13. Mr. Prin Chirathivat	Director	1/1	10/10	-	-	-	-	-
	Member of the Risk Policy Committee	-	-	-	6/6	-	-	-
14. Mr. Tos Chirathivat	Director	1/1	10/10	-	-	-	-	-
	Chairman of the Executive Committee	-	-	-	-	-	13/13	-
	Member of Nomination & Remuneration Committee	-	-	-	-	4/4	-	-
15. Mr. Pichai Chirathivat	Director	1/1	10/10	-	-	-	-	-
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	-	4/4
16. Mr. Yol Phokasub	Director	1/1	10/10	-	-	-	-	-
	Member of the Executive Committee	-	-	-	-	-	13/13	-
	Member of the Risk Policy Committee	-	-	-	6/6	-	-	-
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	-	4/4

Remark;

¹⁾ Mr. Suthichai Chirathivat resigned as Vice Chairman and Directors effective from 25 November 2021.

²⁾ Mr. Sudhitham Chirathivat was appointed as Director of the Company effective 21 December 2021, so no meeting has been held.

³⁾ Dr. Atchaka Sibunruang resigned as Director of the Company effective 27 December 2021.



Remuneration of Board of Directors and Sub-committees

Criteria for Payment of Remuneration to Directors

The Board of Directors has established a Nomination and Remuneration Committee to nominate persons with appropriate qualifications to be directors, sub-committee members, Chief Executive Officer, and senior executives of the Company as well as consider the types and criteria for payment of remuneration to directors, sub-committee members in the Audit Committee, the Risk Policy Committee, the Nomination and Remuneration Committee, the Corporate Governance and Sustainability Committee, Chief Executive Officer and senior executives as deemed appropriate for their duties and responsibilities, work achievements linking with operating results and other related surrounding factors and benchmarking with other companies in the same or similar industry to propose its opinions to the Board of Directors and/or to the shareholders' meeting for consideration and approval.

In 2021, the Board of Directors' Meeting No. 2/2021 held on 25 February 2021 resolved to approve the criteria for payment of quarterly remuneration and meeting allowance for the year 2021. The 2021 Annual General Meeting of Shareholders held on 23 April 2021 resolved to approve the remuneration of directors and sub-committee member for the year 2021 of not exceeding Baht 20.5 million. This is an increase of baht 0.5 million from 2020 which is partly due to the estimates of remuneration increased by the Corporate Governance and Sustainability Committee appointed by the Board of Directors at the Board of Directors' Meeting No. 11/2020 on 22 December 2020. The remuneration is the same rate as 2020 consisting of quarterly remuneration, meeting allowance and bonus (if any) as follows:

Quarterly Remuneration and Meeting Allowance

Position	Quarterly Remuneration (THB)	Meeting Allowance (THB/Time/Person)
The Board of Director		
Chairman of the Board of Director	225,000	85,000
Director	85,000	42,000
The Audit Committee		
Chairman of the Audit Committee	133,000	65,000
Member of the Audit Committee	103,000	50,000
The Executive Committee		
Chairman of the Executive Committee	None	None
Member of the Executive Committee	None	None
The Remuneration and Nomination Committee		
Chairman of the Remuneration and Nomination Committee	None	35,000
Member of the Remuneration and Nomination Committee	None	30,000
The Risk Policy Committee		
Chairman of the Risk Policy Committee	None	35,000



Position	Quarterly Remuneration (THB)	Meeting Allowance (THB/Time/Person)
Member of the Risk Policy Committee	None	30,000
The Corporate Governance and Sustainability Committee		
Chairman of the Corporate Governance and Sustainability Committee	None	35,000
Member of the Corporate Governance and Sustainability Committee	None	30,000

Directors who hold the position of executive or employee of the Company shall not receive quarterly remuneration or meeting allowance of sub-committees. The Audit Committee members shall not also receive quarterly remuneration as the director.

Director's Bonus

The Company may pay bonus to the directors whereby the Board of Directors will determine conditions, details, and rates of bonus payment as deemed appropriate based on the Company's operating results. For the year ended 31 December 2021 bonus was paid to the directors according to their performance and meeting participation. However, any director who is executive or employee of the Company shall not receive director's bonus.

Other Remuneration

-None-

Remuneration for the Year Ended 31 December 2021

During 1 January 2021-31 December 2021 the Company paid quarterly remuneration, meeting allowance of approximately THB 15.62 million to the directors with details as below:

1) Monetary Remuneration

The 2021, the Board receives the following monetary remuneration:

Position	Position in the Board of Directors and Sub-Committees	Bonus ⁽⁴⁾	The Board of Director	Audit Committee ⁽⁵⁾	Risk Policy Committee	Nomination and Remuneration Committee ⁽⁶⁾	Corporate Governance and Sustainability Committee	Total
1. Dr. Prasarn Trairatvorakul	Chairman	287,500	1,750,000	-	-	-	-	2,037,500
2. Mr. Suthichai Chirathivat ⁽¹⁾	Vice Chairman	224,658	684,000	-	-	-	-	908,658
3. Mr. Suthikiati Chirathivat	Vice Chairman	250,000	760,000	-	-	-	-	1,010,000
4. Mr. Sudhitham Chirathivat ⁽²⁾	Director	7,534	9,444	-	-	-	-	16,979



Position	Position in the Board of Directors and Sub-Committees	Bonus ⁽⁴⁾	The Board of Director	Audit Committee ⁽⁵⁾	Risk Policy Committee	Nomination and Remuneration Committee ⁽⁶⁾	Corporate Governance and Sustainability Committee	Total
5. Mrs. Pratana Mongkolkul	Independent Director	275,000	420,000	-	-	-	-	2,007,000
	Chairman of the Audit Committee	-	-	1,312,000	-	-	-	
6. Mrs. Patareeya Benjapolchai	Independent Director	250,000	420,000	-	-	-	-	2,002,000
	Member of the Audit Committee	-	-	1,012,000	-	-	-	
	Chairman of the Corporate Governance and Sustainability Committee	-	-	-	-	-	140,000	
	Member of the Risk Policy Committee	-	-	-	180,000	-	-	
7. Dr. Atchaka Sibunruang ⁽³⁾	Independent Director	246,575	756,222	-	-	-	-	1,227,798
	Chairman of the Nomination and Remuneration Committee	-	-	-	-	105,000	-	
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	120,000	



Position	Position in the Board of Directors and Sub-Committees	Bonus ⁽⁴⁾	The Board of Director	Audit Committee ⁽⁵⁾	Risk Policy Committee	Nomination and Remuneration Committee ⁽⁶⁾	Corporate Governance and Sustainability Committee	Total
8. Mr. Sompong Tantapart	Independent Director	250,000	420,000	-	-	-	-	1,772,000
	Member of the Audit Committee	-	-	1,012,000	-	-	-	
	Member of the Nomination and Remuneration Committee	-	-	-	-	90,000	-	
9. Mr. Kanchit Bunajinda	Independent Director	250,000	760,000	-	-	-	-	1,220,000
	Chairman of the Risk Policy Committee	-	-	-	210,000	-	-	
10. Prof.Dr. Suthiphand Chirathivat	Director	250,000	760,000	-	-	-	-	1,100,000
	Member of the Nomination and Remuneration Committee	-	-	-	-	90,000	-	
11. Mrs. Yuwadee Chirathivat	Director	250,000	760,000	-	-	-	-	1,010,000
	Executive Director	-	-	-	-	-	-	
12. Mr. Suthilaksh Chirathivat	Director	250,000	760,000	-	-	-	-	1,010,000
13. Mr. Prin Chirathivat	Director	250,000	760,000	-	-	-	-	1,190,000
	Member of the Risk Policy Committee	-	-	-	180,000	-	-	
14. Mr. Tos Chirathivat	Director	250,000	760,000	-	-	-	-	1,100,000
	Chairman of the Executive Committee	-	-	-	-	-	-	
	Member of the Nomination and Remuneration Committee	-	-	-	-	90,000	-	



Position	Position in the Board of Directors and Sub-Committees	Bonus ⁽⁴⁾	The Board of Director	Audit Committee ⁽⁵⁾	Risk Policy Committee	Nomination and Remuneration Committee ⁽⁶⁾	Corporate Governance and Sustainability Committee	Total
15. Mr. Pichai Chirathivat	Director	250,000	760,000	-	-	-	-	1,130,000
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	120,000	
16. Mr. Yol Phokasub	Director	-	420,000	-	-	-	-	420,000
	Member of the Risk Policy Committee	-	-	-	-	-	-	
	Member of the Executive Committee	-	-	-	-	-	-	
	Member of the Corporate Governance and Sustainability Committee	-	-	-	-	-	-	
	Chief Executive Officer	-	-	-	-	-	-	
SCU								19,161,934

Remark:

1. Mr. Suthichai Chirathivat resigned as Vice Chairman and Directors effective 25 November 2021.
2. Mr. Sudhitham Chirathivat was appointed as Director of the Company effective 21 December 2021.
3. Dr. Atchaka Sibunruang resigned as Director of the Company effective 27 December 2021.
4. At the Board of Directors' Meeting No. 2/2021 on 25 February 2021, the bonuses for directors were resolved.
5. The Audit Committee does not receive quarterly remuneration as a director, but is paid quarterly as an audit committee member, and the Audit Committee has 13 meetings, refraining from receiving one meeting allowance.
6. The Nomination and Remuneration Committee has convened 4 meetings with no allowances for one meeting.
7. The Chief Executive Officer receives only the Board of Directors' Meeting allowance.

2) Other Remuneration

-None-

Remuneration of Directors of Subsidiaries Operating Core Business

In 2021, no remuneration was paid to the directors of subsidiaries, except LR with details as follows:

**Remuneration for fiscal year ended 31 December 2021****LR**

As of 31 December 2021, the Board of Directors of LR consisted of 7 directors as follows:

Name	Position
1. Mr. Sudhitham Chirathivat	Chairman of the Board of Director
2. Mr. Prin Chirathivat	Director
3. Mr. Tos Chirathivat	Director
4. Mrs. Yuwadee Chirathivat	Director
5. Mr. Pierluigi Cocchini	Director
6. Mr. Vittorio Radice	Director
7. Mr. Stefano Della Valle	Director

Director Remuneration**(1) Monetary Remuneration**

For the year ended 31 December 2021, LR paid total remuneration of approximately €1,047,825.21 to 2 directors, Mr. Vittorio Radice and Mr. Stefano Della Valle under the Consultancy Agreement and Directorship Agreement for the performance of duties as directors.

(2) Other Remuneration

For the year ended 31 December 2021, LR paid other remuneration to 3 directors under the Directorship Agreement in the forms of accommodation, travel, and insurance expenses.

8.1.3 Supervision and Governance of Subsidiaries and Associates

Definitions

“Company” and **“Parent Company”** refers to Central Retail Corporation Public Company Limited.

“Company Operating the Core Business” refers to a Central Subsidiary, an Independent Subsidiary Operating the Core Business, all Subsidiaries and Associates operating the core business, and subject to the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (as amended), unless stated otherwise in this document.

“Central Subsidiary” refers to a Subsidiary that functions as the governance center of each business group of the Parent Company by supervising and governing the business operations of the Subsidiaries and Associates under it.

“Subsidiary or Associate under Central Subsidiary” refers to a Subsidiary or an Associate which operates the core business under the governance of a Central Subsidiary.

“Independent Subsidiary Operating the Core Business” refers to a Subsidiary operating the core business which is under the direct supervision of the Parent Company.

“Subsidiary under the Direct Supervision of the Company” refers to the Central Subsidiaries and the Independent Subsidiaries Operating the Core Business.

“Subsidiary” and **“Associate”** refer to a subsidiary and an associate as defined in the Notification of the Securities



and Exchange Commission No. KorChor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended).

At the Board of Directors Meeting No. 2/2019 held 14 November 2019. The Company determined the policy on the supervision and governance of Subsidiaries and Associates operating the core business as a mechanism for the Company to supervise and govern its Subsidiaries and Associates, be held accountable for their operations, and maintain certain measures for monitoring the management of its Subsidiaries and Associates operating the core business, its Central Subsidiaries, its Subsidiaries under Central Subsidiaries, and its Subsidiaries under the Direct Supervision of the Company, as if these entities were its departments, including overseeing that such Subsidiaries and Associates comply with the policies and long-term goals of the Company and the Civil and Commercial Code, the Public Limited Companies Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended), as well as the relevant notifications, regulations, and rules of the Stock Exchange of Thailand and the Office of the Securities Exchange Commission, the details of which are mentioned below. In addition, the Audit Committee's Meeting No. 9/2019, held on 4 December 2019, considered and concluded that the governance of the management and operation of the Subsidiaries under Central Subsidiary were adequate and proper.

Any other terms not mentioned in this document are subject to the securities and stock exchange laws, including other laws applicable or related to the Company's operation. Nevertheless, this policy is applicable so long as it is not in contrast with or contradictory to the laws, rules or regulations of other jurisdictions that are enforceable against the Subsidiary and the Associate or so long as they do not result in such Subsidiary and Associate losing any benefit to which they are entitled under the laws of such jurisdictions.

1. Operation of the Company Operating the Core Business

The Board of Directors of the Company Operating the Core Business (excluding Associate) must ensure that a transaction or an undertaking in relation to the following matters are approved at the meeting of the Board of Directors and/or general meeting of shareholders of the Parent Company before the Company Operating the Core Business may enter into the transaction only in the event that the size of such proposed transaction of the Company Operating the Core Business in comparison to the size of the Parent Company pursuant to the relevant notifications on acquisitions or disposals of assets and/or connected transactions (as the case may be) of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand requires approval at the meeting of the Board of Directors and/or general meeting of shareholders of the Parent Company:

- (a) The entry into any transaction with a related person of the company or the Parent Company, or any transaction concerning an acquisition or a disposal of assets by the company.
- (b) The transfer or waiver of any rights or interests, including waiver of any claim against any person who causes damage to the company.
- (c) The sale or transfer of the whole or any substantial part of the company's business to any other person.
- (d) The purchase or acceptance of the transfer of business of other companies by the company.
- (e) The execution, amendment, or termination of a contract concerning the lease of the whole or any substantial part of the business of the company, the assignment to any other person to manage the company's business, or the amalgamation of the company's business with any other person.
- (f) The lease or hire-purchase of the whole or any substantial parts of the company's business or assets.
- (g) Borrowing, lending, granting of credit, provision of a guarantee, entry into any transaction that will cause the company to incur additional financial burden, or giving of any other kinds of financial aid to any other person which is not in the ordinary course of business of the company. In this regard, lending to directors of the company is prohibited, except for lending under employee loan program.
- (h) The dissolution of the company.
- (i) Any other transaction which is not in the ordinary course of business of the company and may materially affect the company.



- (j) The capital increase by issuing new shares and share allocation of the company, including any reduction of the registered or paid-up capital of the company which is not proportionate to the shareholding of the existing shareholders, or any action that will result in the dilution of more than ten (10) percent of the Parent Company's direct and/or indirect shareholding and/or voting rights (as the case may be) in the general meetings of shareholders of the company at any level.
- (k) The capital increase or reduction of the company which is not proportionate to the shareholding of the existing shareholders, or any action that will result in the dilution of the Parent Company's direct and/or indirect voting rights in the general meetings of shareholders of the company at any level to the extent that the Parent Company loses control over such company.

2. Operation of the Subsidiary under the Direct Supervision of the Company and the Associate Operating the Core Business

In addition to the duties stated in item 1, the Board of Directors of the Subsidiary under the Direct Supervision of the Company has the following duties:

2.1 The Board of Directors of the Subsidiary under the Direct Supervision of the Company and the Associate operating the core business must ensure that a transaction or an undertaking in relation to the following matters is approved at the meeting of the Board of Directors of the Parent Company before the Subsidiary under the Direct Supervision of the Company and the Associate operating the core Business may enter into the transaction:

- (a) The nomination or appointment of a director or an executive of the Subsidiary under the Direct Supervision of the Company or an Associate operating the core business, which must be at least proportionate to the Parent Company's shareholding in the Subsidiary under the Direct Supervision of the Company or an Associate operating the core business. The directors and executives nominated or appointed by the Parent Company shall have discretion in casting votes at the meetings of the Board of Directors of the relevant Subsidiary under the Direct Supervision of the Company or the relevant Associate operating the core business in relation to the general management and normal business operation of such Subsidiary under the Direct Supervision of the Company or Associate operating the core business as the directors and executives deem appropriate in the best interests of the Parent Company, the Subsidiary under the Direct Supervision of the Company and the Associate operating the core business, unless as specified otherwise in this document.

However, the directors or executives of the Subsidiary under the Direct Supervision of the Company nominated or appointed by the Parent Company as stated in the preceding paragraph must be those who are listed in the database of directors and executives of securities issuing companies (White List), and they must have the qualifications, roles, duties and responsibilities and lack all untrustworthy characteristics as prescribed in the notifications of the Office of the Securities and Exchange Commission on the determination of untrustworthy characteristics of directors and executives of a company.

- (b) The consideration and approval of distribution of annual dividends and interim dividends (if any) of any Subsidiary under the Direct Supervision of the Company, except when the dividends paid by the Subsidiary under the Direct Supervision of the Company for the whole year are not less than the amount as specified in its annual budget or such payment of dividends is in accordance with the dividend payment policy of the respective Subsidiary under the Direct Supervision of the Company that has already been approved by the Board of Directors of the Parent Company.
- (c) The amendment of the Articles of Association of any Subsidiary under the Direct Supervision of the Company,



except the amendment of significant matters as specified in item 2.2 which requires approval from the general meeting of shareholders of the Parent Company.

- (d) The consideration and approval of the annual budget of any Subsidiary under the Direct Supervision of the Company, except for the cases set out in the Delegation of Authority of such Subsidiary under the Direct Supervision of the Company which has already been approved by the Board of Directors of the Parent Company.

2.2 The Board of Directors of the Subsidiary under the Direct Supervision of the Company must seek prior approval from the general meeting of shareholders of the Parent Company with the votes of not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and entitled to vote for any amendment of the Articles of Association of the Subsidiary under the Direct Supervision of the Company that may have a material impact on the financial conditions or operating results of such Subsidiary under the Direct Supervision of the Company, including, but not limited to, any amendment of the Articles of Association of the Subsidiary under the Direct Supervision of the Company which may have a negative impact on the Parent Company's rights to nominate or appoint a director or an executive of the Subsidiary under the Direct Supervision of the Company proportionate to the Parent Company's shareholding in the Subsidiary under the Direct Supervision of the Company, the voting rights of the director(s) nominated by the Parent Company at the meetings of the Board of Directors of the Subsidiary under the Direct Supervision of the Company, the voting rights of the Parent Company at the general meetings of shareholders of the Subsidiary under the Direct Supervision of the Company, and/or the dividend distributions of the Subsidiary under the Direct Supervision of the Company.

3. Operation of the Subsidiary or the Associate under Central Subsidiary

In addition to the duties stated in item 1, the Board of Directors of the Subsidiary or the Associate under Central Subsidiary has the following duties:

3.1 The Board of Directors of the Subsidiary or the Associate under Central Subsidiary must ensure that a transaction or an undertaking in relation to the following matters are approved at the meeting of the Board of Directors of the Central Subsidiary before the Subsidiary or the Associate under Central Subsidiary may enter into the transaction:

- (a) The nomination or appointment of a director or an executive of the Subsidiary or the Associate under Central Subsidiary, which must be at least proportionate to the Central Subsidiary's shareholding in the Subsidiary or the Associate under Central Subsidiary. The directors and executives nominated or appointed by the Central Subsidiary shall have discretion in casting votes at the meetings of the Board of Directors of the relevant the Subsidiary or the Associate in relation to the general management and normal business operation of such Subsidiary or Associate as the directors and executives deem appropriate in the best interests of the Parent Company, the Central Subsidiary and the Subsidiary or the Associate under Central Subsidiary, unless as specified otherwise in this document.

However, the nominated or appointed directors or executives of the Subsidiary under Central Subsidiary as stated in the preceding paragraph must be knowledgeable, honest, and ethical; must not be bankrupt, incompetent or quasi-incompetent; have never been imprisoned on the final judgment of a court for



an offence related to property committed with dishonest intent; have never been dismissed or discharged from the government service, organization or agency for malfeasance; and there are no other reasons to doubt such persons' performance as directors and executives.

- (b) The consideration and approval of distribution of annual dividends and interim dividends (if any) of any Subsidiary under Central Subsidiary, except when the dividends paid by the Subsidiary under Central Subsidiary for the whole year are not less than the amount as specified in its annual budget or such payment of dividends is in accordance with the dividend payment policy of the respective Subsidiary under Central Subsidiary that has already been approved by the Board of Directors of the Central Subsidiary.
- (c) The amendment of the Articles of Association of any Subsidiary under Central Subsidiary
- (d) The consideration and approval of the annual budget of any Subsidiary under Central Subsidiary, except for the cases set out in the Delegation of Authority of such Subsidiary under Central Subsidiary which has already been approved by the Board of Directors of the Central Subsidiary.

The Parent Company or the Central Subsidiary will appoint directors and executives of the Subsidiary and the Associate operating the core business proportionate to their shareholdings in such Subsidiary and the Associate unless the Parent Company is subject to certain restrictions or other agreements under the relevant joint venture agreements by which the Parent Company is bound. In this regard, the Board of Directors of the Parent Company and the Central Subsidiary shall have the power to nominate persons to hold the position of director and executive in such Subsidiary and Associate. The Board of Directors of the Parent Company shall have the power to determine the scope, duties and responsibilities of the directors or executives of the Subsidiary and the Associate who were nominated by the Parent Company and appointed as directors or executives of the Subsidiary and the Associate operating the core business, including the following:

- (1) Determine a clear scope of authority for using discretion where such directors and executives shall have the right to vote at the meeting of the Board of Directors of the Subsidiary and the Associate on significant matters which require prior approval from the meeting of the Board of Directors of the Parent Company or Central Subsidiary or the general meeting of shareholders of the Parent Company;
- (2) Ensure that the Subsidiaries have an internal control system, risk management system, anti-corruption system and other necessary systems, including measures for monitoring the operations of the Subsidiaries and the Associates which are appropriate, efficient and sufficiently concise so that the operations of the Subsidiaries and the Associates will be in compliance with the plan, budget, policies of the Parent Company, as well as legislations and rules on good corporate governance of listed companies, including the relevant notifications, regulations and rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and monitor the Subsidiaries and the Associates to ensure that they completely and correctly disclose information relating to the financial conditions and result of operations, entry into connected transactions and acquisitions or disposals of material assets transactions and any other matters material to the Parent Company in compliance with the regulations in relation to the governance and supervision of subsidiaries and associates of the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission.
- (3) Monitor the Subsidiaries to ensure that they disclose information relating to the financial conditions and result of operations, entry into connected transactions and acquisitions or disposals of material assets transactions completely and correctly.



- (4) Monitor the directors or executives of the Subsidiaries and the Associates nominated by the Parent Company or the Central Subsidiary to ensure that they comply with the duties and responsibilities required by law, the Articles of Association and the policies of the Parent Company and the Central Subsidiaries.

Scope of Duties and Responsibility of the Representative Directors and Executives of the Subsidiaries and/or Affiliates Operating the Core Business

The Parent Company determines a scope of duties and responsibilities of its representatives who hold director or executive positions in subsidiaries and/or associates operating core business. This aims at establishing a mechanism for the Parent Company to oversee management and carry out operations as well as set measures for monitoring management of subsidiaries and/or associates operating core business, Central Subsidiaries, Subsidiary under Central Subsidiary, and Independent Subsidiary Operating the Core Business, like a unit of the Parent Company as well as overseeing compliance of representatives of the Parent Company holding director and executive positions in such companies with the scope of duties and responsibilities of their own under this policy.

Moreover, the representatives of Parent Company who are directors and executives in the subsidiaries and/or affiliates operating the core business of the Parent Company shall have the following duties:

- (a) To fully and duly disclose information on financial position and operational results, connected transactions of the subsidiary, transactions on acquisition or disposal of assets and/or material transactions of the subsidiary to the Parent Company within a reasonable time as required by the Parent Company;
- (b) To disclose and report on information on their interests and persons related to the directors of company in respect of the relationships and transactions with the company or the Parent Company in such manner which may give rise to conflict of interest, and avoid any transactions which may give rise to conflict of interest, provided that such matters must be reported to the Parent Company's Board of Directors within such time as required by the Parent Company in support of its consideration, decision or approval by primarily taking into account the overall interests of the company and the Parent Company.

The directors of the company shall not be involved in the approval of any matters in which they are interested or have any conflict of interest, whether directly and/or indirectly.

Furthermore, the following actions, which may allow the directors, executives or related persons of the company to derive any financial benefits other than those normally available to them or which may cause the company or the Parent Company to sustain damage, shall be presumed to be such actions with material conflict of interest of the company:

- (1) Execution of any transaction between the company and its directors, executives or related persons in violation of the rules on connected transactions;
 - (2) Use of any information of the Parent Company or the company known to them, except where such information has been disclosed to the public;
 - (3) Use of any assets or business opportunity of the company or the Parent Company in such manner in violation of the rules or general practice as prescribed in the notification of the Capital Market Supervisory Board;
- (c) To report on plan for business operations, business expansion for large-scale investment projects of the subsidiaries as approved by the Parent Company, and joint investment with other business operators, to the Parent Company via monthly report on the operational results, and provide explanation and/or documents in support of the consideration upon request by the Parent Company;



- (d) To provide explanation and/or information or documents relating to the operations of the company to the Parent Company upon request as appropriate, and provide explanation and/or relevant information or documents to the Parent Company should any material issues be found;
- (e) To be responsible for the subsidiaries to implement the internal control system, risk management system and anti-corruption policy as appropriate, efficient and sufficiently prudent to make sure that all activities of the subsidiaries strictly follow the Parent Company's policies, this document, the laws and rules on corporate governance of listed companies, including the applicable notifications, regulations and rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and to ensure that the subsidiaries have clear work flows to demonstrate that the subsidiaries' systems are sufficient to regularly and reliably disclose information on material transactions under the applicable rules, with channels available for the directors and executives of the Parent Company to access such information of the subsidiaries so as to efficiently monitor their operational results, financial position, transactions between the subsidiaries and their directors and executives, and material transactions of the subsidiaries. In addition, there shall be mechanisms for work system audit in the subsidiaries, whereby the Parent Company's internal auditors and independent directors shall be entitled to directly access such information, and the results of such work system audit shall be reported to the Parent Company's directors and executives to make sure that the subsidiaries regularly follow the specified work systems;
- (f) The directors, executives, staff, employees or those authorized by the company, who are representatives of the Parent Company and hold positions in the company, including their spouse and underage offspring, shall be prohibited from using inside information of the Parent Company and/or the company, which has been obtained from the performance of duties or by other means, which has or may have material impact on the Parent Company and/or the company, for personal gain or gain of others, whether directly and/or indirectly, and whether with or without any compensation;

The directors, executives or related persons of the subsidiary, who are representatives of the Parent Company and hold positions in the subsidiary may execute any transaction with the subsidiary only after such transaction has been approved by the Board of Directors of the subsidiary, the Parent Company's Board of Directors, the subsidiary's shareholders' meeting and/or the Parent Company's shareholders' meeting (as the case may be) depending on the calculated size of the transaction (the calculation of transaction size under the rules on acquisition or disposal of assets and/or connected transactions of the Capital Market Supervisory Board and the Board of Governors of the SET shall apply, mutatis mutandis), except for such transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any influence from their status as directors, executives or related persons (as the case may be), provided further that such commercial terms have been approved by the Parent Company's Board of Directors or in compliance with the principle previously approved by the Parent Company's Board of Directors.

8.1.4 Monitoring compliance with the corporate governance policy and practices

(1) Prevention of Conflict of Interest

The Company has in place a policy to prevent conflict of interest based on prudence, honesty, rationale, and independence within the ethical framework for the Company's interests. The policy stipulates that a person who may have conflict of interest and/or a connected person as well as related parties involving in a transaction who discloses the information on the interests of his/her own and related parties' to the Company for acknowledgement and have no authority to approve the transaction in which he/she has interests.



The Company prescribes in the Board of Directors Charter that the Board of Directors shall be responsible for ensuring non-conflict of interest between stakeholders of the Company and subsidiaries. In case that any director having conflict of interest in any transaction conducted with the Company or changes in his/her shareholding percentage, such director shall notify the Company immediately. Moreover, the assignment of authority, duties, and responsibilities to any person shall not be characterized by the delegation of authority that allows the attorney to be able to approve the transaction that he/she or a person who may have conflict of interest may have interests or receive interests in any forms or have any other conflict of interest with the Company or subsidiaries, except for the approval of transactions which are conducted in accordance with the policy and the criteria approved by the shareholders' meeting or Board of Directors.

The Company has a policy on connected transactions and transactions having conflict of interests as in accordance with the laws and regulations of SEC, Capital Market Supervisory Board, and SET, which will also be disclosed in Form 56-1/One Report.

In year 2021, there were no complaints about committing offenses by Directors, Management and employees of the Company and its subsidiaries regarding conflicts of interest or operations that are against the policy, Regulations and Relevant Laws.

(2) Prevention of Misuse of Insider Information

The Company has established a policy to prohibit its directors, executives, and employees from using any information that may affect the Company's share price, or information that, if disclosed, will cause damage or disadvantage to the Company. This information is treated as confidential and important and/or insider information of the Company, which has not yet been disclosed to the public or shall not be disclosed on the purpose of seeking benefits for oneself or others whether directly or indirectly. The Prevention of Misuse of Insider Information Policy, to ensure equality and fairness to all shareholders, is notified through the director orientation, email to new executives, and the Company's intranet for employees. The details of the policy is as follows:

- **Insider Information Control:** Directors, executives and all employees of the Company and its subsidiaries must not use insider information which contains materials information and has not been disclosed to the public for the benefit of oneself and others. Everyone shall comply with the policy on retention and the use of insider information that the Company strictly defined. The Company also prohibits directors, executives and employees of the Company and subsidiaries or former directors, executives and employees from disclosing confidential information of the Company, as well as confidential information of its suppliers that they have been informed during their duties to outsiders, even if the disclosure of such information will not cause damage to the Company and its suppliers. The insider information must be used for the benefit of the Company's business operations only.
- **Holding of the Company's Securities:** Directors, executives, and employees of the Company and its subsidiaries who have been informed the insider information which may affect the change in share prices must refrain from trading in the Company's shares for at least thirty (30) days before the financial statements or the insider information have been disclosed to the public, and within 24 hours after such information has been disclosed to the public, including must not disclose such insider information to others until such information has been notified to the Stock Exchange of Thailand.
- **Reporting of the Company's Securities Holdings:** Directors and executives of the Company, including spouses or common partners and minor children must prepare and disclose the securities holding reports, and must report any changes in the Company's securities holdings to the SEC Office in accordance with Section 59 of the Securities and Exchange Act. A copy of this report must be sent to the Company on the same day of submission to the SEC. The Company Secretary will notify the quarterly trading blackout period to the directors, executives, and



related employees one month prior to the release of the financial statements to the public. Changes in securities holdings of directors and senior executives, including their spouses and minor children, are reported to the Board of Directors every quarter.

Any act that violates the aforementioned regulations, the Company treats such action as a disciplinary offense to the Company's regulations, and considers the appropriate punishment case by case, ranging from verbal warning, written warning, probation, as well as termination of employment.

In 2021, the Company did not receive any complaints concerning offenses or misconduct relating to the policy committed by directors and executives.

(3) Anti-Corruption

The Company emphasizes the importance of Anti-Corruption, and is committed to conducting its business with integrity under the framework of good corporate governance by adhering to the principles of good governance and ethics in business operations, having responsibilities for the society, environment and stakeholders, and conducting its business with transparency, fairness and accountability. The Company strives to become a member of the Thai Private Sector Collective Action Against Corruption (CAC) within 2022.

In 2021, the Company has taken various actions as follows:

- On 25 March 2021 the Board of Directors declared the intention of participating in the Thai Private Sector Collective Action Against Corruption (CAC) project, and the Company's declaration of intention was signed by the Chief Executive Officer and was circulated to all directors, executives and employees thoroughly. In addition, Mr. Kulvej Jenwattanawit, Managing Director to Thai Institute of Directors Association (IOD), Secretary of Thai Private Sector Collective Action Against Corruption (CAC) was invited by the Company to give a lecture on the subject of corruption in Thailand and the implementation of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) project. Mr. Kasiti Ketsuriyong, Partner of Deloitte Touche Tohmatsu Auditor, provided a lecture on the implementation plan to obtain the certification from the CAC, the self-assessment including possible problems and obstacles during the project implementation for the Board of Directors, executives, and related committees.
- On 13 May 2021, the Board of Directors approved the anti-corruption policy in alignment with the Thai Private Sector Collective Action against Corruption. The Board also gave an approval to the revised edition of anti-corruption policy on 11 November 2021.
- The Company has concluded the performance on anti-corruption of the Company's business operations and its subsidiaries, for example identifying business risks possibly related to the corruption, preventing the possible risks, communicating and providing trainings within the organization, reviewing the whole process with the details as follows
 - The Company has established the policy and procedure for anti-corruption. The Board has assigned the Audit Committee to supervise the internal control system. The executives are responsible for raising awareness, communicating and working honestly with all employees, and following the Company's business procedure for anti-corruption.
 - The Company organized the trainings on the anti-corruption topics for its employees.
 - On 16 November 2020: IOD's CRC training for Enterprise Risk employees of CRC and its subsidiaries
 - On 19 February 2021: IOD's ELP training for 3 Board of Directors



- On 4 March 2021: Risk Workshop
 - On 25 March 2021: Training for Board of Directors, executives, and related committees
 - On 12 May 2021: IOD's ACPG training for Compliance officers and internal auditors
 - On 18 June 2021: Training for accountants
 - On 25 August 2021: Training for Human Resources
 - On 1 September 2021: Training for employees via C-Next system (E-Learning)
- All employees attend the training or take a test on Anti-Corruption, which is a topic in the Company's Code of Conduct every year. New employees must undergo the training in this topic before the employment or on their first training. In the past year, 80% of the Company's employees have undergone this training.
 - The Company communicates to its Board of Directors, executives, employees, business partners, stakeholders to acknowledge the Company's transparent business operations according to the assessment criteria of CAC during June - September 2021.
 - Via external websites
 - <https://www.centralretail.com/storage/document/cg-policy/crc-anti-corruption-policy-th.pdf>
 - <https://www.centralretail.com/storage/document/cg-policy/crc-anti-corruption-policy-en.pdf>
 - Via internal website: Workplace, Compliance portal
 - Via email to partners, including specification in the contract
 - Via "Message from CEO", "Say NO to Corruption", "Virtual Background", and poster etc.
 - The Company launched e-mails and banners to communicate to employees regarding the possible corruption risks in and prevention measures.
 - The Company examined the sufficiency of the anti-corruption procedures, assigning the Compliance Unit to be responsible for the operation. The performances from the past year are shown as follows:
 - The Company hired DTTJ consultants to do the gap analysis and check the document and the assessment form in the Thai Private Sector Collective Action Against Corruption (CAC) project.
 - Improvement on approval process and power limit to prevent corruption and to comply with the law. The process has been installed in the accounting system.
 - Improvement on the approval document of disbursement, gifts receiving or other forms of reward, donations, sponsorships, entertainment, audit documents, conflict of interest, and the revolving door in the format of MS Form, and the process of controlling document delivery, confirmation, validation and reporting to be centralized to the supervisory authority. The above issues have been resolved.
 - The summary report of the Anti-Corruption Policy performance was submitted to the Audit Committee, covering CRC and its 3 subsidiaries in the business line, namely Thai Watsadu, Top Supermarket, Central Department Store and Robinson Department Store.

In 2021, there had been no non-compliance of employees against the regulation. However, the executives and related departments have communicated to employees to keep up with the compliance continuously.

The Anti-Corruption policy was published in written to provide clear guidelines for business practice and development into a sustainable organization. The details can be summarized as follows.

1. Personnel of the Company and its subsidiaries must not request, conduct, or accept corruption in any form, either directly or indirectly, for the benefit of organization, oneself, family, friend, and acquaintance or for the benefit of all businesses in all countries and agencies relating with the Company and its subsidiaries
2. The Company must regularly review the compliance with the Anti-Corruption Policy as well as business guidelines



and rules to ensure they are in line with changes in business, rules, regulations, and laws. Any acts which support or involve in corruption will be punished as stipulated by the Company. Therefore, the Company imposes additional practice guidelines on corruption involvement prevention as follows:

- (1) The Company determines that the Board of Directors has duties and responsibilities of determining and approving the anti-corruption policy while putting the efficient anticorruption support system in place to ensure that the management recognizes the importance and practices as a corporate culture. In addition, the Audit Committee shall have a duty and responsibility to review the Company. Have adequate internal control and review the operation in accordance with the Anti-Corruption Policy. To ensure that all employees and stakeholders comply with Anti-Corruption Policy regulations and review the appropriateness of the system and measures to comply with the changes in the business regulations and requirements of the law as well as reviewing the adequacy of the Company's internal control and the compliance with the anti-corruption policy, regulations, and relevant laws. The management shall also set up systems and measures, promote, support, and oversee the compliance with the anti-corruption policy of all employees and concerned parties as well as review the appropriateness of systems and measures that are consistent with the changes in business, regulations, and legal requirements.
- (2) The Company determines that the Internal Audit Department examines and reviews the performance to comply with policies, practices, rules and regulations, and relevant laws. This is also to ensure that the internal control system is properly and adequately put in place to prevent potential corruption risks and is reported to the Audit Committee.
- (3) The personnel of the Company and subsidiaries has duties to comply with the Anti-Corruption Policy and Code of Conduct without being involved, whether directly or indirectly, in any corruption or breach of the Code of Conduct.
- (4) The Company will enable the directors and executives of subsidiaries and associates who was nominated by the Company to hold such positions in subsidiaries or associates (as the case may be) to agree to abide by the Company's Anti-Corruption Policy.

Practice Guidelines for Preventing Involvement in Corruption

- (1) The Company requires that personnel of the Company and subsidiaries perform tasks cautiously and be aware of all forms of corruption. In case of any doubt that may cause legal impacts, they shall seek advice from the Legal Department in writing. For other important matters, discretion shall be exercised by the management.
- (2) The Company strives to create and maintain its organizational culture on zero-tolerance on corruption, either it conducts with public or private sectors.
- (3) Directors, executives and employees in every level should not neglect if they find any act involving corruption with the Company. They must report to their supervisors or responsible person and co-operate in the verification process as stipulated in the Whistleblower Policy or regulations of the Company. Moreover, compliant channels for outsiders are arranged.
- (4) The Company fairly treats and protects employees who refuse to be involved in corruption or inform the Company about corruption. The Company will not demote, penalize or give negative impact to employees who refuse to be involved in corruption although they make the Company lose business opportunity.
- (5) Directors and executives in every level of the Company must show their honesty and be good role models in following



the Anti-Corruption Policy. Head of the Internal Audit Department is responsible for continuously disseminating knowledge, encouraging employees in every level to strictly adhere to the Anti-Corruption Policy and instilling it as part of the organizational culture.

- (6) The Anti-Corruption Policy covers in the human resource management process ranging from recruiting, promotion, training to evaluation. Supervisors in every level have to communicate with employees so they apply the policy in business activities under their responsibilities. Also, supervisors must monitor effective compliance with the policy.
- (7) All actions in the Anti-Corruption Policy are in line with those stipulated in the Company's Good Corporate Governance Policy, guidelines for business conduct, relevant regulations, work manual as well as other guidelines which the Company may define later.
- (8) The Company discloses the Anti-Corruption Policy, which is under Thailand's anti-corruption law, via both internal and external media, for instance, notifications, website, and annual report.

To protect the rights of complainants and whistleblowers of good faith, the Company will keep confidentiality of their name, address, or any information, of which access is only limited to persons responsible for examining such complaints.

In case of complaints, the Chief Executive Officer, the Audit Committee will be responsible for protecting whistleblowers or complainants, witnesses, and information providers from troubles, dangers, or unfairness arising from whistleblowing, complaining, witnessing, or provide information. The complainants are requested to file complaints directly to the Audit Committee.

In case that the accused is not the Chief Executive Officer, the Chief Executive Officer has duties to exercise discretion to order as deemed appropriate to protect whistleblowers or complainants, witnesses, trouble, danger, or unfairness arising from whistleblowing, complaining, witnessing, or providing information to the Company.

The Company clearly announced the Anti-Corruption Policy for all personnel's acknowledgement as well as publicized the Anti-Corruption Policy through the Company's communication channels such as the Company's website, e-mail, annual report, and annual registration statement (Form 56-1 One Report).

Investigation, Procedures and Disciplinary Action

- (1) Upon receipt of report, the Chief Executive Officer or the Audit Committee is responsible for screening and investigation.
- (2) During investigation, the Chief Executive Officer or the Audit Committee may assign representative to periodically inform the progress of investigation to reporters or whistleblowers.
- (3) After investigation, if the information or evidence has reason to believe that the accused person commits corruption, the Company will give right to the accused person to acknowledge the complaint and defend himself.
- (4) In case the accused person truly involves with corruption and violates the Company's Anti-Corruption Policy or guidelines, such person will be disciplinary punished as stated in the Company's regulation. If such act is illegal, the wrongdoer may be legally penalized.



(4) Whistleblowing

In case of suspected any act of corruption or breached any rules, regulations, or code of conduct, Complainants must provide details of complaints along with their names, addresses and contact telephone numbers to CRCWhistleblower@central.co.th or by post:

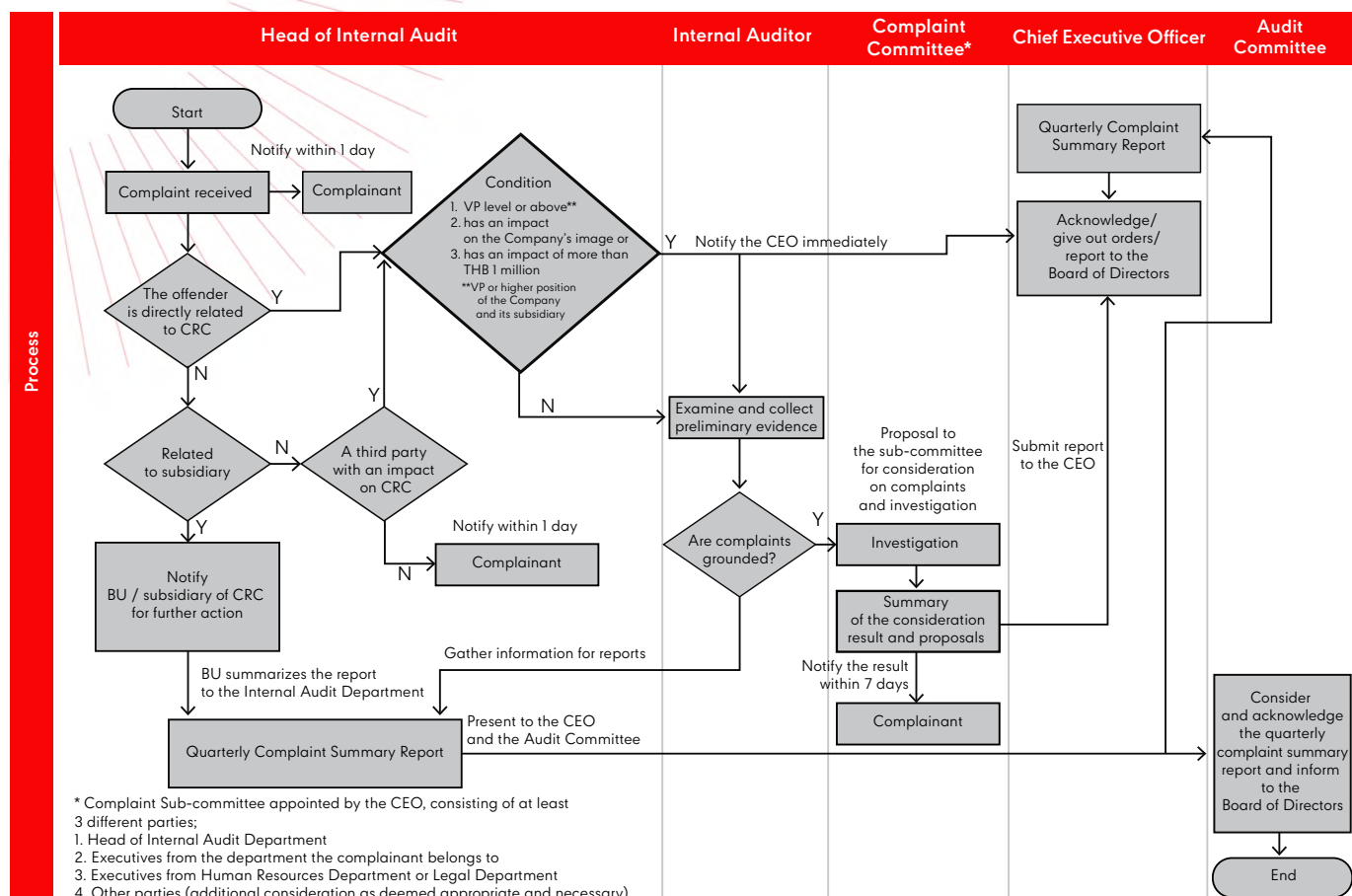
Head of Internal Audit Department
Central Retail Corporation PCL
22 Soi Somkid, Ploenchit Road
Lumpini Sub-district,
Pathumwan District,
Bangkok 10330

In case of complaining towards the Chief Executive Officer, complaints have to be filed directly with the Chairman of the Audit Committee AuditChairman@central.co.th or by post:

The Chairman of the Audit Committee
Central Retail Corporation PCL
22 Soi Somkid, Ploenchit Road,
Lumpini Sub-district,
Pathumwan District
Bangkok 10330

Person who can make complaint on corruption are all stakeholders of the Company, namely shareholders, customers, competitors, creditors, public sector, community, society, executives and employees. No matter channels they utilize for making complaints, the Company will strictly keep the reported information confidential.

The Company has the clear written operating procedure demonstrating the procedure and process of investigation in accordance with the Whistleblowing Policy and the Company's Code of Business Conduct, to acknowledge the employees the investigation procedure and process for complaints regarding corruption and misconduct, and to show or disseminate to those involved, including complainers, complainants, witnesses, investigators and other related people. The Company regularly reviews and improves the guidelines for handling complaints related to wrongdoing. The latest revision has been updated in December 2021, to be more concise for more efficient operations. The process can be summarized as follows:



In the past year, the Company and its subsidiaries received a total of 87 complaints related to wrongdoing, 15 of which were actual offenses related to fraud and 1 case of corruption, none of which had a significant effect or damage to the Company. The Company completed the punishment for the offenders, as well as establishing measures and solutions for the stakeholders to maintain their satisfaction.



8.2 Performance Report of the Audit Committee for the Previous Year

8.2.1 Number of Meeting Attendance

The number of meeting attendance of the Audit Committee is shown in item 8.1.2

8.2.2 Explanation of Performance Results of the Audit Committee

The Audit Committee of Central Retail Corporation Public Company Limited (“Company”) has the main duties and responsibilities to support the Board of Directors in overseeing the matters relating to the preparation and disclosure of information in financial reports, the effectiveness of risk management and internal control systems, the compliance with relevant laws, rules, and regulations, the monitoring of qualifications, expertise and adequacy of working team and independence of both internal auditor and external auditor of the Company as well as the evaluation on the effectiveness of performance of internal auditor. The Audit Committee reports its performance as well as recommendations to the Board of Directors whenever the Audit Committee has any queries or opinions that there should be improvements regards to internal control, financial reports or other matters found. The Audit Committee will promptly report any queries or recommendations in various matters to the Board of Directors. The Audit Committee’s performance of duties can be concluded as follows:

1. Review the accuracy of financial reports and the adequacy of the disclosure of the Company’s information
2. Review connected transactions or transactions that may have conflict of interest
3. Review the internal control system
4. Supervise the internal audit
5. Consider the appointment of auditors and communication of significant matters between the Audit Committee and the auditors
6. Review legal compliance
7. Review good corporate governance
8. Review and revise the Audit Committee Charter

In addition, the Audit Committee performed its duties in accordance with the Charter assigned by the Board of Directors completely and independently to ensure that the Company has executed the efficient and adequate corporate governance, operations for the utmost benefits to the shareholders with fair and equal without any conflict of interest, and internal control system were adequate and appropriate.

Details can be found in Enclosure 6 of the Report of the Audit Committee.



8.3 Performance Summary of Other Committees

Report of the Risk Policy Committee

To Shareholders,

Since 2019, the Risk Policy Committee has been appointed by the Board of Directors of Central Retail Corporation Public Company Limited to support the Board of Directors in overseeing the Company to ensure that it has the adequate and appropriate risk management system in place, enabling the Company to achieve its objectives in an efficient and effective manner, as well as to comply with relevant laws and standards, in order for the overall risk to be within the acceptable level. The Committee consists of four directors, namely Mr. Kanchit Bunajinda (as Chairman of the Committee since December 2020), Mrs. Patareeya Benjapolchai, Mr. Prin Chirathivat, and Mr. Yol Phokasub, with Ms. Pacchanya Chutimawong as Secretary of the Committee until 15 October 2021 and Ms. Inthira Krittayareungrote is Secretary of the Risk Policy Committee from 16 October 2021.

In 2021, the Committee held six meetings (2020: 3 meetings), and had the important performance as summarized below:

1. Supervised the Company to ensure its analysis on business risks, covering all business groups of the Company.
2. Considered the request for core business units to present their risk information at the Risk Policy Committee meeting themselves.
3. Consider linking risk management with internal control and internal audit by guiding the Internal Audit Department to unitize risk assessments results for audit planning.
4. Approved of key risks and risk scale criteria.
5. Considered the establishment of clear organizational structure regarding personnel responsible for risk management.
6. Considered guidelines and criteria for report of significant events that may affect assets and the image of the organization.
7. Reviewed the Charter of the Risk Policy Committee and the Enterprise Risk Management Policy, ensuring suitability and alignment with the ever-changing business conditions.
8. Evaluated the Risk Policy Committee's performance in various aspects, including the structure, qualifications, meetings and performance of duties under the Charter for improvements for better efficiency.
9. Reported operating results and performance to the Board of Directors on a regular basis, always keeping the Board informed.

The Committee has a commitment to enhance the internationally standardized risk management system in order for the shareholders and stakeholders to be confident in the Company's business operation with adherence to the corporate governance and sustainable development principles.

-Kanchit Bunajinda-
(Mr. Kanchit Bunajinda)
Chairman of the Risk Policy Committee



Report of the Nomination and Remuneration Committee

To Shareholders,

In 2021, the Nomination and Remuneration Committee held four meetings and consistently reported its performance to the Board of Directors for acknowledgement after each meeting, summarized below:

1. Considered the structure of the Board of Directors and the sub-committees, in terms of the composition and the number of directors deemed as appropriate for the size, type and complexity of business as well as compared it with other companies in the same or similar industry and acknowledged the 2021 Board diversity, comprising the information on the number of independent directors, their gender, and Board Skill Matrix to be used for the consideration of appointment of suitable directors with qualifications, knowledge, and capabilities that are diverse and beneficial to the Company's business operation.
2. Considered nominating suitable persons with qualifications, knowledge, experience, and expertise to be directors and proposed them to the Board of Directors and the 2021 Annual General Meeting of Shareholders. The Committee proposed the re-appointment of directors retiring by rotation in 2021 for another term, while the shareholders' meeting resolved to approve the appointment of all directors as proposed.
3. Considered nominating suitable persons with knowledge, experience, and expertise to replace the resigning directors and proposed them to the Board of Directors for consideration and approval.
4. Considered nominating suitable persons with knowledge, experience, and expertise to be the Company's senior executives and proposed them to the Board of Directors for consideration and approval.
5. Considered the structure and determined the 2021 remuneration for the Board of Directors and the sub-committees, comprising the Audit Committee, the Risk Policy Committee, and the Nomination and Remuneration Committee, and then submitted it to the Board of Directors and the shareholders' meeting for consideration and approval, by taking into account their responsibilities and performance related to operating results and other relevant factors earned and other relevant factors. The remuneration rates were compared with those of other companies in the same or similar industry and approved by the shareholders' meeting.
6. Considered the remuneration for executive directors and senior executives of the Company, using the fair and reasonable criteria or methods, concerning the duties, responsibilities, and the annual performance, and then presenting to the Board of Directors for approval.
7. Considered training and development plans for the Company's directors and the sub-committees as in accordance with the Company's business and situation.
8. Considered and reviewed succession plans for the CEO and senior executive positions to ensure the Company's continued business operations, with CEO's involvement in his involvement in the review and data presentation.
9. Considered the assessment criteria for the 2021 performance of the CEO and senior executive positions and submitted them to the Board of Directors for approval.
10. Acknowledged and provided comments on the policy and practices of human resource management and organizational management, including plans and operation in 2021, recruitment, turnover rate, and staff development plan.
11. Reviewed the Nomination and Remuneration Committee Charter. In 2021, no amendment was made since the current Charter was still complete and suitable for the situation.
12. Acknowledged the results and considered the 2021 self-assessment of the Committee to be used for enhancing the performance of duties of the Committee according to the good corporate governance principles.

The Committee performed its duties with prudence and honesty, based on the responsibilities specified in the Charter while adhering to the good corporate governance principles adequately and suitably for the balanced and sustainable benefits of all stakeholders.

-Atchaka Sibunruang-
(Dr. Atchaka Sibunruang)

Chairman of the Nomination and Remuneration Committee



Report of the Corporate Governance and Sustainability Committee

To Shareholders,

The Corporate Governance and Sustainability Committee of Central Retail Corporation Public Company Limited consists of 4 directors who are appointed by the Board of Directors, responsible for monitoring the performance of Corporate Governance and Sustainable Development, ensuring the alignment with the Company's policies and goals, for the Company to conduct its business under the principles of good governance with transparency in operation, along with protecting the interests of shareholders and all stakeholders. Mrs. Patareeya Benjapolchai is the chairman of the Committee and Dr. Atchaka Sibunruang, Mr. Pichai Chirathivat, and Mr. Yol Phokasub are member of the Committee.

In 2021, the Corporate Governance and Sustainability Committee has performed duties and responsibilities under the Corporate Governance and Sustainability Committee Charter by holding 4 meetings in total, with all directors' full attendance at each meeting. The Committee regularly reported its performance to the Board of Directors, with details summarized as follows:

1. Corporate Governance Duties

- 1.1 Review and approval of charters and various policies of the Company for the year 2021, in order to comply with the principles of good corporate governance, before presenting to the Board of Directors for approval. The details are as follows:
 - Reviewed charters and policies related to good corporate governance, and suggested amendments to the charter of the Board of Directors and Corporate Governance policy to the Board of Directors for approval.
 - Approval and suggestions on the establishment of the Supplier Code of Conduct, Investor Relations Code of Conduct, the Group's Tax Policy, and Information Security Mission Statement and Policy.
- 1.2 Approved the development plan according to the Corporate Governance Report of Thai Listed Companies (CGR) and gave recommendations to the Board of Directors. As a result, in 2021, the Company received an "Excellent" corporate governance assessment result (5 stars) for the first year in the CGR Project organized by Thai Institute of Directors Association (IOD). The Company also received "100 full points" (5 badges) in the AGM Quality Assessment Program (AGM Checklist) from the Thai Investors Association. In addition, the Committee acknowledged that the Company is invited to participate in the ASEAN Corporate Governance Scorecard assessment, which the Company has joined the assessment and the announcement will take place in 2022.
- 1.3 Acknowledged the review of operations in accordance with Corporate Governance Code for listed companies (CG Code) issued by the Office of the Securities and Exchange Commission of Thailand, as well as followed up on the application of CG Code to suit the business context in order to raise the standard of work to be in line with international standards, taking into account equality to all stakeholders. The Committee gave recommendations to the Board of Directors to review the performance in accordance with the context of the Company's business.
- 1.4 Assigned the management to prepare a handbook on Corporate Governance and Code of Conduct of the Company and its subsidiaries which compiling all policies and practices into one book as a guideline for the Company's personnel to comply. In 2021, the Committee gave advice to the management regarding preparation of the handbook and will present the handbook to the Board of Directors to be approved in 2022.



2. Sustainable Development Duties

- 2.1 Comments on planning and guidelines for formulating strategies to drive business for sustainability, in accordance with the United Nations Sustainable Development Goals (UNSDGs), by defining materiality, priority validation, continuous review and development, including conducting a hearing for participation of stakeholders.
- 2.2 Approval of sustainability guidelines and submission of the Thailand Sustainability Investment assessment (THSI) to the Stock Exchange of Thailand in 2021. As a result, the Company was listed on the Thailand Sustainability Investment Index for the year 2021. In addition, it was also the first year for the Company to participate in the assessment of the Dow Jones Sustainability Indices (DJSI), a sustainability assessment according to economic, social and environmental indicators accepted by institutional investors around the world as investment information. The results of the first year's scores were satisfactory by the Board of Directors.
- 2.3 Gave opinions and operational guidelines on sustainability gap analysis with a preliminary assessment on issues currently prioritized by the organization, along with defining future standards in the preparation for the development process, ensuring that all members of the organization work towards achieving the Company's business goals.
- 2.4 Gave opinions and summarized guidelines for sustainable development strategies, to formulate a 5-year strategic plan (2021-2025).
- 2.5 Approval to participate in the Thailand Sustainability Investment assessment of the Stock Exchange of Thailand (THSI) and the Dow Jones Sustainability Indices (DJSI) in 2022 by providing guidelines for maintaining standards and development of work using the gap analysis as a guideline to formulate appropriate strategies.
- 2.6 In order to make sustainability a part of business guidelines and enhance continuity in the environment, society and economic development, the Committee considered and approved a budget for the year 2022.
- 2.7 Approval for sustainability policies establishment in various contexts, such as Environmental Policies, Guidelines for Waste Segregation, Food loss and Waste Reduction, Plastic and Packaging Reduction and Information Security Policy, etc.

3. Others

- 3.1 Determined the Corporate Governance and Sustainability Committee Charter as a guideline for performing duties in accordance with Good Corporate Governance principles and suitability to the Company's current operations, before proposing to the Board of Directors for approval.
- 3.2 Approval of the Corporate Governance and Sustainability Committee's Self Evaluation Form and performed self-assessment for 2021. As a result, the structure and composition of the Committee were found appropriate, with complete and efficient performance.
- 3.3 Reported the progress and performance to the Board of Directors.

- Patareeya Benjapolchai -
(Mrs. Patareeya Benjapolchai)
Chairman of the Corporate Governance
and Sustainability Committee



9

Internal Control and Connected Transactions





9.1 The Board of Directors' Opinions on Internal Control

The Board of Directors is aware of the importance of having good internal control systems. It is an important duty to be taken to ensure that the Company has appropriate and sufficient internal control systems to efficiently oversee the operations to meet the goals, objectives, laws, and relevant requirements, to be able to protect assets from any fraud and damage, and to do accounting and financial report with accuracy and reliability that is disclosed completely and adequately in a timely manner.

The meeting of the Board of Directors No. 2/2021 held on 25 February 2022 was attended by 5 independent directors, 3 of whom were members of the Audit Committee. The Board of Directors considered and assessed the sufficiency of the internal control systems of the Company and subsidiaries by using the assessment form for the sufficiency of the internal control systems of the Securities and Exchange Commission ("SEC") and asking the information from the management of the Company. The Board of Directors considered the internal control systems of the Company in 5 parts according to the guidelines of The Committee of Sponsoring Organizations of Treadway Commission ("COSO") which consists of:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activities

After consideration of such assessment form, the Board of Directors was of the opinion that the internal control systems of the Company and subsidiaries were sufficient and appropriate while having adequate personnel to efficiently implement the systems as well as oversee operations to sufficiently safeguard the assets of the Company and subsidiaries from wrongful conduct or without authority and transactions with persons that may have conflict of interest and related persons. The assessment results on the sufficiency of the internal control systems in 5 components as follows:

Part 1 Control Environment

- The Company considered the operational goals through the preparation of the Company's strategic plan and the review of the annual budget plan at the meeting of the Board of Directors. The Company's business operations adhere to ethics which require the Company to conduct business with good corporate governance, transparency, and efficiency.
- The Company values the importance of integrity and ethics. The Board of Directors imposes a good corporate governance policy, an anti-corruption policy, and a "Code of Conduct" handbook in writing, officially announced to be abided by the Company's employees at all levels. The said handbook specified ethical requirements and regulations that the Company's employees at all levels should perform or not perform in a manner that may cause conflict of interest with the business. There is also an Internal Audit Department responsible for reviewing compliance with the Code of Conduct and a performance assessment policy which specifies ethical practices as one of the assessment criteria. The Company set up a Compliance Unit to oversee the Company's personnel and internal units to perform duties or work in compliance with relevant regulations. And in 2021, the Company established a Compliance Agent to coordinate with the Compliance Unit and related departments, as well as auditing and monitoring compliance with the regulation. In addition, the Company also appointed Sustainability working teams to ensure more efficiency in sustainability operations.



- The Company set the roles and responsibilities of the Board of Directors through the Charter of the Board of Directors which specified the duties and responsibilities of the directors in determining visions, strategies, business directions, goals, business plans, budgets, and management structures through the Company's strategic plan and the annual operation plan of the Board of Directors.
- The Company develops the organizational structure and divides the management structure with the Chief Executive Officer as the top executive distributing responsibilities to executives in each department as deemed appropriate. This helps the management to operate more efficiently.
- The Company has an operation handbook for the Human Resource Department and a policy for evaluating the performance of employees specifying the guidelines for increasing salary and bonus for employees. The compensation such as salary, bonus, and long-term incentive compensation is one of the strategies of the Company and the performance measurement of employees under the rules or regulations of the Company. The Company also has a succession policy for recruiting successors to the position of the Chief Executive Officer and executives from department managers upward.
- The Company established written rules and regulations regarding the Company's human resource management which were in accordance with the requirements of the labor protection law. The Company also stipulated job descriptions for employees at all levels to be aware of their responsibilities.
- In March 2021, the Company signed a Declaration of Intent to join the Thai Private Sector Collective Action Coalition (CAC) in order to comply with the criteria set by the CAC to apply for certification from the CAC Council within 18 months from the date of the declaration of intent.

Part 2 Risk Assessment

- The Company appointed 4 members of the Risk Policy Committee to be responsible for overseeing the risk management to be in accordance with the Charter approved by the Board of Directors and appointed Head of Enterprise Risk Management as the Secretary to the Risk Policy Committee.
- The Risk Policy Committee performed its duties through the Risk Management Committee and the management in developing risk management plans and overseeing the risk management of each business unit.
- The Risk Management Committee monitored and reviewed the risks and risk indicators to report to the Risk Policy Committee at least twice a year.
- The Risk Policy Committee reported the results on the implementation of risk management plans to the Board of Directors after every meeting of the Risk Policy Meeting.
- Whistleblowing was reported to the Audit Committee for acknowledgement at least once every quarter. In case of significant wrongdoings, they would be immediately informed.

Part 3 Control Activities

- The Company set the structure of the department, job descriptions, and work manuals in line with the characteristics of the business of that department, including the scope of authority and duties and the credit limit of each department at each level clearly in writing. An authority handbook was developed. The information technology system was also put in place to support work processes as well as to help control performance.



- The Company clearly segregated duties and responsibilities in various tasks. They can be inspected with clear procedures in duties as follows:
 - (1) Approve
 - (2) Record accounting entries and information
 - (3) Handle and store assets
- The Company regularly improves new work procedures to be in line with the changing work system.
- The Company monitored and reviewed connected transactions or transactions that may cause conflict of interest among shareholders, directors, executives, and related parties with the policy to prevent the conflict of interest, the connected transaction policy, and the land purchase and leasing for business operation from related person policy as a control measure to make the connected transactions or transactions that may cause conflict of interest in accordance with the laws and regulations of SET. In case the value of the transaction reached the specified significant criteria, before making a transaction, the management department must present the said transaction to the Audit Committee for comments, which is treated as the arm's length basis before proposing to the Board of Directors who has no interest in that transaction to consider. In addition, in order to control the operations of the subsidiaries and associates, the Company set written investment policies and policies for overseeing the operations of subsidiaries and associates, including appointing directors or executives in those subsidiaries or associates.

Part 4 Information and Communication

- The Company has a policy to communicate various information of the Company to personnel in any position related to various matters through the Human Resource Department.
- The Company provides sufficient important information and delivered such information before the meeting date for the Board of Directors' decision-making.
- In each committee meeting, there are minutes of the meeting recording matters that the Board of Directors approved or provided additional suggestions. The said important minutes are kept in accordance with the law.
- The Company kept all accounting documents and accounts into categories and never been informed by the auditors that there was any flaw.
- The Company has in place a system to keep documents orderly to allow the auditors, the internal auditors and the authorized person to have access for inspection.
- The Company's financial statements are audited and commented by the auditors approved by SEC.
- The Company provides communication channels so that both internal and external stakeholders can report information or clues about fraud or corruption and also set a policy to report clues about wrongdoings. The said policy stipulates protection of people who report clues or complaints.

Part 5 Monitoring Activities

- The Company has a process to monitor compliance with the "Code of Conduct" by the Company's Internal Audit Department. For the subsidiaries, a Loss Prevention Department was established to oversee the orderliness, the safety and the wrongdoing occurring within each company.



- In the case that the operating results are significantly different, the Company would organize executive meetings for each department to find the cause of the different results and assess the situation to find an immediate solution and would report progress of corrective actions at the next executive committee meeting.
- The Company established criteria for reporting cases from the Legal Department, which must be reported to the Audit Committee and the Board of Directors for acknowledgment. The guidelines are regularly reviewed and updated.
- The Company assigns the internal auditor to report the audit results directly to the Audit Committee regularly, and the Audit Committee emphasizes on continuous personnel development of the Internal Audit Department, which can be seen from having external consultant to undertake the Quality Assurance Review (QAR).
- The Company has a policy for the management to report immediately to the Board of Directors in case of frauds or suspicious behaviors of serious corruptions, practices that violated the law or any other unusual actions which may affect the reputation and financial status of the Company significantly. Such case may be initially reported verbally and there would be a follow-up report in writing for presentation

Head of Internal Audit

The Company's Internal Audit Department directly reported to the Audit Committee. The department is responsible for overseeing the independence, the efficiency, and the effectiveness of the internal audit operations. The Audit Committee Meeting No. 1/2019, held on 28 March 2019, resolved to appoint Mr. Phisoot Suksangthip as Head of Internal Audit since he possessed complete and sufficient knowledge and experience according to the qualifications specified in the Charter of Internal Audit Department to control such operations. However, the consideration and approval of appointment, removal, and transfer of Head of Internal Audit of the Company must be approved by the Audit Committee. The qualifications of Head of Internal Audit can be found in Enclosure 3.



9.2 Connected Transaction

Persons who might be involved in a conflict of interest

	Persons or juristic persons who might be involved in a conflict of interest	Nature of Business Operation	Relations with the Company
1.	Mr. Suthichai Chirathivat ⁽¹⁾ (Mr. Suthichai)	-	Director ,on the date of transaction (ended of 25 November 2021)
2.	Mr. Suthikiati Chirathivat (Mr. Suthikiati)	-	Director
3.	Mr. Sudhitham Chirativat ⁽²⁾ (Mr. Sudhitham)	-	Director, on the date of transaction (starting on 21 December 2021)
4.	Mr. Suthipand Chirathivat (Mr. Suthipand)	-	Director
5.	Mrs. Yuwadee Chirathivat (Mrs. Yuwadee)	-	Director
6.	Mr. Suthilaksh Chirathivat (Mr. Suthilaksh)	-	Director
7.	Mr. Prin Chirathivat (Mr. Prin)	-	Director
8.	Mr. Tos Chirathivat (Mr. Tos)	-	Director
9.	Mr. Pichai Chirathivat (Mr. Pichai)	-	Director
10.	Mr. Sudhisak Chirathivat	-	Brother of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthipand and (5) Mr. Suthilaksh
11.	Mr. Suthichart Chirativat	-	Brother of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthipand and (5) Mr. Suthilaksh
12.	Mr. Suthidech Chirathivat	-	Brother of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthipand and (5) Mr. Suthilaksh
13.	Mr. Suthipak Chirativat	-	Brother of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthipand and (5) Mr. Suthilaksh
14.	Khunying Suchitra Mongkolkiti	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthipand and (5) Mr. Suthilaksh

Remarks: ⁽¹⁾ Begin the Company's director until 25 November 2021

⁽²⁾ Appointed as the Company's director on 21 December 2021



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
15.	Mrs. Sukanya Promphan	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
16.	Mrs. Supatra Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
17.	Ms. Achara Chirativat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
18.	Ms. Piyaphan Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
19.	Ms. Busaba Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
20.	Ms. Wallaya Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
21.	Mrs. Nathaya Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
22.	Ms. Jariya Chirathivat	-	Sister of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
23.	Mr. Suthisarn Chirathivat	-	Brother of 5 Directors of the Company including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthipand and (5) Mr. Suthilaksh
24.	Mrs. Oranee Chirathivat	-	Wife of the Director or Mr. Suthichai (on the transaction date)
25.	Mr. Naratha Chirathivat	-	Son of the Director or Mr. Suthichai (on the transaction date)
26.	Ms. Sansana Chirathivat	-	Daughter of the Director or Mr. Suthichai (on the transaction date)
27.	Ms. Rvisra Chirativat	-	Daughter of the Director or Mr. Suthichai (on the transaction date)
28.	Mr. Davis Chirathivat	-	Son of the Director or Mr. Suthichai (on the transaction date)
29.	Mr. Theeradech Chirathivat	-	Son of the Director or Mr. Suthikiati
30.	Mr. Theerayut Chirathivat	-	Son of the Director or Mr. Suthikiati



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
31.	Mr. Theerakiati Chirathivat	-	Son of the Director or Mr. Suthikiati
32.	Mrs. Somkamol Chirathivat	-	Daughter of the Director or Mr. Suthikiati
33.	Mr. Patsarakorn Chirathivat	-	Son of the Director or Mr. Suthikiati
34.	Ms. Arunee Chirathivat	-	Sister of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
35.	Mrs. Nitsinee Chirathivat	-	Sister of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
36.	Mrs. Sirikate Chirakiti	-	Sister of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
37.	Ms. Netanong Chirathivat	-	Sister of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
38.	Mr. Kriengsakdi Chirathivat	-	Brother of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
39.	Mrs. Sakolsri Maleenon	-	Sister of 3 Directors including (1) Mrs. Yuwadee, (2) Mr. Prin, and (3) Mr. Tos
40.	Mr. Ton Chirathivat	-	Son of the Director or Mr. Sudhitham Chirativat
41.	Ms. Juthatham Chirathivat	-	Daughter of the Director or Mr. Sudhitham Chirativat
42.	Mr. Chodok Bhicharnchitr	-	Son of the Director or Mrs. Yuwadee
43.	Mr. Barom Bhicharnchitr	-	Son of the Director or Mrs. Yuwadee
44.	Ms. Woraluksanai Bhicharnchitr	-	Daughter of the Director or Mrs. Yuwadee
45.	Mr. Watt Chirathivat	-	Brother of the Director or Mr. Pichai
46.	Mr. Kobchai Chirathivat	-	Brother of the Director or Mr. Pichai
The companies of which major shareholder is the person who might be involved in a conflict of interest (Other Groups of Companies)			
47.	SALA Phuket Company Limited	Hospitality	The following directors of the Company directly hold the shares: (1) Mr. Tos directly holds 35% of the shares, (2) Mr. Suthilaksh directly holds 25% of the shares and (3) Mr. Prin directly holds 15%
48.	Sala Rattanakosin Company Limited	Hospitality	The following directors of the Company directly hold the shares: (1) Mr. Tos directly holds 21% of the shares, (2) Mr. Pichai directly holds 18% of the shares and (3) Mr. Prin directly holds 12.5%



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
49.	Sapsaimanee Company Limited	Hospitality	Directors of the Company, (1) Mr. Tos and relevant persons and (2) Mr. Suthilaksh, indirectly hold the shares through SALA Samui Company Limited and Samui Laem Samrong Company Limited directly holds 55% and 40% of the shares respectively. One of its Board of Directors member is the same as the Company's, which is Mr. Suthilaksh.
50.	Plaengpak Thammachart Company Limited	Vegetable and Fruit Supplies	Director, on the date of transaction (ended of 15 March 2019) Brother of Directors of the Company, Mr. Suthisarn, directly holds 50% of the shares.
51.	Five Senses Company Limited	Hospitality	Director, on the date of transaction (ended of 15 March 2019) Brother of Directors of the Company, Mr. Suthisarn, directly holds 20% of the shares.
52.	Jindatawee Company Limited	Hospitality	The following directors of the Company directly hold the shares: Mr. Tos and relevant persons directly hold 50% of the shares One of its Board of Directors members are the same as the Company's, which is Mr. Tos.
53.	Osodtong Company Limited	Hospitality	The following directors of the Company directly hold the shares: (1) Mr. Prin directly holds 20% of the shares, (2) Mr. Tos directly holds 20% of the shares, and (3) Mrs. Yuwadee directly holds 10% of the shares.
54.	Terra Cottage Company Limited	Hospitality	A director of the Company, (1) Mr. Suthilaksh, directly holds 20% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Suthilaksh.
55.	Bangkok Post-Bauer Company Limited	Publishing Media	A director of the Company, Mr. Suthilkiati, indirectly holds the shares via Post International Media Company Limited which directly holds 70.12% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Suthikiati.
56.	Food Passion Company Limited	Restaurant	A director of the Company, Mr. Suthilaksh, directly holds 10.8% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Suthilaksh.



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
57.	Stork (Thailand) Company Limited	Restaurant	A director of the Company, Mr. Suthilaksh, directly holds 15% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Suthilaksh.
58.	F.T. Sales And Servic Company Limited	Car Care Service and Supply of Auto Parts and Accessories	A director of the Company, Mr. Prin, directly holds 10% of the shares.
59.	Pingsuwan Company Limited	Hospitality	The following directors of the Company directly hold the shares: (1) Mr. Prin directly holds 17.5% of the shares, (2) Mr. Tos directly holds 17.5% of the shares, and (3) Mrs. Yuwadee directly holds 10% of the shares.
60.	SpicyDisc Company Limited	Audio Disc Supply	A director of the Company, Mr. Pichai, directly holds 99.98% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Pichai.
61.	RIS Company Limited ("RIS")	Computer System Services and Selling Computer Equipments	Siblings of Directors of the Company, Mrs. Sirikate Chirakiti, directly holds 10% of the shares.
62.	Terasoft Solutions Development Company Limited	Software Development or program for sale or rent	Son Directors of the Company, Mr. Chodok Bhicharnchitr who directly holds 100% of the shares.
63.	Spaghetti Factory Company Limited	Selling food and beverage	A director of the Company, Mr. Pichai Chirathivat, directly holds 99.98% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Pichai.
64.	The Little Kitchen Company Limited	Selling food and beverage	The following directors of the Company directly hold the shares: (1) Mr. Prin Chirathivat directly holds 10% of the shares and (2) Mrs. Yuwadee Chirathivat directly holds 10% of the shares.



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
65.	Samui Laem Samrong Company Limited	Hospitality	The major shareholder is Vacation Club Company Limited which directly holds 69.70% of the shares. The following directors of the Company directly hold the shares: (1) Mr. Suthilaksh Chirathivat directly holds 5.46% of the shares and (2) Mr. Tos directly holds 5.46% of the shares.
66.	Post International Media Company Limited	Advertising	The major shareholder is Bangkok Post Public Company Limited which directly holds 100% of the shares. One of its Board of Directors members is the same as the Company's, which is (1) Mr. Suthikiati
67.	Flour Shoppe Company Limited	Selling bakery and beverage	Siblings of Directors of the Company, Mrs. Arunee Chirakiti, directly holds 50% of the shares.
68.	68. Sakura Restaurant Company Limited	Selling food and beverage	A director of the Company, Mr. Pichai Chirathivat, directly holds 99.98% of the shares. One of its Board of Directors members is the same as the Company's, which is Mr. Pichai

Harg Central Department Store Limited (HCDS) and Its Subsidiaries called together with HCDS as the HCDS Group

69.	Harg Central Department Store Limited (HCDS)	Holding Company and Provider of Service and Consultation regarding Management of Business, Asset, and Operation to the Subsidiaries	The major shareholder of the Company directly holding 35.06 % of the Company's shares Six of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthilaksh, (5) Mr. Prin and (6) Mr. Tos.
70.	Central Food Retail Ratchada Company Limited	Holding Real Estate	The major shareholder is HCDS which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's including (1) Mr. Prin and (2) Mr. Tos.
71.	Central Embassy Hotel Company Limited	Hospitality	The major shareholder is HCDS which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthilaksh, (2) Mrs. Yuwadee, (3) Mr. Prin and (4) Mr. Tos.



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
72.	Overseas Fashions Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Sudhitham (3) Mrs. Yuwadee and (4) Mr. Prin.
73.	Overseas Fashions Joint Stock Company	Fashion Retail in Vietnam	The major shareholder is HCDS indirectly holding shares via Overseas Fashions Company Limited which directly holds 100% of the shares. On the date of this document issuance, Overseas Fashions Joint Stock Company is no longer operating.
74.	CRC Property Company Limited	Holding Real Estate	The major shareholder is HCDS which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthilaksh, (2) Mrs. Yuwadee, (3) Mr. Prin and (4) Mr. Tos.
75.	CRC Power Retail Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. Three of its Board of Directors members are the same as the Company's including
76.	Central WHA Alliance Company Limited	Warehouse, Goods Distribution Center, and Facilities Project Developer	The major shareholder is HCDS indirectly holding shares via CRC Power Retail Company Limited which directly holds 50% of the shares. One of its Board of Directors members are the same as the Company's, which is Mr. Prin.
77	Teenee Khonkhaen Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. One of its Board of Directors members are the same as the Company's, which is Mr. Prin.
78.	Teenee Wongsawang Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. One of its Board of Directors members are the same as the Company's, which is Mr. Prin.
79.	Central Wealth Solution Mutual Fund Brokerage Securities Company Limited	Mutual Fund Broker	The major shareholder is HCDS which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Suthilaksh and (2) Mr. Parin. The Company's management, Mr. Piya Nguakaramahawongse (Mr. Piya), holds the position of director.



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
80.	Evergrow Asia Ltd.	Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's, which are (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthilaksh, (3) Mr. Prin and (4) Mr. Tos.
81.	Baby Kiko Sdn. Bhd.	Holding Company	The major shareholder is HCDS indirectly holding shares via Evergrow Asia Ltd. which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Prin and (2) Mr. Pichai.
82.	ANIR One Ltd.	Holding Company	The major shareholder is HCDS which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Prin and (2) Mr. Tos.
83.	Illum A/S	Department Store Retail in Denmark	The major shareholder is HCDS indirectly holding shares via CRC Luxembourg S.a.r.l. which directly holds 99.46% of the shares.
84.	Rina Estate Italia S.r.l.	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via CRC Luxembourg S.a.r.l. which directly holds 100% of the shares. Three of its Board of Directors members are the same as the Company's, which are (1) Mrs. Yuwadee, (2) Ms. Parin and (3) Mr. Tos.
85.	Lagrange Estate S.r.l.	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via CRC Luxembourg S.a.r.l. which directly holds 88.70% of the shares. Three of its Board of Directors members are the same as the Company's, which are (1) Mrs. Yuwadee, (2) Ms. Parin and (3) Mr. Tos.
86.	PT Central Retail Indonesia	Department Store in Indonesia	The major shareholder is HCDS indirectly holding shares via CRC Luxembourg S.a.r.l. which directly holds 99.98% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mrs. Yuwadee and (2) Mr. Prin. On the date of this document issuance, Overseas Fashions Joint Stock Company is liquidated.
87.	CGE Invesment Limited	Holding Company	The major shareholder is HCDS indirectly holding shares via CRC Luxembourg S.a.r.l. which directly holds 100% of the shares.
88.	The KaDeWe Group GmbH	Department Store Retail in German	The major shareholder is HCDS indirectly holding shares via The KaDeWe Group Holding GmbH directly holding 100% of the shares whose shares are indirectly held by HCDS via CRC Luxembourg S.a.r.l. which directly holds 50.10% of its shares.



Persons or juristic persons who might be involved in a conflict of interest	Nature of Business Operation	Relations with the Company
89. Central Insurance Services Company Limited	Casualty Insurance Broker	The major shareholder is HCDS which directly holds 100% of the shares. One of its Board of Directors members are the same as the Company's, which is Mr. Tos. The Company's management, Mr. Piya, holds the position of director.
90. Bangna Department Store Company Limited	Real Estate Holding Company	The major shareholder is HCDS which indirectly holds 100% of the shares. Seven of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthilaksh (5) Mrs. Yuwadee, (6) Mr. Prin and (7) Mr. Tos.
91. Z Retail Tech Company Limited	Retail Done via Online Channel and Trading Medium	The major shareholder is HCDS which directly holds 100% of the shares. Not recognized as conflicted of Interest as at the date of this document issuance, Z Retail Tech Company Limited had changed the major shareholders to CHAI ADVISORY LIMITED, holding 100% of the shares
92. Central Payment Company Limited	Gift Voucher Supplier	The major shareholder is HCDS which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthilaksh, (2) Mrs. Yuwadee, (3) Mr. Prin and (4) Mr. Tos.
93. The 1 Central Company Limited	Reward Point Trade and Relevant Services	The major shareholder is HCDS which directly holds 100% of the shares. One of its Board of Directors members are the same as the Company's, which are (1) Mr. Prin.
94. Dining Sensations Company Limited	Restaurants and Fine Dining	The major shareholder is HCDS indirectly holding shares via Onward Holding Company Limited which directly holds 100% of the shares
95. Central People Development Center Company Limited	Business and Conference Service	The major shareholder is HCDS indirectly holding shares via Dining Sensations Company Limited which directly holds 100% of the shares. Seven of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham, (4) Mr. Suthilaksh, (5) Mrs. Yuwadee, (6) Mr. Prin, (7) Mr. Tos, (8) Mr. Pichai, and (9) Mr. Yol, The Company's management, Mr. Piya, holds the position of director.



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
96.	Central Retail International Ltd.	Ownership of Trademark Registered in Foreign Countries	The major shareholder is HCDS indirectly holding shares via San Simeon Investment Ltd. which directly holds 100% of the shares.
97.	Suannaklua Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 74.92 of the shares and indirectly holds the shares via Tiang Chirathivat Company Limited which directly holds 25.08% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Prin.
98.	Central Garment Factory Company Limited	Fashion Manufacturing	The major shareholder is HCDS which directly holds 69.71% of the shares. Five of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Pin, (4) Mr. Tos and (5) Mr. Pichai.
99.	Central Thonburi Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 48.77 of the shares and indirectly holds the shares via Tiang Chirathivat Company Limited which directly holds 41.21% of the shares and CDS Holding Company Limited which directly holds 10.02% of the shares. Five of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Suthilaksh, (4) Mr. Prin and (5) Mr. Tos.
100.	Central Marketing Group Intertrade Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 45.57 of the shares and indirectly holds the shares via Tiang Chirathivat Company Limited which directly holds 54.43% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Sudhitham (3) Mr. Suthilaksh and (4) Mr. Prin.



Persons or juristic persons who might be involved in a conflict of interest	Nature of Business Operation	Relations with the Company
101. Prin Intertrade Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 71.00 of the shares and indirectly holds the shares via Central Garment Factory Company Limited which directly holds 29% of the shares. Five of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Prin, (4) Mr. Tos and (5) Mr. Pichai.
102. Central JD Commerce Company Limited	Retail Done via Online Channel and Trading Medium	The major shareholder is HCDS which directly holds 41.74% of the shares. It has the same director with the Company which is Mr. Yol.
103. Central JD Money Company Limited	Electronic Payment System Service	The major shareholder is HCDS indirectly holding shares via Central JD Fintech Company Limited which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Prin and (2) Mr. Yol. The Company's management, Mr. Piya, holds the position of director.
104. C.D.S. Restaurant Company Limited	Restaurants and Fine Dining	The major shareholder is HCDS indirectly holding shares via Central Thonburi Company Limited which directly holds 61.11% of the shares. Three of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati and (3) Mr. Suthilaksh.
105. Tiang Chirathivat Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 29.84% of the shares. Six of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Sudhitham (4) Mr. Suthilaksh, (5) Mr. Prin and (6) Mr. Tos.
106. Ploenruedee Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 100% of the shares. Five of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Sudhitham, (3) Mr. Suthilaksh, (4) Mr. Prin and (5) Mr. Tos.



Persons or juristic persons who might be involved in a conflict of interest	Nature of Business Operation	Relations with the Company
107. Paton 1 Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Pin.
108. Paton 2 Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Pin.
109. Paton 3 Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 100% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Prin.
110. Vivify Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 100% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Suthilaksh and (2) Mr. Prin.
111. Phuket Hill Resort Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 99.98% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Prin.
112. Frederick World Sales Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited and various subsidiaries with multiple steps along the line The initial shareholder company is Chakkrawat Holding Company Limited who directly holds 99.97% of the shares. One of its Board of Directors members are the same as the Company's, which is Mr. Prin.



Persons or juristic persons who might be involved in a conflict of interest	Nature of Business Operation	Relations with the Company
113. Central Condominium Company Limited	Real Estate Holding Company	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 99.78% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Prin.
114. The Vintage Club Company Limited	Golf Club	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 37.62% of the shares. The following directors of the Company directly hold the shares: (1) Mr. Sudhitham directly holds 9.6% of the shares; (2) Mr. Suthilaksh directly holds 9.6% of the shares; (3) Mr. Tos directly holds 9.6% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Suthilaksh and (2) Mr. Prin.
115. Cha-am Seaview Company Limited	Hospitality	The major shareholder is HCDS which directly holds 29.25 of the shares and indirectly holds the shares via Tiang Chirathivat Company Limited which directly holds 70.75% of the shares. Four of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati, (3) Mr. Suthilaksh and (4) Mr. Prin.
116. Centerl Inter Pattana Company Limited	Real Estate Holding Company	The major shareholder is HCDS which directly holds 25% of the shares. Five of its Board of Directors members are the same as the Company's including (1) Mr. Suthichai (on the transaction date), (2) Mr. Suthikiati (3) Mr. Suthilaksh, (4) Mr. Prin and (5) Mr. Tos.
117. Siam Retail Development Company Limited	Fashion Island Department Store	The major shareholder is HCDS which directly holds 12.00 of the shares and indirectly holds the shares via Square Ritz Plaza Company Limited which directly holds 25% of the shares.
118. Peter and Jannie Company Limited	Selling clothes	The major shareholder is Chakkrawat Holding Company Limited which directly holds 99.98% of the shares. (Completion of liquidation 17 November 2019)



Persons or juristic persons who might be involved in a conflict of interest		Nature of Business Operation	Relations with the Company
119.	Central Tham Social Enterprise Company Limited	Other retail sale in non-specialized stores	The major shareholder is HCDS which directly holds 99.99% of the shares. Two of its Board of Directors members are the same as the Company's, which are (1) Mr. Prin and (2) Mr. Pichai.
120.	Up Front Company Limited	Renting and leasing of other personal and household goods	The major shareholder is HCDS indirectly holding shares via Tiang Chirathivat Company Limited which directly holds 99.99% of the shares.



Transactions between the Company and its subsidiaries with persons or companies which may have conflict of interest

Transactions between the Company and its subsidiaries with persons or companies which may have conflict of interest during the year ended 31 December 2019, 2020 and 2021 can be concluded as follows:

(These following transactions are excluded effect of TFRS16: Leases)

1) Rental of land, building, and space in building

Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
1.1 Rental land, building, and space in building and other services expense						
HCDS Group: - Harn Central Department Store Limited - Tiang Chirathivat Company Limited - Central Embassy Hotel Company Limited - Overseas Fashions Company Limited - Central WHA Alliance Company Limited - Bangna Department Store Company Limited - CRC Power Retail Company Limited - Siam Retail Development Company Limited - Central Condominium Company Limited - Prin Inter Trade Company Limited - Teenee Wongsawang Company Limited - Central Garment Factory Company Limited - Vivi file Company Limited - Central Good Retail Ratchada Company Limited - Centerl Inter Pattana Company Limited - Suannaklua Company Limited - Ploenruedee Company Limited - Phuket Hill Resort Company Limited - Z Retail Tech Company Limited - Cha-am Seaview Company Limited - Teenee Khonkhaen Company Limited - Rina Estate Italia S.r.l. - Lagrange Estate S.r.l. - CRC Property Company Limited - Central Marketing Group Intertraie Co., Ltd. - Central Insurance Services Company Limited	Rental and service expenses	2,395.70	2,229.33	2,158.50	<p>The Group lease and/or sublease land, building, and space in building, including car park area, and other relevant services from HCDS to establish branches, stores, offices, or warehouses. Mostly, period of land lease agreements is long-term period which is 30 years. Period of building and space in building leased agreements are not more than 3 years for short-term contracts and from 3 to 30 years for long-term contracts. The Group has leased land, building, and space in building which located in good, convenience and well-known locations. The Group has leased these properties for a long time and considered that it would be difficult to find other locations which had similar spec and size. Therefore, the Group decided to continue leasing them.</p> <p>Rates of rental and conditions of lease agreements were agreed between parties. Rental rates are comparable to market prices or lower than nearby property rates. However, currently, the group has Business development Department (BD) who is responsible for procurement, market price checking, comparing rental rate with nearby properties and negotiating on rental rates and conditions with lessors to get suitable rate and achieve objectives of leasing.</p>	Transactions are business support transactions of the Group. Rates of rental are agreed between parties which are comparable with market prices or lower than nearby property and third-party rates. The Group has usual business practice following the condition of general trading. Therefore, transactions are reasonable and beneficial to the Group.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
1.1 Rental land, building, and space in building and other services expense (Cont.)						
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Rental and service expenses	9.85	13.35	1.16	Business units lease buildings from COL Group to be warehouses and rent space in buildings from COL Group to arrange events. Rental rates are agreed with market prices or lower than market prices.	Transactions are leasing properties transactions for bussiness operation of the Group. Rates of rental are agreed between parties which are comparable with market prices or lower than market prices. As a result, transactions are reasonable and beneficial to the Group.
Other related companies Group: – Sapsaimanee Company Limited – Terra Cottage Company Limited	Rental and service expenses	4.03	2.09	1.59	Business units rent space in building and land for short-term period of 3 years. Rental rates are comparable to market price of nearby areas.	Transactions are business support transactions of the Group. Rates of rental are comparable with market prices. Therefore, transactions are reasonable and beneficial to the Group.
1.2 Rental land, building, and space in building and other services income						
HCDS Group: – Harg Central Department Store Limited – C.D.S. Restaurant Company Limited – Tiang Chirathivat Company Limited – Central Embassy Hotel Company Limited – Overseas Fashions Joint Stock Company – Central People Development Center Company Limited – Central JD Commerce Company Limited – Central Insurance Services Company Limited – The 1 Central Company Limited – Frederick World Sales Company Limited – Peter and Jinnie Company Limited – Illum A/S – KaDaWe Group GmbH – Lagrange Estate S.R.L. – Rina Estate Italia S.r.l. – Central Garment Factory Company Limited – Teenee Wongsawang Company Limited	Rental and service income	81.14	67.13	73.25	HCDS Group lease spaces in buildings for offices and restaurant business from many business units. Lease agreements are short-term period which are not more than 3 years. Rental rates and conditions are comparable with nearby area or do not cause any disadvantages to the Group.	Other related companies Group lease buildings from business units to launch branches for restaurant and car care. Lease agreements are short-term period which are not more than 3 years. Rental rates and conditions are comparable to other nearby tenants.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
1.2 Rental land, building, and space in building and other services income (Cont.)						
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Rental and service income	267.65	226.82	20.72	COL Group lease spaces to launch stores in department stores. Lease agreements are short-term period which are not more than 3 years. Moreover, COL group occasionally lease spaces to arrange events. Rental rates and conditions are complied with market prices and can be comparable to other main tenants and other nearby tenants. As COL group lease spaces to launch stores, the Group have variety of products to attract more customers to department stores. Moreover, COL group also operate many brands which are popular and famous among customers. Therefore, the Group can fulfill all their customers' needs and these leased out of spaces to COL group would be beneficial to the Group.	Transactions are leasing properties transactions which can attract more customers to come to department stores and support the Group's operation. Rental rates and conditions are comparable with nearby area or do not cause any disadvantages to the Group. Therefore, transactions are reasonable and beneficial to the Group.
Other related companies Group: – Food Passion Company Limited – F.T. Sales and Service Company Limited – Stork (Thailand) Company Limited – SpicyDisc Company Limited	Rental and service income	18.99	16.87	13.54	Other related companies Group lease buildings from business units to launch branches for restaurant and car care. Lease agreements are short-term period which are not more than 3 years. Rental rates and conditions are comparable to other nearby tenants.	Other related companies Group lease buildings from business units to launch branches for restaurant and car care. Lease agreements are short-term period which are not more than 3 years. Rental rates and conditions are comparable to other nearby tenants.



2) Trading

Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
2.1 Sales of goods						
HCDS Group: - Central JD Commerce Company Limited - PT Central Retail Indonesia Co., Ltd - Central Garment Factory Company Limited - Harn Central Department Store Limited - Tiang Chirathivat Company Limited - Central Embassy Hotel Company Limited - Central People Development Center Company Limited - Central Insurance Services Company Limited - Central Tham Social Enterprise Company Limited - The 1 Central Company Limited - Teenee Wongsawang Company Limited - Ploen Ruedee Company Limited - C.D.S Restaurant Co., Ltd. - Central Marketing Group Intertraie Co., Ltd.	Revenue from sales of goods	114.99	108.32	100.30	Companies in HCDS group purchased goods from many business units with prices and conditions complying to trading agreement. The Group consider that trading prices do not cause any disadvantages to the Group and prices are comparable to other companies.	Transactions are normal course of business transactions and do not cause any disadvantages to the Group. This might lead to increasing in sales and bargaining power over suppliers. As a result, transactions are reasonable and beneficial to the Group.
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Revenue from sales of goods	182.59	106.01	8.55	COL Group purchased goods in large quantities from the Group's business units for business operation with general trading prices and conditions. The Group consider that trading prices do not cause any disadvantages to the Group. Moreover, the Group do not need to invest in sales promotion campaigns. These transitions also lead to increase in sales, bargain power over suppliers, and get more trade discounts from suppliers.	Transactions are normal course of business transactions and do not cause any disadvantages to the Group. This might lead to increasing in sales and bargaining power over suppliers. As a result, transactions are reasonable and beneficial to the Group.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
2.1 Sales of goods (Cont.)						
Other related companies Group: - Five Senses Company Limited - Jindatawee Company Limited - Osodtong Company Limited - Sala Rattanakosin Company Limited - Sala Phuket Company Limited - The Vintage Club Company Limited - Plaengpak Thammachart Company Limited - Spaghetti Factory Co., Ltd. - Sakura Restaurant Company Limited - F.T. Sales and Service Company Limited	Revenue from sales of goods	0.45	7.62	2.44	Other related companies Group purchased building construction supplies, home and garden equipment, and alcoholic beverages from business units with prices and conditions that can be comparable to other companies.	Transactions are normal course of business transactions. Prices and conditions are normal and can be comparable to other companies. Therefore, transactions are reasonable and beneficial to the Group.
2.2 Purchase of goods						
HCDS Group: - Central JD Commerce Company Limited	Purchase of goods	3.39	-	-	Business unit purchased mobile phones which are imported from China and computer equipment from JD Central with reasonable prices and conditions. Business unit considers that prices and conditions will not cause any disadvantages to the Group because they can sales and earn profit from these products with comparable trading conditions.	Transactions are normal course of business transactions. Prices and conditions are reasonable and will not cause any disadvantages to the Group. Therefore, transactions are reasonable and beneficial to the Group.
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Purchase of goods	39.08	43.40	2.36	The Group purchased office equipment from COL Group with the prices and conditions that can be compared with other companies.	Transactions are supportive transaction of business operation with normal prices and conditions. Therefore, transactions are reasonable and beneficial to the Group.



3) Management fee

Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee’s Opinion
	Transaction	2019	2020	2021		
3.1 Management fee expenses						
HCDS Group: – Harnng Central Department Store Limited – CGE Investment Limited	Management fee expenses	436.71	300.00	309.29	<p>The Group receive consulting services for operations management from HCDS due to the following reasons: (1) HCDS have efficient and specialist professionals including experienced top-level managements from various top companies and HCDS also have highly experienced teams from various industries, (2) HCDS have served other business units that are in different industries. Thus, HCDS can apply experiences and knowledge from each business to the Group, and (3) The Group can reduce operating cost and achieve economies of scale.</p> <p>On 1 January 2019, the Group and HCDS entered into management services agreements to set scopes of services such as consulting on business strategies, merger & acquisition and giving advices for business opportunities.</p> <p>In the past, HCDS provided a service that was Creating Shared Value (CSV) activity to the Group. However, in July 2019, HCDS transferred employees who worked in this project to the Company and did not charge this service expense to the Group anymore.</p> <p>In addition, service rate is re-determined to be a fixed rate. Annual service charge would be adjusted with the same growth rate of income, EBIT, and inflation rate which shall not be more than 10% per year but not lower than 0% per year. If there would be any changes of service fee calculation method and important conditions in the agreement, it shall be approved by the Audit Committee before being applied. This service rate is comparable to an expected cost of the Group, and it is not included cost plus. As a result, the group shall have lower operating cost than proceeding the operation by itself.</p>	<p>Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from proportion of expected actual cost. Therefore, transactions are reasonable and beneficial to the Group.</p>



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee’s Opinion
	Transaction	2019	2020	2021		
3.1 Management fee expenses (Cont.)						
HCDS Group: – Harnng Central Department Store Limited – CGE Investment Limited	Management fee expenses - Accounting and Finance	255.76	271.72	354.07	The Group receive accounting & financial services from FAST (operates under HCDS) such as accounting entry, tax filing, financial statement preparation, payment, issuance of invoices and issuance of receipts. Managements considered that the Company would take advantages from services provided by FAST because of their expertise and specialization of employees. Therefore, the Group and FAST have entered into services agreements and agreed service scopes, service fee, and conditions annually. The service fee would be referred to cost plus margin and would be adjusted annually. If there would be an adjustment, it shall be approved by Audit Committee before being applied. However, these service fees are comparable to other service charges in the market and service conditions are also appropriated and complied with other services provided by FAST.	Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from cost plus margin and can be comparable to market rates. Therefore, transactions are reasonable and beneficial to the Group.
	Management fee expenses - Human Resources	105.41	96.88	80.25	The Company and its business units received human resource services from HCDS such as recruitment & selection, talent management, salary payment, annual performance evaluation form, and communication with employees. Managements considered that HCDS would provide services with expertise and proficiency of their employees, and this would be advantages to the Group. The Group and HCDS have entered into services agreements and agreed service scopes, service fee, and conditions annually. Service fees are calculated based on agreed rates, number of tasks and cost of services plus margin which will be adjusted annually. If there will be an adjustment, it shall be approved by the Audit Committee before being applied. Moreover, service rates are comparable to other third parties and service conditions are also appropriated.	Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from cost plus margin and can be comparable to market rates. Therefore, transactions are reasonable and beneficial to the Group.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
3.1 Management fee expenses (Cont.)						
HCDS Group: - Harn Central Department Store Limited - CGE Investment Limited	Management fee expenses - Legal - Tax	90.59	80.99	80.87	<p>The Company and its business units received legal services from HCDS. HCDS is responsible for both general legal tasks such as business establishment and documentation revision, and special projects such as merger and acquisition. However, managements considered that the Company would take advantages from services provided by HCDS because of its expertise and specialization of employees in legal. Service fees are comparable to market rates and conditions are agreed to condition of general trading.</p> <p>Moreover, the Group received other services which are tax consulting, tax audit service, and tax refund service from HCDS. Tax consulting service would be charged monthly with rates that can be compared to the market and conditions agreed to general trading conditions. For auditing and tax refund service, rates would be variable rates based on percentage of tax refund and detected income which is inconsistent with invoices. Service fees are comparable to other service rates in the market and conditions are agreed to the condition of general trading.</p>	<p>Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from cost plus margin and can be comparable to market rates. Therefore, transactions are reasonable and beneficial to the Group.</p>
	Management fee expenses - Other services	9.98	8.88	14.50	<p>Business units receive other services which mostly are hiring HCDS Group to service retail management projects. The Group lease land for a long time and hire HCDS to manage properties. In addition, properties management business is not a core business of the Group. Therefore, the Group decided to hire other companies which have expertise to manage it. Then, the Group can only focus on core business of the Group. Managements considered that business units would take advantages from service provided by HCDS because of its expertise and specialization of employees. The Group and HCDS have entered into service agreements and agreed services scopes, service fee, and conditions annually. Service fees are comparable to other service rates in the market and the conditions are agreed to the condition of general trading.</p>	<p>Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from cost plus margin and can be comparable to market rates. Therefore, transactions are reasonable and beneficial to the Group.</p>



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee’s Opinion
	Transaction	2019	2020	2021		
3.1 Management fee expenses (Cont.)						
Other related companies Group: – RIS Company Limited (RIS Company Limited has been included in related party list of the Group since 2020.)	Management fee expenses – Other services	-	156.27	164.62	Business units received IT services from other related companies Group such as hardware control services and other consulting of technical maintenance. Service rates are calculated from allocation of actual cost of service plus margin.	Transactions are normal course of business transactions which are favorable to the Group. Service rate is calculated from cost plus margin. Therefore, transactions are reasonable and beneficial to the Group.
3.2 Training expense						
HCDS Group: – Harnng Central Department Store Limited – Central People Development Center Company Limited	Training expenses	112.55	104.68	141.96	HCDS group provide training services to the Group. These training services are parts of human resource management service agreement between the Group and HCDS. Because of their expertise and specialization of employees, the Group will be beneficial. Service rates are comparable with market rates and conditions are agreed to condition of general trading.	Transactions are normal course of business transactions which are favorable to the Group. Service rate is comparable to market rates and conditions can be agreed to condition of general trading. Therefore, transactions are reasonable and beneficial to the Group.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee’s Opinion
	Transaction	2019	2020	2021		
3.3 Management fee income						
HCDS Group: – Harn Central Department Store Limited – Central Embassy Hotel Company Limited – Lagrange Estate S.R.L. – Illum A/S – Rina Estate Italia S.r.l. – The KaDeWe Group GmbH – The 1 Central Company Limited	Management fee income	31.19	27.02	21.14	<p>The Company provided internal audit services in bill payment or CenPay system according to the conditions determined by Bank of Thailand to HCDS Group. Since 2019, internal audit department is responsible for auditing of this scope. Service fees are comparable to other service rates in the market and the conditions can be agreed the condition of general trading.</p> <p>Moreover, business unit provides human resource services to HCDS Group. Service fees are calculated by allocating actual cost of the time that each employee served the Group and HCDS Group. The conditions of services are agreed to the condition of general trading.</p>	<p>Transactions are normal course of business transactions which are favorable to the Group. Service rate is comparable to market rates or actual cost. Conditions can be agreed to condition of general trading. Therefore, transactions are reasonable and beneficial to the Group.</p>
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Management fee income	161.04	148.52	12.63	<p>The Group entered into warehouse management service agreements with COL Group to provide services in warehouse system management and goods distribution. Service fees are comparable to other service rates in the market and the conditions can be agreed with the condition of general trading.</p> <p>In addition, business unit and COL group entered into loss prevention agreement to conduct safety inspection in products, stores, and equipment. Service fee is calculated by cost plus margin and adjusted annually. If there will be an adjustment, it shall be approved by the Audit Committee before being applied. Service rates do not cause any disadvantages to the Group and the conditions can be agreed with the condition of general trading.</p>	<p>Transactions are normal course of business transactions which are favorable to the Group. Service rate is comparable to market rates or calculate by cost plus margin and will not cause any disadvantages to the Group. Therefore, transactions are reasonable and beneficial to the Group.</p>



4) Other transactions

Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
4.1 Trading of The 1 point after business restructuring						
HCDS Group: - The 1 Central Limited	The 1 point expenses (point- earned)	928.92	658.99	640.17	point-earned and point redemption rate are fixed rates which are comparable with other companies in The 1 group.	business transactions which the Group receive services from The 1. Service rates are agreed and will not cause any disadvantages to the Group. Therefore, transactions are reasonable and beneficial to the Group.
	The 1 point income (point redemption)	1,323.44	1,147.11	1,119.80	The 1 also charges additional operating cost referring to the points which are redeemed by customers. If there will be an adjustment of operating cost, it shall be approved by the Audit Committee before being applied. Moreover, the Group considered that these transactions are favorable for the Group, and they are necessary to continue the agreement in the future.	
	Management Fee – The 1	194.36	170.27	169.61		
	Sales promotion expenses	69.34	37.53	41.84		
					Moreover, The 1 could attract more customers to the Group and provided services relating to sales promotion such as sending SMS to The 1 members. Service charges are calculated by actual service costs which are comparable.	



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
4.2 Other Expenses						
HCDS Group: - Harn Central Department Store Limited - Central Embassy Hotel Company Limited - Z Retail Tech Company Limited - Central Payment Company Limited - Cha-am Seaview Company Limited - The 1 Central Company Limited - Paton 1 Company Limited - Central Garment Factory Company Limited - Tiang Chirathivat Company Limited - Baby Kiko Sdn. Bhd - CRC Property Company Limited - Central JD Commerce Company Limited - CRC Power Retail Company Limited - Central Food Retail Ratchada Company Limited - Central Insurance Services Company Limited - Siam Retail Development Company Limited	Other Expenses	127.84	154.42	151.22	<p>Other expenses that HCDS Group charged the Group can be divided into 2 categories as shown below.</p> <p>(1) Other services expenses such as rental expense for EDC and system, licenses fee for software and computer system, and operating expenses for bargain media and advertising expenses. Expenses would be annually agreed in advance or calculated based on cost plus margin.</p> <p>(2) Expenses that HCDS Group paid in advance such as marketing activities expenses, employee satisfaction survey expense, and expense for scholarship ceremony arrangement. These expenses would be charged according to actual expenses that HCDS group paid in advance.</p> <p>Managements considered that receiving services from HCDS Group would be more favorable for the Group because HCDS takes advantages from economies of scale and has bargaining power over suppliers. The Group will have lower operating cost comparing to proceed all activities by itself. However, if there will be an adjustment of service rate or relevant conditions, it shall be approved by the Audit Committee before being applied.</p>	Transactions are normal course of business transactions which the Group receive services from HCDS group. Service rates are agreed between parties. The group will have lower operating cost than proceed all activities by itself. In case of HCDS make advance payment, HCDS will charge the Group with actual cost. Therefore, transactions are reasonable and beneficial to the Group.
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Other Expenses	8.32	9.50	0.42	Other expenses that COL Group charged the Group are mostly compensation expense for damaged goods, compensation for damages caused by reduction of leasing space in department stores, logistic expenses, miscellaneous expenses, and IT support service charges which are agreed in advance and the rates are comparable to services provide by other companies.	Transactions are normal course of business transactions. Service rates and conditions are normal operation or actual cost. Therefore, transactions are reasonable.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
4.2 Other Expenses (Cont.)						
Other related companies Group: – Bangkok Post-Bauer Company Limited – Food Passion Company Limited – Sapsaimanee Company Limited – Terra Cottage Company Limited – SpicyDisc Company Limited – Post International Media Company Limited – RIS Company Limited – Terasoft Solutions Development Company Limited	Other Expenses	4.44	291.73	368.73	Other expenses that other related companies group charged the Group are mostly from application system services and coding expenses. Service rates are calculated from allocation of actual cost plus 5% margin. For other expenses such as cash coupons provided to the customers as rewards, and advertising expense. Expenses are charged according to actual cost and can be comparable to other companies.	Transactions are normal course of business transactions. Service rates and condition are normal operation. Therefore, transactions are reasonable.
(RIS Company Limited has been included in related party list of the Group since 2020.)						



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
4.3 Other Income						
HCDS Group: – Harnng Central Department Store Limited – The 1 Central Company Limited – Central Insurance Services Company Limited – Central Payment Company Limited – Central Embassy Hotel Company Limited – Tiang Chirathivat Company Limited – Central Garment Factory Company Limited – Central JD Money Company Limited – Overseas Fashions Joint Stock Company – Central JD Commerce Company Limited – Central People Development Center Company Limited – C.D.S. Restaurant Company Limited – Central Wealth Solution Mutual Fund Brokerage Securities Company Limited – CRC Power Retail Company Limited – Central Marketing Group Intertrade Company Limited – PT Central Retail Indonesia Co., Ltd – Paton 2 Company Limited – Central Tham Social Enterprise Company Limited – Upfront Company Limited	Other Income	86.29	81.67	150.91	Income from services rendered to HCDS Group are mainly as follows: (1) Income from fee and allocation of income from bill payment and prepaid card top-up services agent (CENPAY) which charged as commission fee with the same rate as HCDS Group paid to COL Group. (2) Income from online platform development services and data storage on websites which charge at comparable rates to other companies. Moreover, managements considered that services provided to HCDS Group also support the Group's business operation and the Group could take advantages from using expertise of employees and resources effectively. These transactions provide additional income to the Group and should be continued in the future.	Transactions are services provider to HCDS group which using expertise of employees and resources of the Group effectively. Service rates are agreed between parties. Therefore, transactions are reasonable and support business operations.



Persons or Companies which may have conflict of interest	Transaction value (Baht : Million)				Necessity and rationale of transactions	Audit Committee's Opinion
	Transaction	2019	2020	2021		
4.3 Other Income (Cont.)						
COL Group including (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	Other Income	42.31	141.97	3.73	Income from services rendered to the COL Group are from many transactions such as E-commerce platform development, usage of B2S trademark, money exchange service, cash pick up service, financial service, leasing spaces in department stores, compensation for damages from reduction of leased space and website & system maintenance. Service rates are agreed with the agreements between parties and do not cause any disadvantages to the Group. The Group considered that the Group could take advantages from using expertise of employees and resources effectively. These transactions provide additional income to the Group and should be continued in the future.	Transactions are services provider to COL group which using expertise of employees and resources of the Group effectively. Service rates are agreed between parties. Therefore, transactions are reasonable and support business operations.
Other related companies Group: – Tera soft Solutions Development Company Limited – The Little Kitchen Company Limited – RIS Company Limited (Terasoft Solutions Development Company Limited and RIS Company Limited have been included in related party list of the Group since 2020)	Other Income	-	30.79	9.63	Income from services rendered to other related companies' group are mainly from license fee of E-Commerce platform. Service rates are calculated from allocation of actual cost plus 6-10% margin.	Transactions are normal course of business transactions. Service rates are based on actual service cost plus margin. Therefore, transactions are reasonable.



Account receivables and account payables which relevant to related party transactions

1. Account Receivables

Persons or Companies which may have conflict of interest	Transaction Value (Baht : Million)						Details
	2019		2020		2021		
	Account receivables	Other non-current assets	Account receivables	Other non-current assets	Account receivables	Other non-current assets	
HCDS Group:	1,101.06	212.22	700.38	165.37	763.02	185.94	Outstanding account receivables from HCDS Group mainly from the transactions as follows:
- Rina Estate Italia S.r.l.							(1) Prepaid rental expenses
- Haring Central Department Store Limited							(2) Receivables from The1 customers who redeemed The1 point to get trade discounts after business restructuring (transferred The 1 business to The1 Central Company). Trading conditions is to make payments to the Group within 30 days after invoices date in every month ended.
- The 1 Central Company Limited							(3) Receivables from sales of goods to HCDS Group with trading conditions of payment between 30-90 days
- CRC Power Retail Company Limited							Other non-current assets from HCDS Group are mostly from prepaid rental expenses and cash paid for guaranteed deposit for leasing.
- Central JD Commerce Company Limited							
- Central JD Money Company Limited							
- Overseas Fashions Joint Stock Company							
- Central Embassy Hotel Company Limited							
- C.D.S. Restaurant Company Limited							
- Central Insurance Services Company Limited							
- PT Central Retail Indonesia Co., Ltd							
- Vivi File Company Limited							
- Tiang Chirathivat Company Limited							
- Central Payment Company Limited							
- Z Retail Tech Company Limited							
- Central Condominium Company Limited							
- Central People Development Center Company Limited							
- Illum A/S							
- Central Garment Factory Company Limited							
- Evergrow Asia Ltd.							
- Baby Kiko Sdn. Bhd.							
- Central Marketing Group Intertrade Company Limited							
- Lagrange Estate S.r.l.							
- Central Thonburi Company Limited							
- Ploenruedee Company Limited							
- Paton 1 Company Limited							
- Center1 Inter Pattana Company Limited							
- Suannaklua Company Limited							
- Cha-am Seaview Company Limited							
- Phuket Hill Resort Company Limited							
- Teenee Khonkhaen Company Limited							
- KaDeWe Group GmbH							
- CRC property Company Limited							
- Siam Retail Development Company Limited							
- Teenee Wongsawang Company Limited							
- Central Tham Social Enterprise Company Limited							
- Bangna Department Store Company Limited							
- Overseas Fashions Company Limited							
- Central Food Retail Ratchada Company Limited							
- Central Wealth Solution Mutual Fund Brokerage Securities Company Limited							
- Peter and Jannie Company Limited							
- Frederick World Sales Company Limited							



Persons or Companies which may have conflict of interest	Transaction Value (Baht : Million)						Details
	2019		2020		2021		
	Account receivables	Other non-current assets	Account receivables	Other non-current assets	Account receivables	Other non-current assets	
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	117.73	-	108.26	-	-	-	Outstanding receivables from COL Group are mostly from transactions as follows: (1) Receivables from sales of goods to COL Group with trading conditions of payment within 30 days. (2) Receivables from rental space in building with trading conditions of payment within 30 days.
Other related companies Group: - The Little Kitchen Company Limited - Spaghetti Factory Company Limited - RIS Company Limited - Terasoft Solutions Development Company Limited - Flour Shoppe Company Limited - Jindatawee Company Limited (RIS Company Limited and Terasoft Solutions Development Company Limited are included in related party list of the Group in 2020)	12.35	-	32.91	-	12.64	-	Outstanding receivables from other related companies Group are mostly from license fee income for using programs and miscellaneous income.



2. Account payables

Persons or Companies which may have conflict of interest	Transaction Value (Baht : Million)						Details
	2019		2020		2021		
	Account payables	Other non-current liabilities	Account payables	Other non-current liabilities	Account payables	Other non-current liabilities	
HCDS Group: - Harg Central Department Store Limited - Tiang Chirathivat Company Limited - Central Garment Factory Company Limited - The 1 Central Company Limited - Central Payment Company Limited - ANIR One Ltd. - Overseas Fashions Company Limited - CRC Power Retail Company Limited - Central Embassy Hotel Company Limited - Central People Development Center Company Limited - Central Good Retail Ratchada Company Limited - Overseas Fashions Joint Stock Company - Z Retail Tech Company Limited - Bangna Department Store Company Limited - Prin Inter Trade Company Limited - Central Insurance Services Company Limited - Frederick World Sales Company Limited - Dining Sensations Company Limited - PT Central Retail Indonesia Co., Ltd - Teenee Khonkhaen Company Limited - Ploenruedee Company Limited - Cha-am Seaview Company Limited - C.D.S. Restaurant Company Limited - Central JD Commerce Company Limited - Baby Kiko Sdn. Bhd. - Rina Estate Italia S.r.l. - Lagrange Estate S.r.l. - KaDeWe Group GmbH - CRC Property Company Limited - Central JD Money Company Limited - Central Tham Social Enterprise Company Limited - Central Marketing Group Intertrade Co., Ltd. - Central International Development Ltd. - Siam Retail Development Co., Ltd. - Suan Na Kluea Company Limited - Teenee Wongsawang Company Limited - Central Wealth Solution Mutual Fund Brokerage Securities Company Limited - Paton 3 Company Limited - Upfront Company Limited - Illum A/S - Central Retail International Co., Ltd - Vivify Company Limited - Central Condominium Company Limited - Central WHA Alliance Company Limited - Phuket Hill Resort Company Limited	923.87	782.78	811.26	871.19	612.22	835.59	Outstanding account payables from HCDS Group are mostly from the transactions as follows: (1) Account payables from leasing of land, building, and space in building with trading conditions of payment within 30 days. (2) Account payables from shared services expenses and other services with trading conditions of payment within 30 days. (3) Account payables from the The 1 point with the trading conditions of payment within 30 days. Non-current liabilities from HCDS Group are mainly from accounting adjustments of long-term land and building leasing to record as straight-line method.



Persons or Companies which may have conflict of interest	Transaction Value (Baht : Million)						Details
	2019		2020		2021		
	Account payables	Other non-current liabilities	Account payables	Other non-current liabilities	Account payables	Other non-current liabilities	
COL Group: (CRC group acquired COL Group as subsidiaries in February 2021. Therefore, in 2021, there were transactions in January 2021 only.)	38.55	7.46	36.77	9.57	-	-	Outstanding payables from COL Group are mainly from purchasing of goods with trading conditions of payment within 30 days. Non-current liabilities from COL Group are mostly from receiving guaranteed deposit and receiving cash in advance from leased space in building.
Other related companies Group: – Post International Media Company Limited – Terasoft Solutions Development Company Limited – RIS Company Limited (RIS Company Limited and Terasoft Solutions Development Company Limited have been included in related party list of the Group since 2020)	0.42	-	238.81	-	470.80	-	Outstanding payables from other related companies are mainly from computer service expense and maintenance expenses with trading conditions of payment within 30 days.
Related persons Group	8,255.49	-	-	-	-	-	Outstanding payable of related persons group is from cheques on hand which the Company paid dividends to each person.

Measures and procedures for approval of Related Party Transactions

When the Company and its subsidiaries enter into a related party transactions, the Company would comply with the Securities and Exchange Act including rules, announcement, order, or regulations of the Securities and Exchange Commission and the Capital Market Supervisory Board, and also comply with the conditions regarding information disclosure of the related party transaction and other relevant rules. Related parties are not able to participate in the approval of such transactions.

In the case that the related regulations prescribe that the related transactions shall be approved by the meeting of Board of Directors, the Company would appoint the Audit Committee to attend the meeting for considering and giving opinions on the necessity and reasonability of the transactions. The transaction of ordinary business or ordinary business supporting transaction which is the trade agreement with general commercial conditions and the transaction which is not the general commercial conditions shall be done according to the following principles:

**(1) The transaction which is of general commercial conditions**

For the ordinary business transaction or transaction supporting ordinary business of the Company which might be continuously occur in the future, the Company has established the policy determining the scope of such transaction which shall be done on an arm's length basis with the trading negotiation power without influence caused by the position of the board of directors, management, or related person (according to the case). The conditions shall also not cause the transfer of interest and/or be able to show that the transaction is done by reasonable or fair price determination. If the Board of Directors has set a principle scope of the aforementioned transactions, the managements of the Company would be able to proceed the approval of transaction complying with the specified scope. The Company would report the summary of such transaction to the Audit Committee and the Board of Directors on a quarterly basis.

(2) The transaction which is of non general commercial conditions

The transaction which is trading agreement that is not the general commercial conditions shall be considered and approved by the Audit Committee before being presented to the Board of Directors and/or the meeting of shareholders (according to the case) to approve. This type of transaction shall be done according to the Securities and Exchange Act, rules, announcements, orders, or regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange and shall be done in compliance with the relevant regulations regarding information disclosure of the related party transaction and other relevant rules.

In the case that the Audit Committee are not expert in considering the related party transaction which might occur, the Company would appoint the specialized professionals such as auditor or independent property appraiser to give opinion relating to the related party transaction in order for the Audit Committee and/or Board of Directors and/or shareholders (according to the case) to use as information for decision making. This is done in order to ensure that the transaction is necessary and reasonable and is beneficial to the Company. The Company would disclose the related party transaction in the annual registration statement, annual report, and footnotes under the financial statement inspected by the accounting auditor or other forms of reports (according to the case) in accordance with the relevant regulations and laws.

Policy on the Future Related Party Transaction

In the case that there is future related party transaction, the Board of Directors shall comply with the Securities and Exchange Act including rules, announcements, orders, and regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange and the regulations regarding information disclosure of the related party transaction done by the Company or its subsidiaries according to the accounting standard determined by the Certified Accountants and Auditors of Thailand and other relevant rules.

Moreover, if there is any related party transaction or change of agreement and condition regarding the transaction related to director, management, or related person of the Company, the director who is a stakeholder shall not attend the meeting of Board of Directors on the agenda relating to the consideration of such transaction.



Policy on Acquisition or Lease of Land and/or Building from the Connected Person

The Group has established the Asset Light Business Operation Policy making the future branch expansion mainly focusing on space leasing. Moreover, business development department of the Group would find the suitable locations for branch expansion and negotiate for the price suitable with the business operation. If the land or building is owned by the connected persons, the Group would comply with the rules regarding related party transaction and transaction of asset acquisition or disposition determined by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange. The Group also has established the policy on the acquisition or lease of land and/or building from the connected persons as a guideline for the relevant organizations. The contents are as detailed below.

- During the feasibility study, the Group shall carefully consider various factors in order to ensure that the acquisition of land and/or building would provide a maximum benefit to the Company and its subsidiaries.
- The transaction of land and/or building acquisition or leasing shall be done with the conditions complying with general commercial terms.
- The Group shall comply with the rules regarding related party transaction and transaction of asset acquisition or disposition determined by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange.
- The Group shall present the transactions according to aforementioned criteria to the meeting of Board of Directors to approve all the transactions. The Audit Committee shall be appointed to consider and give opinion about necessity and reasonability of the transaction price before it is presented to the Board of Directors and/or the meeting of shareholders (according to the case) to consider for approval. The connected persons would have no right to vote for any decisions done for that transaction.

Part 3

Financial Statements





Responsibility of the Board of Directors to the Financial Statements

The Board of Directors of Central Retail Corporation Public Company Limited (“the Company”) is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report. The financial statements are prepared in conformity with Thai Financial Reporting Standards (TFRSs) which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statements. The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions. The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report. The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of 31 December 2021.

Prasarn Trairatvorakul

(Dr. Prasarn Trairatvorakul)
Chairman

Yol Phokasub

(Mr. Yol Phokasub)
Director & Chief Executive Officer



Independent Auditor's Report

To the Shareholders of Central Retail Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Central Retail Corporation Public Company Limited and its subsidiaries (the “Group”) and of Central Retail Corporation Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisitions of business	
Refer to Note 6 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In 2021, the Group completed the acquisitions of business resulting in the recording of intangible assets of Baht 1,931 million and goodwill of Baht 7,041 million in the consolidated statement of financial position as at 31 December 2021.</p> <p>The acquisition method of accounting for business combinations is a complex and judgmental exercise, requiring the Group to determine the fair value of assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill or a gain on bargain purchase.</p> <p>Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value of assets acquired and liabilities assumed, I considered accounting for business combination as a key audit matter.</p>	<p>My audit procedures were as follows:</p> <ul style="list-style-type: none"> • Read the sale and purchase agreement to understand key terms and conditions. • Evaluated the assessment by the Group of the identification of all the assets acquired and liabilities assumed and consideration transferred. • Evaluated the assumptions and methodologies underpinning the valuations. • Involved KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology used and calculation rationale. • Assessed the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.



Impairment of goodwill	
Refer to Note 19 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, the Group had goodwill of Baht 38,085 million.</p> <p>The cash-generating units (“CGU”) to which the goodwill belongs are tested for impairment annually. The Group applies the value-in-use (discounted cash flow (“DCF”)) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.</p> <p>Due to the materiality of the balances and the judgment and complexities involved in determining the future cash flows attributable to the individual CGU, I considered the measurement of the recoverable amount as a key audit matter.</p>	<p>My audit procedures were as follows:</p> <ul style="list-style-type: none"> • Evaluated the DCF provided by the Group and the Group’s assumptions applied in the value-in-use method against relevant documents as well as externally derived data. • Analysed historical information to support the precision in the Group’s forecasting process. • Tested the principles and mathematical accuracy of the DCF and performed sensitivity analysis around the key assumptions. • Evaluated the financial parameters applied to the discount rate. • Assessed the adequacy of the Group’s disclosure in accordance with Thai Financial Reporting Standards.

Valuation of inventories	
Refer to Note 11 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group’s inventories are various products which depend on fashion, technology or have short lives and their sales and selling prices are subject to the market situation. Consequently, the estimation of valuation of inventories involves management’s judgment relating to estimate valuation for deteriorated, damaged, obsolete and slow-moving and quantity of shrinkage inventories.</p> <p>Because of the significance of the amounts and of the judgement involved. I considered the adequacy of allowance for decline in value of inventories as a key audit matter of my audit.</p>	<p>My audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understood the inventory control and management policy and the estimation of valuation of inventories. • Evaluated the design and implementation and testing the operating effectiveness of internal controls relating to inventory management and attending inventory counts and observing the condition of inventories. • Tested on a sample basis and the reasonableness of management’s assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories by comparison with information for destruction and actual shrinkage inventories included retrospective review, inquiry management and tested calculation. • Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value. • Assessed the adequacy of the Group’s disclosures in accordance with Thai Financial Reporting Standards.



Commercial support	
Refer to Note 4(r) to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>During the year, the Group has variety of marketing activities which receives the marketing support from supplier which is general transaction of retail business. The marketing support is significant amount in each year which it varies with regards to the nature and timing of the activity to which it relates and is recognised in accordance with written agreements with suppliers. The marketing support is recognised as a deduction from cost of inventories or as other income and is earned over the period of the contractual agreements.</p> <p>My focus was on assessing the written agreement, whether the relevant marketing had taken place and whether the recognised was recorded in the appropriate amount and period.</p>	<p>My audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understood, evaluating and testing management's key controls in respect of the recognition of transactions. • Assessed the effectiveness of the Group controls over commercial support recognition's process. • Examined supporting documents and comparing to marketing activities which occurred during the year and after the period end transactions and evaluating by reference to agreements and marketing activities. • Assessed the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No.5565

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2022



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
Current assets					
Cash and cash equivalents	8	16,579,390,141	15,911,869,787	4,664,556,667	7,895,183,177
Other current financial assets	34	1,508,371,388	1,829,657,076	-	-
Trade receivables	7, 9	4,859,602,608	4,569,897,223	116,354,944	125,824,331
Other current receivables	7, 10	9,867,741,539	10,128,916,221	327,597,849	180,312,147
Short-term loans	7	141,911,800	44,228,510	21,390,845,246	23,422,550,989
Current portion of finance lease receivables	7	35,672,269	-	-	-
Inventories	11	36,515,813,999	34,295,622,238	-	-
Derivative assets	34	4,899,402	-	-	-
Other current assets		404,511,023	396,736,417	-	-
Total current assets		69,917,914,169	67,176,927,472	26,499,354,706	31,623,870,644
Non-current assets					
Investments in subsidiaries	13	-	-	108,604,019,290	94,853,981,800
Investments in associates	12	390,167,102	483,000,124	52,501,000	52,501,000
Investments in joint ventures	12	5,169,121,683	547,802,338	-	-
Other non-current financial assets	34	1,617,248,821	1,602,794,201	14,005,216	12,319,105
Finance lease receivables	7	2,170,721,443	2,177,218,581	-	-
Investment properties	14	16,284,153,315	13,807,187,405	-	-
Property, plant and equipment	15	43,358,661,699	41,654,071,837	22,375,008	27,528,132
Right-of-use assets	16	65,338,042,415	67,029,202,222	48,788,377	43,791,742
Goodwill	19	38,085,285,203	27,948,061,596	-	-
Intangible assets other than goodwill	20	8,885,151,489	6,841,883,833	18,767,978	20,850,600
Deferred tax assets	31	4,815,124,967	3,381,959,666	12,723,010	15,220,978
Other non-current assets		7,196,227,644	6,529,836,119	326,443,838	258,002,926
Total non-current assets		193,309,905,781	172,003,017,922	109,099,623,717	95,284,196,283
Total assets		263,227,819,950	239,179,945,394	135,598,978,423	126,908,066,927

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Current liabilities					
Short-term loans from financial institutions	21, 34	35,631,599,313	31,625,436,134	22,791,700,676	19,885,416,667
Trade payables	7, 34	36,904,741,058	31,569,478,830	-	-
Other current payables	7, 22, 34	17,828,282,843	16,483,038,428	263,281,039	219,168,960
Derivative liabilities	34	2,930,837	11,713,820	-	-
Current portion of long-term borrowings	21, 34	13,417,976,910	2,763,004,188	7,400,000,000	1,500,000,000
Current portion of lease liabilities	7, 21, 34	7,428,419,449	6,470,841,179	22,946,629	21,695,136
Short-term loans	7, 21, 34	-	-	6,939,256,986	9,276,626,242
Current income tax payable		447,841,713	125,469,154	-	-
Total current liabilities		111,661,792,123	89,048,981,733	37,417,185,330	30,902,907,005
Non-current liabilities					
Long-term borrowings	21, 34	28,517,057,087	29,491,567,039	21,484,120,370	17,375,787,037
Lease liabilities	7, 21, 34	50,300,105,127	51,566,365,792	26,658,165	23,041,182
Deferred tax liabilities	31	3,042,131,006	2,669,461,233	-	-
Non-current provisions for employee benefits	23	2,309,158,652	2,227,624,315	102,153,109	113,367,910
Unearned lease income	7	5,521,061,775	5,672,575,201	-	-
Long-term derivative liabilities	34	21,069,203	-	303,660	-
Other non-current liabilities	7	2,774,199,720	2,788,406,050	704,101	812,896
Total non-current liabilities		92,484,782,570	94,415,999,630	21,613,939,405	17,513,009,025
Total liabilities		204,146,574,693	183,464,981,363	59,031,124,735	48,415,916,030

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Equity					
Share capital:	24				
Authorised share capital					
<i>(6,320 million ordinary shares, par value at Baht 1 per share)</i>		6,320,000,000	6,320,000,000	6,320,000,000	6,320,000,000
Issued and paid-up share capital					
<i>(6,031 million ordinary shares, par value at Baht 1 per share)</i>		6,031,000,000	6,031,000,000	6,031,000,000	6,031,000,000
Share premium:	24				
Share premium on ordinary shares		66,761,460,014	66,761,460,014	66,761,460,014	66,761,460,014
Share premium on treasury shares		123,358,563	123,358,563	-	-
Difference in value arising from restructuring transactions of entities under common control		(2,393,022,014)	(2,393,022,014)	-	-
Retained earnings					
Appropriated					
Legal reserve	25	632,000,000	632,000,000	632,000,000	632,000,000
Unappropriated		7,791,814,047	10,144,829,826	3,174,111,550	5,104,139,307
Difference arising from acquiring of non-controlling interests	6(b), 24	(23,264,610,853)	(23,264,610,853)	-	-
Other components of equity		706,471,679	(4,641,277,776)	(30,717,876)	(36,448,424)
Equity attributable to owners of the parent		56,388,471,436	53,393,737,760	76,567,853,688	78,492,150,897
Non-controlling interests		2,692,773,821	2,321,226,271	-	-
Total equity		59,081,245,257	55,714,964,031	76,567,853,688	78,492,150,897
Total liabilities and equity		263,227,819,950	239,179,945,394	135,598,978,423	126,908,066,927

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		(in Baht)			
Revenue					
Revenue from sale of goods	26	175,975,194,554	173,137,654,092	-	-
(Gross revenue 2021 : Baht 196,065 million and 2020 : Baht 195,177 million)					
Revenue from rental services	26	4,990,151,312	5,597,789,710	-	-
Revenue from rendering of services	26	825,857,437	1,212,007,035	1,513,186,878	977,549,407
(Gross revenue 2021 : Baht 1,449 million and 2020 : Baht 2,190 million)					
Dividends income	7, 26	-	-	365,940,749	3,302,556,924
Interest income	26	221,289,671	302,037,028	427,346,981	562,531,924
Other income	27	13,641,313,458	14,061,946,514	543,646,140	442,893,025
Total revenue		195,653,806,432	194,311,434,379	2,850,120,748	5,285,531,280
(Gross revenue 2021 : Baht 216,367 million and 2020 : Baht 217,329 million)					
Expenses					
Cost of sales of goods		134,082,278,110	133,033,008,785	-	-
Cost of rental and rendering of services		1,764,646,878	1,915,185,963	-	-
Selling expenses	28	40,362,590,242	40,513,541,144	-	-
Administrative expenses	29	16,704,922,514	16,574,299,426	1,555,507,806	862,141,901
Total expenses		192,914,437,744	192,036,035,318	1,555,507,806	862,141,901
Profit from operating activities		2,739,368,688	2,275,399,061	1,294,612,942	4,423,389,379
Finance costs		(3,113,470,386)	(2,950,457,138)	(811,189,808)	(649,873,087)
Share of profit of associates and joint ventures accounted for using equity method	12	279,077,233	131,915,509	-	-
Profit (loss) before tax expense (income)		(95,024,465)	(543,142,568)	483,423,134	3,773,516,292
Tax expenses (income)	31	(371,826,197)	(884,468,825)	1,065,331	(783,115)
Profit for the year		276,801,732	341,326,257	482,357,803	3,774,299,407

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2021	2020	2021	2020
	(in Baht)			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	5,421,626,389	(451,802,085)	-	-
Profit (loss) on cash flow hedges	8,782,983	(11,713,820)	-	-
Income tax relating to items that will be reclassified to profit or loss	31 (2,107,916)	2,811,317	-	-
Total items that will be reclassified subsequently to profit or loss	5,428,301,456	(460,704,588)	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Gain (loss) on investments in equity instruments designated at FVOCI	(545,380)	(86,497,530)	1,686,111	5,883,372
Gain (loss) on remeasurements of defined benefit plans	23 157,277,809	(13,781,631)	5,477,074	1,440,151
Income tax relating to items that will not be reclassified to profit or loss	31 (32,211,042)	20,828,046	(1,432,637)	(1,464,705)
Total items that will not be reclassified to profit or loss	124,521,387	(79,451,115)	5,730,548	5,858,818
Other comprehensive income for the year, net of tax	5,552,822,843	(540,155,703)	5,730,548	5,858,818
Total comprehensive income for the year	5,829,624,575	(198,829,446)	488,088,351	3,780,158,225
Profit attributable to:				
Owners of the parent	59,369,781	46,266,132	482,357,803	3,774,299,407
Non-controlling interests	217,431,951	295,060,125	-	-
Profit for the year	276,801,732	341,326,257	482,357,803	3,774,299,407
Total comprehensive income attributable to:				
Owners of the parent	5,407,119,236	(393,002,681)	488,088,351	3,780,158,225
Non-controlling interests	422,505,339	194,173,235	-	-
Total comprehensive income for the year	5,829,624,575	(198,829,446)	488,088,351	3,780,158,225
Basic earnings per share	32 0.01	0.01	0.08	0.65

The accompanying notes are an integral part of these financial statements.

Central Retail Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Difference in value arising from restructuring transactions of entities under common control	Retained earnings		Difference arising from acquiring of non-controlling interests	Other components of equity						Equity attributable to owners of the parent	Non-controlling interests	Total equity
						Legal reserve	Unappropriated		Translation reserve (in Baht)	Cash flow hedging reserve	Fair value reserve	Losses on remeasurements of defined benefit plans	Total other components of equity				
Year ended 31 December 2020																	
Balance at 1 January 2020		4,700,000,000	12,971,114,336	67,483,332	(2,393,022,014)	632,000,000	10,098,563,694	-	(5,022,323,326)	-	643,890,731	(373,207,902)	(4,751,640,497)	21,324,498,851	13,234,138,821	34,558,637,672	
Transactions with owners, recorded directly in equity																	
Contributions by and distributions to owners of the parent																	
Initial public offering	24	1,331,000,000	53,790,345,678	55,875,231	-	-	-	(22,455,959,553)	-	-	520,177,688	-	520,177,688	33,241,439,044	(11,035,982,624)	22,205,456,420	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	(431,143,019)	(431,143,019)	
Total contributions by and distributions to owners of the parent		1,331,000,000	53,790,345,678	55,875,231	-	-	-	(22,455,959,553)	-	-	520,177,688	-	520,177,688	33,241,439,044	(11,467,125,643)	21,774,313,401	
Changes in ownership interests in subsidiaries																	
Acquisition of non-controlling interests without a change in control	6(b)	-	-	-	-	-	-	(808,651,300)	56,621,185	-	144,981	(27,312,320)	29,453,846	(779,197,454)	360,039,858	(419,157,596)	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	(808,651,300)	56,621,185	-	144,981	(27,312,320)	29,453,846	(779,197,454)	360,039,858	(419,157,596)	
Total transactions with owners, recorded directly in equity		1,331,000,000	53,790,345,678	55,875,231	-	-	-	(23,264,610,853)	56,621,185	-	520,322,669	(27,312,320)	549,631,534	32,462,241,590	(11,107,085,785)	21,355,155,805	
Comprehensive income for the year																	
Profit		-	-	-	-	-	46,266,132	-	-	-	-	-	-	46,266,132	295,060,125	341,326,257	
Other comprehensive income		-	-	-	-	-	-	-	(351,074,271)	(8,902,503)	(68,048,604)	(11,243,435)	(439,268,813)	(439,268,813)	(100,886,890)	(540,155,703)	
Total comprehensive income for the year		-	-	-	-	-	46,266,132	-	(351,074,271)	(8,902,503)	(68,048,604)	(11,243,435)	(439,268,813)	(393,002,681)	194,173,235	(198,829,446)	
Balance at 31 December 2020		6,031,000,000	66,761,460,014	123,358,563	(2,393,022,014)	632,000,000	10,144,829,826	(23,264,610,853)	(5,316,776,412)	(8,902,503)	1,096,164,796	(411,763,657)	(4,641,277,776)	53,393,737,760	2,321,226,271	55,714,964,031	
Year ended 31 December 2021																	
Balance at 1 January 2021		6,031,000,000	66,761,460,014	123,358,563	(2,393,022,014)	632,000,000	10,144,829,826	(23,264,610,853)	(5,316,776,412)	(8,902,503)	1,096,164,796	(411,763,657)	(4,641,277,776)	53,393,737,760	2,321,226,271	55,714,964,031	
Transactions with owners, recorded directly in equity																	
Distributions to owners of the parent																	
Dividends	33	-	-	-	-	-	(2,412,385,560)	-	-	-	-	-	-	(2,412,385,560)	(64,218,047)	(2,476,603,607)	
Total distributions to owners of the parent		-	-	-	-	-	(2,412,385,560)	-	-	-	-	-	-	(2,412,385,560)	(64,218,047)	(2,476,603,607)	
Changes in ownership interests in subsidiaries																	
Acquisition of non-controlling interests through business combination	6(b)	-	-	-	-	-	-	-	-	-	-	-	-	-	13,260,258	13,260,258	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	13,260,258	13,260,258	
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(2,412,385,560)	-	-	-	-	-	-	(2,412,385,560)	(50,957,789)	(2,463,343,349)	
Comprehensive income for the year																	
Profit		-	-	-	-	-	59,369,781	-	-	-	-	-	-	59,369,781	217,431,951	276,801,732	
Other comprehensive income		-	-	-	-	-	-	-	5,216,402,935	6,675,067	(349,657)	125,021,110	5,347,749,455	5,347,749,455	205,073,388	5,552,822,843	
Total comprehensive income for the year		-	-	-	-	-	59,369,781	-	5,216,402,935	6,675,067	(349,657)	125,021,110	5,347,749,455	5,407,119,236	422,505,339	5,829,624,575	
Balance at 31 December 2021		6,031,000,000	66,761,460,014	123,358,563	(2,393,022,014)	632,000,000	7,791,814,047	(23,264,610,853)	(100,373,477)	(2,227,436)	1,095,815,139	(286,742,547)	706,471,679	56,388,471,436	2,692,773,821	59,081,245,257	

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Separate financial statements							Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity			
				Legal reserve	Unappropriated (in Baht)	Fair value reserve	Gain (loss) on remeasurements of defined benefit plans	Total other components of equity	
Year ended 31 December 2020									
Balance at 1 January 2020		4,700,000,000	12,971,114,336	632,000,000	1,329,839,900	4,748,622	(47,055,864)	(42,307,242)	19,590,646,994
Transactions with owners, recorded directly in equity									
Contributions by owners									
Initial public offering	24	1,331,000,000	53,790,345,678	-	-	-	-	-	55,121,345,678
Total contributions by owners		1,331,000,000	53,790,345,678	-	-	-	-	-	55,121,345,678
Comprehensive income for the year									
Profit		-	-	-	3,774,299,407	-	-	-	3,774,299,407
Other comprehensive income		-	-	-	-	4,706,697	1,152,121	5,858,818	5,858,818
Total comprehensive income for the year		-	-	-	3,774,299,407	4,706,697	1,152,121	5,858,818	3,780,158,225
Balance at 31 December 2020		6,031,000,000	66,761,460,014	632,000,000	5,104,139,307	9,455,319	(45,903,743)	(36,448,424)	78,492,150,897
Year ended 31 December 2021									
Balance at 1 January 2021		6,031,000,000	66,761,460,014	632,000,000	5,104,139,307	9,455,319	(45,903,743)	(36,448,424)	78,492,150,897
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Dividends	33	-	-	-	(2,412,385,560)	-	-	-	(2,412,385,560)
Total distributions to owners of the parent		-	-	-	(2,412,385,560)	-	-	-	(2,412,385,560)
Comprehensive income for the year									
Profit		-	-	-	482,357,803	-	-	-	482,357,803
Other comprehensive income		-	-	-	-	1,348,889	4,381,659	5,730,548	5,730,548
Total comprehensive income for the year		-	-	-	482,357,803	1,348,889	4,381,659	5,730,548	488,088,351
Balance at 31 December 2021		6,031,000,000	66,761,460,014	632,000,000	3,174,111,550	10,804,208	(41,522,084)	(30,717,876)	76,567,853,688

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash flows from operating activities				
Profit for the year	276,801,732	341,326,257	482,357,803	3,774,299,407
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	(371,826,197)	(884,468,825)	1,065,331	(783,115)
Finance costs	3,113,470,386	2,950,457,138	811,189,808	649,873,087
Depreciation and amortisation	17,040,549,525	16,557,721,186	39,993,201	33,810,924
Impairment loss recognised in profit or loss	252,253,458	383,964,547	-	-
Unrealised (gain) loss on exchange rate	200,868,223	(658,874,990)	27,089,444	(23,430,017)
Unrealised loss on derivative	7,386,818	-	303,660	-
Share of profit of associates and joint ventures accounted for using equity method, net of tax	(279,077,233)	(131,915,509)	-	-
(Reversal of) expected credit losses	149,944,226	194,204,732	23,408	(2,121,496)
Loss on inventories devaluation	868,139,912	1,500,007,395	-	-
(Gain) loss on disposal of investment property, property, plant and equipment, right-of-use assets and intangible assets	34,637,488	45,677,090	18,979	(19,717)
Realised unearned lease income	(196,894,532)	(483,515,437)	-	-
Non-current provisions for employee benefits	310,574,911	254,303,449	11,583,140	13,338,346
Dividends income	-	-	(365,940,749)	(3,302,556,924)
Interest income	(221,289,671)	(302,037,028)	(427,346,981)	(562,531,924)
	<u>21,185,539,046</u>	<u>19,766,850,005</u>	<u>580,337,044</u>	<u>579,878,571</u>
Changes in operating assets and liabilities				
Trade receivables	(18,073,566)	(243,110,155)	9,469,387	645,398,519
Other current receivables	768,345,362	652,855,036	(140,273,046)	(104,529,257)
Inventories	(1,521,822,399)	1,639,934,102	-	-
Finance lease receivable	(11,188,200)	20,771,475	-	-
Other current assets	(33,553,657)	78,728,052	-	-
Other non-current assets	(473,413,920)	(458,779,396)	(1,914,568)	(1,274,255)
Trade payables	3,530,378,618	(5,461,817,768)	-	-
Other current payables	755,722,045	(1,778,894,360)	32,663,071	(1,818,249,524)
Non-current provisions for employee benefits	(203,516,730)	(536,718,650)	(17,320,867)	(7,836,077)
Unearned lease income	104,828,569	244,858,976	-	-
Other non-current liabilities	(31,630,176)	(520,249,778)	(108,795)	(260,330)
Net cash generated from (used in) operating activities	<u>24,051,614,992</u>	<u>13,404,427,539</u>	<u>462,852,226</u>	<u>(706,872,353)</u>
Taxes paid	(691,227,066)	(1,443,615,508)	(66,526,344)	(60,374,546)
Net cash from (used in) operating activities	<u>23,360,387,926</u>	<u>11,960,812,031</u>	<u>396,325,882</u>	<u>(767,246,899)</u>

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	(10,778,173,129)	(136,710,077)	-	(13,018,301,485)
Increase in share capital of subsidiaries	-	-	(13,750,037,490)	-
Repayment of payable for acquisition of subsidiary	(322,682,533)	-	-	-
Acquisition of joint ventures	(4,451,966,867)	-	-	-
Increase in share capital of joint venture	(70,000,000)	(20,000,000)	-	-
Proceeds from disposal of other current financial assets	4,015,904,882	6,999,240,886	-	-
Acquisition of other current financial assets	(3,468,557,754)	(7,221,586,692)	-	-
Acquisition of other non-current financial assets	(15,000,000)	-	-	-
Proceeds from disposal of property, plant and equipment	274,288,410	257,121,703	441,247	221,495
Acquisition of property, plant and equipment	(7,814,651,910)	(8,058,866,377)	(6,436,995)	(13,709,704)
Proceeds from disposal of investment properties	1,300,000	709,505	-	-
Acquisition of investment properties	(163,236,095)	(16,838,590)	-	-
Proceeds from disposal of other intangible assets	15,550,408	150,520,781	4,295	-
Acquisition of other intangible assets	(504,099,981)	(1,107,715,126)	(2,658,231)	(5,841,809)
Proceeds from repayment of short-term to related parties	-	-	90,191,836,112	67,726,308,166
Short-term loans to related parties	(100,000,000)	(6,211,800)	(88,155,400,610)	(64,875,540,532)
Proceeds from repayment of short-term to other parties	1,969,565	2,531,884	-	-
Short-term loans to other parties	-	(309,761)	-	-
Dividends received	272,815,185	94,800,000	365,940,749	3,302,556,924
Interest received	200,966,650	284,493,406	420,802,966	679,266,034
Net cash used in investing activities	(22,905,573,169)	(8,778,820,258)	(10,935,507,957)	(6,205,040,911)

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash flows from financing activities				
Payment of change in ownership interest in subsidiaries without a change in control	-	(419,157,596)	-	-
Proceeds for initial public offering	-	22,457,483,434	-	22,457,483,434
Proceeds from short-term borrowings from financial institutions	281,385,954,696	408,834,512,589	255,524,181,887	297,083,843,217
Repayment of short-term borrowings from financial institutions	(277,969,991,866)	(428,355,500,309)	(252,664,865,496)	(314,088,600,000)
Proceeds from short-term borrowings from related parties	-	-	37,477,722,134	44,938,817,038
Repayment of short-term borrowings from related parties	-	-	(39,815,091,390)	(41,421,111,521)
Proceeds from long-term borrowings from financial institutions	12,161,320,321	26,342,611,969	11,500,000,000	17,375,787,037
Repayment of long-term borrowings from financial institutions	(2,862,370,559)	(4,089,151,912)	(1,500,000,000)	-
Payment of lease liabilities	(9,268,491,525)	(8,080,934,515)	(24,701,744)	(20,033,392)
Dividends paid to owners of the Company	(2,412,385,560)	(12,187,481,001)	(2,412,385,560)	(12,187,481,001)
Dividends paid to non-controlling interests	(64,218,047)	(431,143,019)	-	-
Interest paid	(1,118,579,756)	(1,165,811,404)	(776,377,299)	(649,652,457)
Net cash from (used in) financing activities	(148,762,296)	2,905,428,236	7,308,482,532	13,489,052,355
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	306,052,461	6,087,420,009	(3,230,699,543)	6,516,764,545
Effect of exchange rate changes on cash and cash equivalents	571,499,574	186,371,808	73,033	(29,427)
Translating foreign operations	(210,031,681)	(434,942,101)	-	-
Net increase (decrease) in cash and cash equivalents,	667,520,354	5,838,849,716	(3,230,626,510)	6,516,735,118
Cash and cash equivalents at 1 January	15,911,869,787	10,073,020,071	7,895,183,177	1,378,448,059
Cash and cash equivalents at 31 December	16,579,390,141	15,911,869,787	4,664,556,667	7,895,183,177
Non-cash transactions				
Payable for property, plant and equipment	1,957,360,909	1,718,484,337	1,319,331	2,100,211
Payable for other intangible assets	177,384,155	69,505,005	645,309	157,290
Payable for acquisition of subsidiaries	65,879,172	490,975,937	-	-
Transfer from property, plant and equipment to investment property	1,907,158,160	1,774,123,840	-	-
Transfer from right-of-use assets to investment property	917,504,917	207,450,306	-	-
Convert loan to investment	-	-	-	268,504,820

The accompanying notes are an integral part of these financial statements.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2022.

1 General information

Central Retail Corporation Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand. The Company’s registered office at 22 Soi Somkid, Ploenchit Road, Kwang Lumpini, Khet Phatumvan, Bangkok, Thailand.

The Company’s major shareholders during the financial year were Harng Central Department Store Company Limited (35.06% shareholding). The Company was incorporated in Thailand.

The principal activities of the Group are the operation of a multi format retailing business.

Details of the Group’s subsidiaries as at 31 December are as follows:

Name of the entity	Type of business	Country of incorporation	2021 Ownership interest (%)	2020 Ownership interest (%)
Capital C Limited	Investing	Thailand	99.99	99.99
Cenergy Innovation Co., Ltd.	Computer system development	Thailand	99.99	99.99
Central Department Store Limited	Department store	Thailand	99.99	99.99
Central Global Service Joint Stock Company	Dormant company	Vietnam	99.99	99.99
Central Group Online Limited	E-Commerce	Thailand	99.99	99.99
Central Marketing Group Co., Ltd.	Investing	Thailand	99.99	99.99
Central US Trading Ltd.	Trademark service	United States of America	100.00	100.00
CRC Holland B.V.	Investing	Netherlands	100.00	100.00
CRC Thai Watsadu Co., Ltd.	Retail	Thailand	99.99	99.99
Hillborough Group Ltd.	Investing	Belize	100.00	100.00
Mass Concept Company Limited	Investing	Thailand	99.99	99.99
PBHD Co., Ltd.	Investing	Thailand	99.99	99.99
Subsidiaries under “Robinson Public Company Limited”				
Robinson Public Company Limited	Department store	Thailand	98.39	98.39
CR Chantaburi (Thailand) Co., Ltd.	Department store	Thailand	63.95	63.95
CR Chiang Mai (Thailand) Co., Ltd.	Department store	Thailand	88.55	88.55
CR Had Yai (Thailand) Co., Ltd.	Department store	Thailand	98.39	98.39
CR Nakorn Sri Thammarat (Thailand) Co., Ltd.	Department store	Thailand	49.19	49.19
CR Phuket (Thailand) Co., Ltd.	Department store	Thailand	49.19	49.19
CR Rajchaburi (Thailand) Co., Ltd.	Department store	Thailand	98.39	98.39
CR (Thailand) Co., Ltd.	Investing	Thailand	98.39	98.39
CR Udorn Thani (Thailand) Co., Ltd.	Department store	Thailand	98.77	98.77
RBS E-commerce Limited	E-Commerce	Thailand	98.36	98.36
Robinson Department Store (Vietnam) Joint Stock Company	Department store	Vietnam	98.39	98.39
Robinson Nakarin Co., Ltd.	Dormant company	Thailand	98.25	98.25
Robinson Ratchada Co., Ltd.	Dormant company	Thailand	98.19	98.19

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021**

Name of the entity	Type of business	Country of incorporation	2021 Ownership interest (%)	2020
Robinson Sukhumvit Co., Ltd.	Dormant company	Thailand	98.39	98.39
R-Trading (BHD).	Dormant company	British Virgin Islands	98.31	98.31
SSHD Co., Ltd.	Investing	Thailand	99.99	99.99
C.R.G. Service Co., Ltd.	Investing	Thailand	99.99	99.99
CDF Holding Limited	Investing	Thailand	99.97	99.97
Central & Matsumoto Kiyoshi Limited	Retail	Thailand	51.00	51.00
Central Duty Free Shop Limited	Dormant company	Thailand	99.94	99.94
Central FamilyMart Co., Ltd.	Convenience stores and business member shops	Thailand	99.99	99.99
Central Food Retail Co., Ltd.	Supermarket	Thailand	99.99	99.99
Central Food Retail E-commerce Limited	E-Commerce	Thailand	99.96	99.96
Central Marketing Group (Shanghai) Co., Ltd.	Dormant company (in liquidation process)	China	99.99	99.99
Central Marketing Group Singapore Pte. Ltd.	Dormant company	Singapore	99.99	99.99
Central Online Limited	E-Commerce	Thailand	99.99	99.99
Central Retail Corporation (Vietnam) Joint Stock Company	Department store	Vietnam	99.99	99.99
Central Pet and Me Limited	Pet food and gadgets retail and service	Thailand	99.99	99.99
Central Trading Co., Ltd.	Retail	Thailand	99.99	99.99
Cetrac International Co., Ltd.	Service and investing	Thailand	99.99	99.99
CHG Marketing Limited.	E-Commerce	Thailand	99.97	99.97
Child Boutique Manufactory Sdn. Bhd.	Dormant company	Malaysia	99.99	99.99
CMG Asia Three Ltd.	Dormant company	United States of America	99.99	99.99
CMG Asia Four Ltd.	Dormant company	United States of America	99.99	99.99
CMG Asia Five Co.Limited	Dormant company	Hong Kong	99.99	99.99
CMG Central Marketing Group Malaysia Sdn. Bhd.	Dormant company	Malaysia	99.99	99.99
CMG International Group Ltd.	Dormant company	United States of America	99.99	99.99
CMG Vietnam Company Limited	Dormant company	Vietnam	99.99	99.99
Subsidiaries under “COL Public Company Limited”				
COL Public Company Limited	Warehouse rental	Thailand	99.74	-
B2S Co., Ltd.	Stationary retail	Thailand	99.74	-
Future Plus Limited	Stationary franchisor	Thailand	99.74	-
OfficeMate (Thai) Limited	Office equipment retail	Thailand	99.74	-
B2S Vietnam Company Limited	Dormant company (in process of liquidation)	Vietnam	99.55	-
COL Vietnam Joint Stock Company	Dormant company	Vietnam	99.55	-
MEB Corporation Limited	E-Book store	Thailand	74.81	-
Officemate Omni Franchise Co., Ltd.	Consultation service	Thailand	99.74	-

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021**

Name of the entity	Type of business	Country of incorporation	2021 Ownership interest (%)	2020
Officemate Logistic Limited	Distribution center	Thailand	99.74	-
Hytex Interactive Co., Ltd.	E-Book store	Thailand	56.10	-
CRC Rinascente S.p.A.	Investing	Italy	99.99	99.99
CRC Sport Co., Ltd.	Retail	Thailand	99.35	99.35
CRC Sport E-commerce Limited	E-Commerce	Thailand	99.33	99.33
CRC Sports (Vietnam) Joint Stock Company	Dormant company	Vietnam	99.35	99.35
Earth Care Company Limited	Dormant company	Thailand	99.99	99.99
John Master (M) Sdn. Bhd.	Dormant company	Malaysia	99.99	99.99
Kiko Garments Sdn. Bhd.	Dormant company	Malaysia	99.99	99.99
Kiko Retail Sdn. Bhd.	Dormant company	Malaysia	99.99	99.99
la Rinascente S.p.A.	Department store	Italy	100.00	100.00
Lan Chi-Ha Nam Investment and Service Company Limited	Hypermarket	Vietnam	51.00	51.00
Lan Chi Investment and Service Company Limited	Hypermarket	Vietnam	51.00	51.00
Lan Chi Services and Trading Investment Company Limited	Distribution center	Vietnam	51.00	51.00
LCP Trading Services Joint Stock Company	Investing	Vietnam	51.00	51.00
Matter D Company Limited	Service	Thailand	99.98	99.98
Subsidiaries under “NKT New Solution and Technology Development Investment Joint Stock Company”				
NKT New Solution and Technology Development Investment Joint Stock Company	Investing	Vietnam	99.36	99.36
Nguyen Kim Binh Duong One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Buon Ma Thuot One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Can Tho One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Central Trading One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Hai Phong Development Investment One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Long Xuyen One Member Company Limited	Retail	Vietnam	99.36	99.36
Nguyen Kim Modern Trade Development Investment Joint Stock Company	Investing	Vietnam	99.36	99.36
Nguyen Kim Trading Joint Stock Company	Retail	Vietnam	99.36	99.36
Sai Gon Industrial Corporation	Real estates	Vietnam	97.91	97.91
Orbit Avenue Sdn. Bhd.	Investing	Malaysia	100.00	100.00
PB Logistic Co., Ltd.	Importing and selling	Thailand	99.35	99.35
Power Buy Co., Ltd.	Retail	Thailand	99.35	99.35
Power Buy E-Commerce Limited	E-Commerce	Thailand	99.33	99.33

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Name of the entity	Type of business	Country of incorporation	2021 Ownership interest (%)	2020
Subsidiaries under “Quinam B.V.”				
Quinam B.V.	Investing	Netherlands	99.99	99.99
Cavi Limited	Investing	Hong Kong	99.99	99.99
Cavi Real Estate Limited	Investing	Hong Kong	99.99	99.99
Cavi Retail Limited	Investing	Hong Kong	99.99	99.99
Cavinoi Limited	Investing	Hong Kong	99.99	99.99
C-Discount Vietnam Limited Liability Company	Dormant company	Vietnam	99.99	99.99
Dong Duong Tra Vinh Real Estate and Retail Supermarket Joint Stock Company	Real estates	Vietnam	99.99	99.99
E.B Phu Thanh Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Binh Duong Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Can Tho Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Hai Duong Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Hai Phong Joint Stock Company	Hypermarket	Vietnam	99.99	99.99
EB Nam Dinh Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB New City Company Limited	Hypermarket	Vietnam	99.99	99.99
EB Services Company Limited	Service	Vietnam	99.99	99.99
EB Tan Phu Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Thanh Hoa Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
EB Vinh Limited Liability Company	Hypermarket	Vietnam	99.99	99.99
E-Cavi Limited	Investing	Hong Kong	99.99	99.99
Espace Big C An Lac Company Limited	Hypermarket	Vietnam	99.99	99.99
Espace Big C Dong Nai	Hypermarket	Vietnam	65.00	65.00
Espace Big C Thang Long	Hypermarket	Vietnam	65.00	65.00
Espace Business Hue Joint Stock Company	Hypermarket	Vietnam	99.99	99.99
General Trading and Distribution Company Limited	Investing	Vietnam	99.99	99.99
General Trading Fashions One Member Company Limited	Retail	Vietnam	99.99	99.99
General Trading of Household Products One Member Company Limited	Retail	Vietnam	99.99	99.99
General Trading, Service and Distribution Co., Ltd.	Retail	Vietnam	99.99	99.99
Hung Cuong Retail Real Estate Investment Joint Stock Company	Real estates	Vietnam	99.99	99.99
New Grocery Company Limited	Dormant company	Vietnam	65.00	65.00
New Plan Company Limited	Investing	Vietnam	99.99	99.99



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Notes to the financial statements

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Name of the entity	Type of business	Country of incorporation	2021 Ownership interest (%)	2020
New Plan Real Estate Investment Co., Ltd.	Real estates	Vietnam	99.99	99.99
TTS Dong Nai One Member Limited Liability Company	Real estates	Vietnam	99.99	99.99
One Member Limited Company Investment Development Nguyen Kim Tien Giang	Real estates	Vietnam	99.99	99.99
Viet Nhat Real Estate Joint Stock Company	Real estates	Vietnam	99.99	99.99
Viet Nhat Sai Gon - My Tho Company Limited	Real estates	Vietnam	99.99	99.99
Viet Nhat Thai Nguyen Real Estate JSC	Real estates	Vietnam	99.99	99.99
Vindemia SAS	Investing	France	99.99	99.99
Recess Logistics and Retail Co., Ltd.	Dormant company	Vietnam	99.99	99.99
SFM Holding Company Limited	Investing	Thailand	99.99	99.99
Textral Textile Co., Ltd.	Dormant company	Thailand	99.99	99.99
Thai Watts Co., Ltd.	Retail	Thailand	51.00	51.00
Three Plus Service Co., Ltd.	Service	Thailand	99.35	99.35

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in notes have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Change in accounting policy

COVID-19-related rent concessions

From 1 January 2021, the Group has adopted the amendment to TFRS 16 *COVID-19-related rent concessions* which provides an option for lessees not to assess whether eligible COVID-19 related rent concessions are lease modification. The Group has applied the option to all lease contracts however there is no impact on lease liabilities and retained earnings at 1 January 2021 on the consolidated and separate financial statements.

In 2021, the Group received COVID-19-related rent concessions resulting in a decrease in lease payment for the year ended 31 December 2021, amounting to Baht 532 million.



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Notes to the financial statements

For the year ended 31 December 2021

4 Significant accounting policies

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.



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For the year ended 31 December 2021

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss); and
- qualifying cash flow hedges to the extent the hedge is effective.



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Notes to the financial statements

For the year ended 31 December 2021

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity until disposal of the investment.

(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade receivables (see note 4(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.



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Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.4)).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.



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For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.6) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



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(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade receivables

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties of 2 - 50 years and recognised in profit or loss. No depreciation charged on assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.



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Notes to the financial statements

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(i) *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located including transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its book value.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

The Group changed the depreciation method of plant and equipment which purchase or acquire after 2018 from sum-of-the-years-digits to straight-line method. Such change of depreciation method has been effective since 1 January 2019, onward except for subsidiaries in foreign operation and certain subsidiaries in Thailand which the depreciation method is a straight-line basis over the periods.

Depreciation is calculated over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Land improvements	5 - 20 years
Leasehold improvements	2 - 30 years
Building, construction and improvements	3 - 50 years
Information system equipment	2 - 20 years
Utility and building system equipment	2 - 28 years
Furniture, fixtures and office equipment	2 - 20 years
Vehicles	4 - 10 years

(j) *Goodwill*

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment. Internally generated goodwill and brands, is recognised in profit or loss as incurred.



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For the year ended 31 December 2021

(k) *Intangible assets*

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licenses	2 - 15	years
Trademarks and franchise	4 - 10	years
System development cost	3 - 10	years

(l) *Leases*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. However, for leases that received COVID-19 related rent concessions and the Group elected not to assess that the rent concessions are lease modification, which there is no impact on lease liabilities and retained earnings as of 1 January 2021.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.



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For the year ended 31 December 2021

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. Those right-of-use assets are presented as investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 4(d).

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.



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Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.



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For the year ended 31 December 2021

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.



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For the year ended 31 December 2021

(r) *Commercial support from supplier*

The Group has commercial support agreements with suppliers. The Group receive purchase rebate and commercial income from performing as specified in the agreements. Commercial support relating to purchase rebate are recognised as a reduction of a core cost price of a product, as such is considered part of the purchase price and recognised in cost of sales upon sale of those inventories.

Commercial income is recognised in other income when all conditional service has been provided.

(s) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5 Impact of COVID-19 pandemic

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Due to uncertainty of the situation in 2020, the Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statements for the year ended 31 December 2020 by excluding COVID-19 situation in impairment of assets, lease modifications and deferred tax assets. The accounting guidance already expired on 31 December 2020, however there is no impact on the value of the Group's assets in 2021.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

6 Acquisitions of subsidiaries and non-controlling interests

(a) Acquisitions of subsidiaries

In 2021

COL Public Company Limited and its Subsidiaries

On 5 February 2021, the Group obtained control of COL Public Company Limited and its Subsidiaries, a distributor of stationery supplies, books, office equipment by receiving sales order through call center, website and retail store, distribution of e-book and provision of warehouse rental service through its subsidiary, PBHD Limited, by acquiring 99.74% of the shares and voting interests in the company, partially purchased from related parties. The consideration consisted of a cash payment of Baht 12,128 million. The Group incurred acquisition-related costs of Baht 3 million which have been included in administrative expenses.

Management believes that such business acquisitions will help expand the Group's business and better meet the target customer's group expectation.

During the year from acquisition date to 31 December 2021, COL Public Company Limited and its Subsidiaries contributed revenue of Baht 9,090 million and profit of Baht 735 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimates that consolidated revenue would have increased by Baht 1,016 million and consolidated profit for the year ended 31 December 2021 would have increased by Baht 69 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

Identifiable assets acquired and liabilities assumed

	Note	Fair value (in million Baht)
Cash and cash equivalents		1,350
Trade receivables		392
Other current receivables		446
Short-term loans		1
Inventories		1,567
Property, plant and equipment	15	1,894
Right-of-use assets	16	1,230
Intangible assets	20	1,931
Deferred tax assets	31	170
Other non-current assets		193
Trade payables		(1,805)
Other current payables		(555)
Current portion of lease liabilities		(276)
Current income tax payable		(45)
Lease liabilities		(809)
Deferred tax liabilities	31	(444)
Non-current provisions for employee benefits	23	(123)
Other non-current liabilities		(17)
Total identifiable net assets		5,100
Less Non-controlling interests (0.26%)		(13)
Total identifiable net assets received		5,087
Goodwill arising from the acquisition	19	7,041
Purchase consideration transferred		12,128

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021*****Identifiable assets acquired and liabilities assumed***

Net cash acquired with the subsidiary
Cash paid
Net cash outflows

Fair value
(in million Baht)

1,350
(12,128)
<u>(10,778)</u>

In 2020***Viet Nhat Thai Nguyen Real Estate JSC***

On 8 January 2020, the Group obtained control of Viet Nhat Thai Nguyen Real Estate JSC, a real estate company in Vietnam, by acquiring 100% of the shares and voting interests in the company. The consideration consisted of a cash payment of Baht 137 million and consideration payable of Baht 24 million, totaling Baht 161 million (VND 123 billion).

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

Identifiable assets acquired and liabilities assumed*Note*

Fair value
(in million Baht)

Right-of-use assets	16	73
Total identifiable net assets		73
Goodwill arising from the acquisition	19	88
Purchase consideration transferred		<u>161</u>

(b) Acquisitions of non-controlling interests***In 2020******la Rinascente S.p.A.***

In January 2020, the Group acquired an additional 1.3% interest in la Rinascente S.p.A. for Euro 10 million (Baht 342 million) in cash, increasing its ownership interest from 98.7% to 100%. The carrying amount of la Rinascente S.p.A.'s net assets in the Group's financial statements on the date of the acquisition was Baht 3,513 million. The Group recognised a decrease in non-controlling interests of Baht 46 million, a decrease in difference arising from acquiring of non-controlling interests of Baht 353 million, and an increase in the translating foreign operations of Baht 57 million attributable to owners of the Group of Baht 296 million of changes in the Group's ownership interest in la Rinascente S.p.A.

Central FamilyMart Co., Ltd.

In May 2020, the Group acquired an additional 49% interest in Central FamilyMart Co., Ltd., increasing its ownership interest from 51% to 100%. The carrying amount of Central FamilyMart Co., Ltd.'s net liabilities in the Group's financial statements on the date of the acquisition was Baht 998 million. The Group recognised an increase in non-controlling interests of Baht 489 million, a decrease in difference arising from acquiring of non-controlling interests of Baht 462 million, and a decrease in other components of equity of Baht 27 million attributable to owners of the Group of Baht 489 million of changes in the Group's ownership interest in Central FamilyMart Co., Ltd.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

CR Udorn Thani (Thailand) Co., Ltd.

In July 2020, the Group acquired an additional 24% interest in CR Udorn Thani (Thailand) Co., Ltd. for Baht 77 million in cash, increasing its ownership interest from 75% to 99%. The carrying amount of CR Udorn Thani (Thailand) Co., Ltd.'s net assets in the Group's financial statements on the date of the acquisition was Baht 347 million. The Group recognised a decrease in non-controlling interests of Baht 83 million, an increase in difference arising from acquiring of non-controlling interests of Baht 6 million and decrease in other components of equity of Baht 0.4 million attributable to owners of the Group of Baht 6 million of changes in the Group's ownership interest in CR Udorn Thani (Thailand) Co., Ltd.

7 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with subsidiaries, associates and joint ventures are described in notes 1, 12 and 13. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group
Harn Central Department Store Co., Ltd.	Thailand	Parent, 35% of shareholding and some common directors
Baby Kiko Sdn. Bhd.	Malaysia	Common parent
CGE Investment Limited	United Kingdom	Common parent
Dining Zensation Limited	Thailand	Common parent
Illum A/S	Denmark	Common parent
Lagrange Estate	Italy	Common parent
PT Central Retail Indonesia	Indonesia	Common parent
Rina Estate Italia S.r.l.	Italy	Common parent
The Kadewe Group Holding GmbH	Germany	Common parent
Bangna Department Store Co., Ltd.	Thailand	Some common directors
Bangna Central Property Co., Ltd.	Thailand	Some common directors
C.D.S. Restaurant Co., Ltd.	Thailand	Some common directors
Centara Import-Export Co., Ltd.	Thailand	Some common directors
Central Condominium Co., Ltd.	Thailand	Some common directors
Central Food Retail Ratchada Co., Ltd.	Thailand	Some common directors
Central Embassy Hotel Co., Ltd.	Thailand	Some common directors
Central Garment Factory Co., Ltd.	Thailand	Some common directors
Central Holding Co., Ltd.	Thailand	Some common directors
Central Insurance Services Limited	Thailand	Some common directors
Central Inter Pattana Co., Ltd.	Thailand	Some common directors
Central JD Commerce Co., Ltd.	Thailand	Some common directors
Central JD Money Co., Ltd.	Thailand	Some common directors

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021**

Name of entities	Country of incorporation / nationality	Nature of relationships
Central Marketing Group Intertrade Co., Ltd.	Thailand	Some common directors
Central Pattana Chiangmai Co., Ltd.	Thailand	Some common directors
Central Pattana Chonburi Co., Ltd.	Thailand	Some common directors
Central Pattana Development Co., Ltd.	Thailand	Some common directors
Central Pattana Khonkaen Co., Ltd.	Thailand	Some common directors
Central Pattana Nine Square Co., Ltd.	Thailand	Some common directors
Central Pattana Public Company Limited	Thailand	Some common directors
Central Pattana Rama 3 Co., Ltd.	Thailand	Some common directors
Central Pattana Rattanaibeth Co., Ltd.	Thailand	Some common directors
Central Pattana Realty Co., Ltd.	Thailand	Some common directors
Central Payment Co., Ltd.	Thailand	Some common directors
Central People Development Center Limited	Thailand	Some common directors
Central Restaurants Group Co., Ltd.	Thailand	Some common directors
Central Tham Social Enterprise Company Limited	Thailand	Some common directors
Central Wealth Solution Co., Ltd.	Thailand	Some common directors
Central WHA Alliance Co., Ltd.	Thailand	Some common directors
Central World Co., Ltd.	Thailand	Some common directors
Cha Am Seaview Co., Ltd.	Thailand	Some common directors
CPN Korat Co., Ltd.	Thailand	Some common directors
CPN Pattaya Co., Ltd.	Thailand	Some common directors
CPN Rayong Co., Ltd.	Thailand	Some common directors
CPN Residence Khon Kaen Co., Ltd.	Thailand	Some common directors
CRC Power Retail Co., Ltd.	Thailand	Some common directors
CRC Property Company Limited	Thailand	Some common directors
CRG Manufacturing Co., Ltd.	Thailand	Some common directors
CRG International Food Co., Ltd.	Thailand	Some common directors
OAL Holding Limited	British Virgin Islands	Some common directors
Overseas Fashion Ltd.	Thailand	Some common directors
Prin Intertrade Co., Ltd.	Thailand	Some common directors
Paton 1 Co., Ltd.	Thailand	Some common directors
Phuket Hill Resort Co., Ltd.	Thailand	Some common directors
Suan Na Klua Co., Ltd.	Thailand	Some common directors
The 1 Central Limited	Thailand	Some common directors
The Little Kitchen Co., Ltd.	Thailand	Some common directors
TeeNee KhonKaen Limited	Thailand	Some common directors
TeeNee WongSawang Limited	Thailand	Some common directors
Tiang Chirativat Real Estate Co., Ltd.	Thailand	Some common directors
Vivi File Co., Ltd.	Thailand	Some common directors
Z Retail Tech Limited	Thailand	Some common directors

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021****Significant transactions with related parties****Year ended 31 December****Consolidated financial statements**

2021

2020

Separate financial statements

2021

2020

*(in million Baht)***Parent**

Rental and service income	27	24	-	-
Revenue from sales of goods	6	1	-	-
Other income	11	23	1	-
Purchases of goods or receiving of services	4	1	-	-
Interest expense	82	82	-	-
Lease-related expense	27	36	-	-
Sales promotion expenses	-	4	-	-
Management fee expense	748	676	322	15
Other expenses	184	182	1	1

Subsidiaries

Dividend income	-	-	193	3,213
Royalty income	-	-	302	275
Interest income	-	-	398	496
Management fee income	-	-	1,513	976
Other income	-	-	27	21
Interest expense	-	-	36	60
Lease-related expense	-	-	7	3
Other expenses	-	-	10	16

Associates

Rental and service income	117	123	-	-
Dividend income	214	95	173	90
Other income	138	74	-	-

Joint ventures

Rental and service income	99	104	-	-
Management fee income	67	72	-	1
Dividend income	58	-	-	-
Interest income	2	2	-	-
Other income	21	13	-	-
Lease-related expense	-	3	-	-
Other expenses	8	-	-	-

Other related parties

Rental and service income	336	533	-	-
Revenue from sales of goods	112	246	-	-
Sales promotion income	6	6	-	-
Utility income	45	59	-	-
Management fee income	72	173	-	1
Interest income	72	73	-	-
Gain on disposal fixed assets	76	11	-	-
Royalty income	1	17	1	17
Other income	117	212	3	2
Purchases of goods or receiving of services	91	155	-	-
Interest expense	339	404	-	-
Lease-related expense	253	409	3	7
Sales promotion expense	57	90	-	-



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Significant transactions with related parties

Year ended 31 December

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			

Other related parties (Con't)

Utility expenses	521	540	-	-
Management fee expense	183	176	-	-
Other expenses	230	213	6	3

Key management personnel

Short-term employee benefits	2,191	1,692	393	297
Post-employment benefits	80	61	24	13
Termination benefits	1	5	-	-

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			

Trade receivables

Parent	5	4	-	-
Subsidiaries	-	-	116	126
Associates	7	8	-	-
Joint ventures	16	12	-	-
Other related parties	168	255	4	4
	196	279	120	130
Less allowance for expected credit loss	(4)	(4)	(4)	(4)
Net	192	275	116	126

Other current receivables

Parent	10	2	-	-
Subsidiaries	-	-	110	95
Associates	64	2	-	-
Joint ventures	10	9	-	-
Other related parties	294	319	3	2
	378	332	113	97
Less allowance for expected credit loss	-	-	-	-
Net	378	332	113	97

Short term loans

Subsidiaries	-	-	21,391	23,423
Joint ventures	142	42	-	-
	142	42	21,391	23,423
Less allowance for expected credit loss	-	-	-	-
Net	142	42	21,391	23,423

Expected credit losses

for the year ended 31 December

Trade receivables	-	(4)	-	(2)
Other current receivables	-	-	-	(3)



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For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Finance lease receivables				
Other related party	<u>2,206</u>	<u>2,177</u>	<u>-</u>	<u>-</u>
Trade payables				
Parent	-	1	-	-
Other related parties	<u>52</u>	<u>90</u>	<u>-</u>	<u>-</u>
Total	<u>52</u>	<u>91</u>	<u>-</u>	<u>-</u>
Other current payables				
Parent	119	347	-	30
Subsidiaries	-	-	38	11
Joint ventures	1	6	-	-
Other related parties	<u>1,155</u>	<u>961</u>	<u>11</u>	<u>1</u>
Total	<u>1,275</u>	<u>1,314</u>	<u>49</u>	<u>42</u>
Short-term borrowings				
Subsidiaries	<u>-</u>	<u>-</u>	<u>6,939</u>	<u>9,277</u>
Lease liabilities				
Parent	2,987	2,777	-	-
Subsidiaries	-	-	13	26
Other related parties	<u>11,532</u>	<u>11,257</u>	<u>37</u>	<u>19</u>
Total	<u>14,519</u>	<u>14,034</u>	<u>50</u>	<u>45</u>
Unearned lease income				
Other related parties	<u>5,458</u>	<u>5,620</u>	<u>-</u>	<u>-</u>
Other non-current liabilities				
Parent	-	3	-	-
Subsidiaries	-	-	1	1
Associates	44	42	-	-
Other related parties	<u>151</u>	<u>174</u>	<u>-</u>	<u>-</u>
Total	<u>195</u>	<u>219</u>	<u>1</u>	<u>1</u>
Other commitments				
Service agreements	<u>310</u>	<u>-</u>	<u>310</u>	<u>-</u>
Total	<u>310</u>	<u>-</u>	<u>310</u>	<u>-</u>

Business acquisition

During 2021, the Group acquired a business which was partially purchased from related parties as disclosed in note 6(a).

Guarantor for credit facilities

As at 31 December 2021, the Company acted as guarantor for credit facilities from financial institutions for its related parties totaling Baht 10,145 million (2020: Baht 9,946 million).



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Significant agreements with related parties

Programs Sublicense Agreement

In January 2020, the Group entered into program license agreement with a related party whereby the related party will provide the licensee with the using right of the licensed program for Human Resource Management System. The Group agreed to pay service fee at rates specified in the agreement. The agreement has a term of 10 years and may be terminated by at least 6 months prior written notice.

In March 2020, the Group entered into programs sublicense agreement with a related party whereby the related party will provide the licensee with the using right of the licensed program in Vietnam. The Group agreed to pay service fee at rates specified in the agreement. The agreement has a term of 5 years and may be terminated by at least 12 months prior written notice.

Service agreements

The Group entered into service agreements with a related party whereby the related party will provide services relating to accounting, taxation, financial and other related services for a period of 3 years. The Group agreed to pay service fees as specified in the agreements. Either party may give advance written notice of termination by 180 days and the agreements are automatically renewed for successive periods of 1 year each.

Area rental services agreement

The Group has entered into the lease agreement to rent area in the department store with related parties. The Group received lease income in advance as specified in agreements. The lease period is 30-40 years and the longest lease period will expire in 2056.

Warehouse management service agreements

The Group had entered into several building lease and service agreement with a related party for storage and distribution of goods for periods of 3 years. The related party agreed to pay rental and service charges as specified in the agreement.

Rental and service rendered agreements

The Group has entered into retail space rental and service agreements with related parties for a period of 1 year. The related parties agreed to pay rental and management fees at percentages of sales and/or size of occupied areas. Either party may give advance written notice for renew.

Rental and service agreements

The Group has entered into area rental and service agreements from related parties for a period of 1 - 10 years. The Group agreed to pay rental and service fees as specified in the agreements.

Car park rental agreements

The Group entered into car park rental agreements with related parties for a period of 29 - 30 years. The Group paid the compensation in advance as specified in the agreements and present as part of other non-current assets.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Member card service agreement

The Group has entered into member card service agreement “The 1 Card” with a related party. The related party will provide service to members, marketing management, member database management and provide the reward or other benefits for The 1 Card point redemption. The Group agreed to pay service fee at rates specified in the agreement. The agreement has a term of 2 years and is automatically renewed for successive periods of 2 years each.

Legal service agreements

The Group has entered into legal service agreements with a related party for a period of 3 years, The Group agreed to pay service fees as specified in the agreements. Either party may give notice of termination within 180 days prior to expiry date of these agreements, otherwise the agreements are automatically renewed for successive periods of 3 years each.

Human resource management service agreements

The Group has entered into human resource management service agreements with a related party for a period of 1 year. The Group agreed to pay service fees at actual cost-plus allocation method as specified in the agreements. Either party may give notice of termination within 6 months prior to expiry date of these agreements, otherwise the agreements are automatically renewed for successive periods of 1 year each.

Marketing service agreement

In 2021, the Group has entered into marketing service agreement with a related party for marketing service for a period of 1 year. The Group agreed to pay service fees at percentages of net sales as specified in the agreement. Either party may give notice of termination within 30 days prior to expiry date of this agreement, otherwise the agreement is automatically renewed for successive periods of 1 year each.

Business strategy and develop retail business management agreements

The Company has entered into agreements to provide business and investment strategy, technology for strategy e-commerce, omni channel and big data, corporate relations and corporate social responsibility, research and development, human resource management, corporate finance, analysis and finance report, internal audit, business process improvement, risk management and corporate procurement to related parties for a period of 1 year. The related parties agreed to pay service fee at cost plus method as specified in the agreements. Either party may give advance written notice of termination by 6 months.

Service agreements

The Company has entered into service agreements with a related party whereby a related party will provide services relating to business and strategy advisory services, strategic and business opportunity services, corporate finance/ merger & acquisition/ treasury services and corporate affairs services for a period of 1 year. The Company agreed to pay service fees as specified in the agreements. Either party may give advance written notice of termination by 180 days and the agreements are automatically renewed for successive periods of 1 year each.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Cash on hand	871	825	-	-
Cash at banks	13,416	14,877	4,665	7,895
Highly liquid short-term investments	2,292	210	-	-
Total	16,579	15,912	4,665	7,895

9 Trade receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>At 31 December</i>	<i>(in million Baht)</i>			
Within credit terms	3,040	2,930	42	56
Overdue				
Less than 3 months	1,499	1,059	8	22
3 - 6 months	111	233	2	13
6 - 12 months	271	294	18	4
More than 12 months	323	345	50	35
Total	5,244	4,861	120	130
Less allowance for expected credit loss	(384)	(291)	(4)	(4)
Net	4,860	4,570	116	126

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<i>Allowance for expected credit loss</i>	<i>(in million Baht)</i>			
At 1 January	291	207	4	6
Addition	119	89	-	-
Reversal	-	-	-	(2)
Write-off	(25)	(4)	-	-
Effect of exchange rate	(1)	(1)	-	-
At 31 December	384	291	4	4

Information of credit risk is disclosed in note 34 (b.1).



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

10 Other current receivables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Revenue Department receivables	1,511	2,490	-	-
Receivables from supplier	3,283	2,899	-	-
Prepaid expenses	1,734	1,765	6	6
Deferred promotion income	2,129	2,111	266	125
Interest receivables	3	1	53	46
Others	1,511	1,156	12	12
	10,171	10,422	337	189
<i>Less allowance for expected credit loss</i>	<i>(303)</i>	<i>(293)</i>	<i>(9)</i>	<i>(9)</i>
Net	9,868	10,129	328	180

11 Inventories

	Consolidated financial statements	
	2021	2020
	<i>(in million Baht)</i>	
Merchandise	38,788	36,459
Goods in transit	960	622
Others	11	13
	39,759	37,094
<i>Less allowance for devaluation</i>	<i>(3,243)</i>	<i>(2,798)</i>
Net	36,516	34,296
Inventories recognised as an expense in 'administrative expense':		
- Write-down to obsolescence and slow moving	15	531
- Write-down to shrinkage and damage inventories	853	969
Total	868	1,500



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

12 Investments in associates and joint ventures

	Type of business	Ownership interest		Paid-up capital		Consolidated financial statements				Dividend income for the year	
		2021	2020	2021	2020	Cost		Equity		2021	2020
		(%)		(in million Baht)		2021	2020	2021	2020	(in million Baht)	
Direct associates											
Central Watson Co., Ltd.	Retail	28.89	28.89	182	182	53	53	131	183	173	90
Indirect associates											
Associate under “NKT New Solution and Technology Development Investment Joint Stock Company”				(in million VND)							
COL Vietnam Joint Stock Company	Retail	-	48.68	-	61,600	-	1	-	1	-	-
Associate under “Central Department Store Limited” and “Robinson Public Company Limited”				(in million Baht)							
VAT Refund Center (Thailand) Company Limited	Service	49.60	49.60	30	30	14	14	7	7	-	-
Associate under “Central Marketing Group Co., Ltd.”											
Samsonite (Thailand) Co., Ltd. ⁽¹⁾	Fashion	50.41	50.41	21	21	9	9	205	250	40	-
Associate under “Central Trading Co., Ltd.”											
Kokuyo International (Thailand) Co., Ltd.	Fashion	24.00	24.00	10	10	2	2	47	42	1	5
Total associates						78	79	390	483	214	95



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Type of business	Ownership interest		Paid-up capital		Consolidated financial statements				Dividend income for the year					
		2021	2020	2021	2020	Cost	Equity	2021	2020	2021	2020				
												(in million Baht)	(in million Baht)	(in million Baht)	(in million Baht)
Indirect joint ventures															
Joint ventures under “Central Department Store Limited”															
MUJI Retail (Thailand) Co., Ltd. ⁽¹⁾	Retail	50.00	50.00	580	440	290	220	375	329	40	-				
Luxury Goods (Thailand) Ltd.	Retail	25.00	25.00	300	300	75	75	310	203	18	-				
Bottega Venata (Thailand) Ltd.	Retail	25.00	25.00	100	100	25	25	20	16	-	-				
Central DFS Co., Ltd. ⁽¹⁾	Retail	51.00	51.00	71	71	36	36	12	-	-	-				
				(in million MYR)											
Morningbliss SDN. BHD.	Retail	49.00	49.00	0.1	0.1	-	-	-	-	-	-				
Joint ventures under “Central Trading Co., Ltd.”															
				(in million Baht)											
Sunglass Hut (Thailand) Co., Ltd. ⁽¹⁾	Fashion	51.00	51.00	85	85	43	43	-	-	-	-				
Joint ventures under “Hillborough Group Ltd.”															
				(in million USD)											
Porto Worldwide Limited ⁽¹⁾	Investing	67.00	-	199	-	4,452	-	4,452	-	-	-				
Total joint ventures						4,921	399	5,169	548	58	-				
Total						4,999	478	5,559	1,031	272	95				
Separate financial statements															
	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income for the year							
		2021	2020	2021	2020	2021	2020	2021	2020						
		(in million Baht)		(in million Baht)		(in million Baht)		(in million Baht)							
Associates															
Central Watson Co., Ltd.	Retail	28.89	28.89	182	182	53	53	173		90					
Total						53	53	173		90					

⁽¹⁾ The Group has no power to govern the financial and operation policies over those companies. Therefore, the Group treats those companies as associates or joint ventures.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

All associates were incorporated and mainly operate in Thailand, except for COL Vietnam Joint Stock Company which was incorporated and mainly operates in Vietnam.

All joint ventures were incorporated and mainly operate in Thailand, except for Morningbliss SDN. BHD and Porto Worldwide Limited which were incorporated and mainly operates in Malaysia and Hong Kong, respectively.

None of the Group's and the Company's associates and joint ventures are publicly listed and consequently they do not have published price quotations.

<i>Material movements</i> <i>for the year ended 31 December</i>	Consolidated	
	financial statements	
	2021	2020
	<i>(in million Baht)</i>	

Joint ventures

Acquisition share capital in Porto Worldwide Limited	4,452	-
Increase in share capital in MUJI Retail (Thailand) Co., Ltd.	70	20

Investments in joint ventures

Acquisition

In December 2021, the Group acquired 133,545,740 shares, equivalent to 67% of share capital of Porto Worldwide Limited incorporated in Hong Kong for a consideration of Baht 4,452 million from a related party, which became a joint venture between the Group and Central Pattana Public Company Limited (CPN). The purpose of this joint venture is to invest 40% shareholding in Grabtaxi Holdings (Thailand) Co., Ltd. The acquisition is in accordance with the obligations stipulated in the SPA which was approved by the Board of Directors' meeting of the Company on 10 December 2019 and the Shareholders' meeting of the Company on 19 December 2019. Additional, in the future, Porto Worldwide Limited has the right to swap its shares, in part or entirety, in GrabTaxi Holdings (Thailand) Co., Ltd. with the Class A ordinary shares of Grab Holdings Limited which listed on the NASDAQ with the designated price within the specified period.

Increase in share capital

During 2021, the Group made additional investments in MUJI Retail (Thailand) Co., Ltd. to increase share capital of 700,000 shares, amounting to Baht 70 million.

During 2020, the Group made additional investments in MUJI Retail (Thailand) Co., Ltd. to increase share capital of 200,000 shares, amounting to Baht 20 million.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

13 Investments in subsidiaries

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(%)		(in million Baht)						(in million Baht)			
Direct subsidiaries												
Central Department Store Limited	99.99	99.99	3,335	3,335	3,807	3,807	-	-	3,807	3,807	-	-
Mass Concept Company Limited	65.58	65.58	262	262	237	237	-	-	237	237	-	-
SSHD Co., Ltd.	99.99	99.99	255	255	255	255	-	-	255	255	-	-
PBHD Co., Ltd.	99.99	99.99	11,400	375	11,400	375	-	-	11,400	375	-	-
CRC Thaiwatsadu Co., Ltd.	99.99	99.99	5,430	5,430	5,429	5,429	-	-	5,429	5,429	-	-
Capital C Limited	99.99	99.99	26,800	26,800	26,815	26,815	-	-	26,815	26,815	-	-
Central Marketing Group Co., Ltd.	99.99	99.99	1,876	1,876	1,901	1,901	-	-	1,901	1,901	-	-
Central Group Online Limited	51.00	51.00	300	300	-	-	-	-	-	-	-	-
Cenergy Innovation Co., Ltd.	99.99	99.99	50	50	-	-	-	-	-	-	-	-
Robinson Public Company Limited	72.31	72.31	3,943	3,943	33,720	33,720	-	-	33,720	33,720	193	3,213
			(in million EUR)									
CRC Holland B.V.	100.00	100.00	26	26	989	989	-	-	989	989	-	-
			(in million VND)									
Central Global Service Joint Stock Company	99.99	99.99	4,200	4,200	6	6	-	-	6	6	-	-
			(in million USD)									
Hillborough Group Ltd.	100.00	100.00	533	527	17,452	17,255	-	-	17,452	17,255	-	-
Central US Trading Ltd.	100.00	100.00	-	-	3	3	-	-	3	3	-	-
Indirect subsidiaries			(in million Baht)									
C.R.G. Service Co., Ltd. ⁽¹⁾	38.08	38.08	1,089	1,089	218	218	-	-	218	218	-	-
SFM Holding Company Limited ⁽¹⁾	25.00	25.00	1,805	1,805	3,575	3,575	-	-	3,575	3,575	-	-
Central Pet and Me Limited ⁽¹⁾	0.01	0.01	1	1	-	-	-	-	-	-	-	-
			(in thousand EUR)									
Quinam B.V. ⁽¹⁾	6.61	0.69	19	18	2,797	269	-	-	2,797	269	-	-
Total					108,604	94,854	-	-	108,604	94,854	193	3,213

⁽¹⁾ Management believes that the Group has control over these subsidiaries since the Group has more than half of the voting rights through other subsidiaries.

None of the Company's subsidiaries are publicly listed and consequently they do not have published price quotations.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Material movements for the year ended 31 December 2021

Separate financial statements *(in million Baht)*

Subsidiaries

Increase in share capital in Quinam B.V.	2,528
Increase in share capital in PBHD Co., Ltd.	11,025
Increase in share capital in Hillborough Group Ltd.	197

Acquisitions

In February 2021, the Group's equity interest in COL Vietnam Joint Stock Company increased from 48.68% to 99.55% and it became a subsidiary of the Group through acquisition of COL Public Company Limited (see note 6).

During 2020, the Company made an additional investment in Robinson Public Company Limited by shares swap, amounting to Baht 32,916 million (see note 24).

During 2020, the Company made a new investment in Central Pet and Me Limited., amounting to Baht 100.

During 2020, the Company made an additional investment in Quinam B.V. by converting intercompany receivables amounting to Baht 269 million, consisting of short-term loans amounting to Baht 245 million and other current receivables amounting to Baht 24 million, into an investment in subsidiary.

Increase in share capital

During 2021, the Company increase in share capital of Quinam B.V. of 1,150 shares, amounting to Baht 2,528 million, as a result, the Company's equity interest increased from 0.69% to 6.61%.

During 2021, the Company increase in share capital of PBHD Co., Ltd. of 110,250,000 shares, amounting to Baht 11,025 million.

During 2021, the Company increase in share capital of Hillborough Group Ltd. of 580,000 shares, amounting to Baht 197 million.

During 2020, the Company made payments for the increase in share capital of Capital C Limited of 11,120 shares, amounting to Baht 13,000 million.

During 2020, SFM Holding Company Limited issued share capital of 13,693,560 shares to the Company and Central Food Retail Co., Ltd. (100% indirectly owned by the Company), amounting to Baht 15 million and Baht 1,354 million respectively, as a result, the decreasing in the Company's direct ownership interest from 99.99% to 25.00% without effective change in the Group's ownership interest.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

14 Investment properties

		Consolidated financial statements	
	<i>Note</i>	2021	2020
		<i>(in million Baht)</i>	
Cost			
At 1 January		22,076	20,282
Additions		163	17
Transfer from property, plant and equipment and right-of use assets	15,16	2,360	1,802
Disposals		(256)	(14)
Effect of movements in exchange rates		830	(11)
At 31 December		25,173	22,076
Depreciation			
At 1 January		8,269	7,486
Depreciation charge for the year		1,134	978
Transfer from property, plant and equipment and right-of use assets	15,16	(464)	(180)
Disposals		(219)	(13)
Effect of movements in exchange rates		169	(2)
At 31 December		8,889	8,269
Net book value			
At 31 December		16,284	13,807

Information relating to leases are disclosed in notes 17 and 18.

The fair value of investment properties as at 31 December 2021 of Baht 26,454 million (2020: Baht 30,254 million) was determined by independent professional valuers, at open market values on an existing use basis and discounted cash flow using risk-adjusted discount rates. The fair value of investment property has been categorised as a Level 3 fair value.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

15 Property, plant and equipment

Consolidated financial statements										
	Note	Land and land improve- ments	Leasehold improve- ments	Building, construction and improvements	Information system equipment	Utility and building system equipment <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost										
At 1 January 2020		3,171	7,991	40,913	3,158	22,782	21,045	560	2,255	101,875
Additions		18	254	672	241	1,061	989	14	5,085	8,334
Transfers		-	35	1,983	5	1,297	520	-	(3,840)	-
Transfer to investment property	14	(271)	(6)	(555)	-	(390)	-	-	(754)	(1,976)
Disposals		-	(2,314)	(314)	(442)	(757)	(3,174)	(45)	(70)	(7,116)
Effect of movements in exchange rates		-	472	(2)	61	24	348	-	3	906
At 31 December 2020 and At 1 January 2021		2,918	6,432	42,697	3,023	24,017	19,728	529	2,679	102,023
Acquired through business combination	6(a)	488	-	561	35	565	230	1	14	1,894
Additions		101	68	878	157	886	826	15	4,860	7,791
Transfers		-	174	1,301	14	813	293	(6)	(2,589)	-
Transfer from (to) investment property	14	67	60	333	-	168	(25)	-	(2,055)	(1,452)
Disposals		-	(211)	(304)	(130)	(381)	(752)	(20)	(4)	(1,802)
Effect of movements in exchange rates		2	102	145	12	261	189	33	181	925
At 31 December 2021		3,576	6,625	45,611	3,111	26,329	20,489	552	3,086	109,379



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Note	Land and land improve- ments	Leasehold improve- ments	Building, construction and improvements	Consolidated financial statements			Vehicles	Assets under construction	Total
					Information system equipment	Utility and building system equipment <i>(in million Baht)</i>	Furniture, fixtures and office equipment			
Depreciation and impairment losses										
At 1 January 2020		2	5,979	18,375	2,783	16,408	16,378	273	-	60,198
Depreciation charge for the year		1	440	1,819	204	1,682	2,178	58	-	6,382
Impairment losses		-	17	1	-	13	23	2	-	56
Transfer to investment property	14	-	(6)	(106)	-	(90)	-	-	-	(202)
Disposals		-	(2,279)	(275)	(441)	(687)	(3,062)	(41)	-	(6,785)
Effect of movements in exchange rates		-	348	-	53	22	296	1	-	720
At 31 December 2020 and At 1 January 2021		3	4,499	19,814	2,599	17,348	15,813	293	-	60,369
Depreciation charge for the year		12	451	2,124	224	1,706	1,559	66	-	6,142
(Reversal of) impairment losses		-	96	(6)	1	(16)	192	-	-	267
Transfer		-	-	(2)	-	4	2	(4)	-	-
Transfer from (to) investment property	14	-	(16)	259	-	213	-	(2)	-	454
Disposals		-	(174)	(234)	(127)	(332)	(647)	(17)	-	(1,531)
Effect of movements in exchange rates		-	61	32	10	122	85	9	-	319
At 31 December 2021		15	4,917	21,987	2,707	19,045	17,004	345	-	66,020

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021**

	Consolidated financial statements								
	Land and land improve- ments	Leasehold improve- ments	Building, construction and improvements	Information system equipment	Utility and building system equipment <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Net book value									
At 31 December 2020									
Owned assets	<u>2,915</u>	<u>1,933</u>	<u>22,883</u>	<u>424</u>	<u>6,669</u>	<u>3,915</u>	<u>236</u>	<u>2,679</u>	<u>41,654</u>
At 31 December 2021									
Owned assets	<u>3,561</u>	<u>1,708</u>	<u>23,624</u>	<u>404</u>	<u>7,284</u>	<u>3,485</u>	<u>207</u>	<u>3,086</u>	<u>43,359</u>

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new department store is amounted to Baht 32 million for the Group (2020: Baht 8 million) with a capitalisation rate of 1.51% - 5.65% per annum (2020: 1.44% - 6.10% per annum).



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

16 Right-of-use-assets

Consolidated financial statements							
		Land and land improvements	Building, construction and improvements	Information system equipment	Furniture, fixtures and office equipment	Assets under construction	Total
	Note						
(in million Baht)							
Cost							
At 1 January 2020		22,897	78,745	71	528	76	102,317
Additions		1,945	3,249	-	-	102	5,296
Acquired through business combination	6(a)	73	-	-	-	-	73
Remeasurement		(95)	2,142	-	-	-	2,047
Transfers		-	57	-	-	(57)	-
Transfer from (to) investment property	14	(301)	475	-	-	-	174
Disposals		(147)	(1,509)	(71)	(16)	-	(1,743)
Effect of movements in exchange rates		(16)	2,203	-	-	-	2,187
At 31 December 2020 and 1 January 2021		24,356	85,362	-	512	121	110,351
Additions		1,593	1,572	-	-	203	3,368
Acquired through business combination	6(a)	16	1,214	-	-	-	1,230
Remeasurement		31	2,219	-	-	-	2,250
Transfers		118	3	-	-	(121)	-
Transfer to investment property	14	(746)	(162)	-	-	-	(908)
Disposals		(209)	(2,701)	-	(50)	-	(2,960)
Effect of movements in exchange rates		761	1,600	-	-	-	2,361
At 31 December 2021		25,920	89,107	-	462	203	115,692



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

		Consolidated financial statements					
	Note	Land and land improvements	Building, construction and improvements	Information system equipment	Furniture, fixtures and office equipment	Assets under construction	Total
(in million Baht)							
Depreciation and impairment losses							
At 1 January 2020		5,004	28,827	70	395	-	34,296
Depreciation charge for the year		1,132	8,056	1	41	-	9,230
Impairment losses		-	58	-	-	-	58
Transfer from (to) investment property		(13)	395	-	-	-	382
Disposals		(86)	(820)	(71)	(15)	-	(992)
Effect of movements in exchange rates		(3)	351	-	-	-	348
At 31 December 2020 and 1 January 2021		6,034	36,867	-	421	-	43,322
Depreciation charge for the year		1,158	8,162	-	33	-	9,353
(Reversal of) Impairment losses		10	(8)	-	-	-	2
Transfer from (to) investment property	14	57	(47)	-	-	-	10
Disposals		(190)	(2,183)	-	(41)	-	(2,414)
Effect of movements in exchange rates		141	(60)	-	-	-	81
At 31 December 2021		7,210	42,731	-	413	-	50,354
Net book value							
At 31 December 2020							
Owned assets		18,322	48,495	-	91	121	67,029
		18,322	48,495	-	91	121	67,029
At 31 December 2021							
Owned assets		18,710	46,376	-	49	203	65,338
		18,710	46,376	-	49	203	65,338

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For the year ended 31 December 2021

17 Leases as a lessee

The Group leases a number of land, buildings and equipment for 2-55 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2021, the Group leased land, buildings and equipment for 2-30 years and paid fixed and variable lease payment that are based on sales and usage over the lease term. These payment terms are common in Thailand.

Extension options

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2021	2020	2021	2020
	<i>(in million Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Sub-lease income	132	132	-	-
Depreciation of right-of-use assets:				
- Land improvement	1,158	1,132	-	-
- Buildings	8,162	8,056	25	20
- Information system equipment	-	1	-	-
- Office equipment	33	41	-	-
Interest on lease liabilities	1,947	1,800	-	1
COVID-19 related rent concessions	(532)	(505)	-	-
Expenses relating to short-term leases	287	132	10	8
Variable lease payments based on sales	407	812	-	-

In 2021, total cash outflow for leases of the Group and the Company were Baht 9,268 million and Baht 25 million, respectively. (2020: Baht 8,081 million and Baht 20 million, respectively).

18 Leases as a lessor

The leases of investment properties comprise a number of buildings that are leased to related parties under operating leases. Each of the leases contains an initial non-cancellable. Subsequent renewals are negotiated with the lessee. Rental income as specified in the agreements.

The Group has leased a land for 55 years. During 2020, the Group entered into sub-leases of land for 40 years which were classified as finance lease receivables, and reclassified related right-of-use assets to investment properties.

<i>Lease payments to be received from finance lease receivables</i>	Consolidated financial statements	
<i>At 31 December</i>	2021	2020
	<i>(in million Baht)</i>	
1 st year	705	674
2 nd year	9	109
3 rd year	110	9
4 th year	10	110
5 th year	110	10
After 5 th year	4,049	4,159
Total	4,993	5,071

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19 Goodwill

	<i>Note</i>	Consolidated financial statements	
		2021	2020
		<i>(in million Baht)</i>	
<i>Cost</i>			
At 1 January		30,752	30,304
Acquired through business combination	6(a)	7,041	88
Effect of movements in exchange rates		3,096	360
At 31 December		40,889	30,752
<i>Impairment losses</i>			
At 1 January		(2,804)	(2,804)
At 31 December		(2,804)	(2,804)
<i>Net book value</i>			
At 31 December		38,085	27,948



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Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

Consolidated financial statements

	la Rinascente S.p.A		Quinam B.V. and its subsidiaries		NKT New Solution and Technology Development Investment Joint Stock Company and its subsidiaries		COL Public Company Limited and its subsidiaries		Multiple units without significant goodwill		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(in million Baht)											
At 1 January	4,745	4,340	18,652	18,600	4,109	4,117	-	-	442	443	27,948	27,500
Acquired through business combinations	-	-	-	88	-	-	7,041	-	-	-	7,041	88
Effect of movements in exchange rates	131	405	2,383	(36)	525	(8)	-	-	57	(1)	3,096	360
At 31 December	4,876	4,745	21,035	18,652	4,634	4,109	7,041	-	499	442	38,085	27,948

The recoverable amount of this CGU was based on asset's value in use, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.



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	la Rinascente S.p.A.		Quinam B.V. and its subsidiaries		NKT New Solution and Technology Development Investment Joint Stock Company and its subsidiaries		COL Public Company Limited and its subsidiaries	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	9.00	9.00	10.00	10.00	10.00	10.00	10.50	-
Terminal value growth rate	1.00	0.50	6.00	6.00	6.00	6.00	1.50	-

(%)

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 75% at a market interest rate of 4.42% for la Rinascente S.p.A., a possible debt leveraging of 49.6% at a market interest rate of 4.65% for Quinam B.V. and its subsidiaries, a possible debt leveraging of 67% at a market interest rate of 5.92% for NKT New Solution and Technology Development Investment Joint Stock Company and its subsidiaries, and a possible debt leveraging of 0.01% at a market interest rate of 7.81% for COL Public Company Limited and its subsidiaries.

The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows.

- Revenue growth rate and profit margin were projected consistent with the Company's business plan for the next 5 years based on historical performance, present and future strategies and action plans as well as anticipating future market trends.
- Significant one-off environmental costs have been factored into the budgeted EBITDA, reflecting various potential regulatory developments in a number of European countries in which the CGU operates. Other environmental costs are assumed to grow with inflation in other years.



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The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Euro 422 million (2020: Euro 239 million) for la Rinascente S.p.A., VND 61,556 billion (2020: VND 52,193 billion) for Quinam B.V. and its subsidiaries, VND 1,240 billion (2020: VND 183 billion) for NKT New Solution and Technology Development Investment Joint Stock Company and its subsidiaries, and Baht 10,901 million for COL Public Company Limited and its subsidiaries. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which an assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Consolidated financial statements

	la Rinascente S.p.A.		Quinam B.V. and its subsidiaries		NKT New Solution and Technology Development Investment Joint Stock Company and its subsidiaries		COL Public Company Limited and its subsidiaries	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	4.29	5.80	4.78	4.81	(%) 0.61	0.11	6.87	-



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20 Other intangible assets

		Consolidated financial statements				
	Note	Software licenses	Trademarks and franchise (in million Baht)	System development	Asset under installment	Total
Cost						
At 1 January 2020		1,708	5,097	1,708	452	8,965
Additions		524	2	122	439	1,087
Transfers		441	-	44	(485)	-
Disposals		(83)	(19)	(152)	(24)	(278)
Effect of movements in exchange rates		11	119	23	1	154
At 31 December 2020 and 1 January 2021		2,601	5,199	1,745	383	9,928
Acquired through business combination		715	1,033	152	31	1,931
Additions		269	-	171	242	682
Transfers		52	-	293	(345)	-
Disposals		(13)	-	(13)	(9)	(35)
Effect of movements in exchange rates		65	285	16	3	369
At 31 December 2021		3,689	6,517	2,364	305	12,875
Amortisation and impairment losses						
At 1 January 2020		900	320	1,181	38	2,439
Amortisation for the year		251	38	184	-	473
(Reversal of) impairment loss		1	280	(12)	-	269
Disposals		(53)	(17)	(52)	-	(122)
Effect of movements in exchange rates		11	1	15	-	27
At 31 December 2020 and 1 January 2021		1,110	622	1,316	38	3,086
Amortisation for the year		423	247	220	-	890
Reversal of impairment loss		-	(9)	-	(8)	(17)
Disposals		(10)	-	-	-	(10)
Effect of movements in exchange rates		31	-	10	-	41
At 31 December 2021		1,554	860	1,546	30	3,990
Net book value						
At 31 December 2020		1,491	4,577	429	345	6,842
At 31 December 2021		2,135	5,657	818	275	8,885

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021****21 Interest-bearing liabilities**

	Consolidated financial statements					
	2021			2020		
	Secured	Unsecured	Total (in million Baht)	Secured	Unsecured	Total
Short-term loans from financial institutions	19,288	16,344	35,632	10,888	20,737	31,625
Current portion of long-term borrowings	4,730	8,688	13,418	1,795	968	2,763
Current portion of lease liabilities	-	7,428	7,428	-	6,471	6,471
Long-term borrowings	5,111	23,406	28,517	8,999	20,493	29,492
Lease liabilities	-	50,300	50,300	-	51,566	51,566
Total interest-bearing liabilities	29,129	106,166	135,295	21,682	100,235	121,917

	Note	Separate financial statements					
		2021			2020		
		Secured	Unsecured	Total (in million Baht)	Secured	Unsecured	Total
Short-term loans from financial institutions		10,142	12,650	22,792	3,000	16,885	19,885
Short-term loans from related parties	7	-	6,939	6,939	-	9,277	9,277
Current portion of long-term borrowings		-	7,400	7,400	1,500	-	1,500
Current portion of lease liabilities		-	23	23	-	22	22
Long-term borrowings		-	21,484	21,484	-	17,376	17,376
Lease liabilities		-	27	27	-	23	23
Total interest-bearing liabilities		10,142	48,523	58,665	4,500	43,583	48,083

Assets pledged as security for liabilities as at 31 December

	Consolidated financial statements	
	2021	2020
	(in million Baht)	
Fixed deposits	1,127	1,480
Investment properties	1,610	1,579
Property, plant and equipment	-	52
Total	2,737	3,111

As at 31 December 2021, the Group had unutilised credit facilities from financial institutions totaling Baht 76,489 million (2020: Baht 83,654 million).

As at 31 December 2021, the Company had unutilised credit facilities from financial institutions totaling Baht 36,347 million (2020: Baht 45,238 million).

As at 31 December 2021, the Group had short-term loans from financial institutions representing promissory notes, packing credits, letters of credit and trust receipts which will be repayable within 2022. Interest was charged at rates from 0.60% to 4.00% per annum (2020: 0.15% to 4.45% per annum).

As at 31 December 2021, the Group had long-term loan agreements with local and foreign financial institutions, which were repayable as stipulated in the agreements for the longest period of 10 years



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which will be expired in December 2029. Interest was charged at rates from 1.35% to 5.85% per annum (2020: 2.01% to 6.00% per annum). The loans are guaranteed by its subsidiaries. Accordingly, the Group must comply with the conditions outlined in the agreements e.g. maintain the ratios of liabilities to equity, maintain the ratios of shareholding of investments in certain subsidiaries.

As at 31 December 2021, the Company had short-term loans from financial institutions representing promissory notes repayable within 2022. Interests was charged at rates from 0.70% to 1.18% per annum (2020: 0.75% to 1.78% per annum).

As at 31 December 2021, the Company had long-term loan agreements with local financial institutions, which were repayable as stipulated in the agreements which will be expired in 2024. Interest was charged at rates from 1.90% to 2.12% per annum (2020 : 2.01% to 2.50% per annum). The loans are guaranteed by a subsidiary. Accordingly, the Company must comply with the conditions outlined in the agreements e.g. maintain the ratios of liabilities to equity, maintain the ratios of net debt to EBITDA.

22 Other current payables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Rental and service payable	4,153	4,125	15	16
Accrued operating expenses	6,204	4,980	58	41
Accrued other tax expense	2,101	2,369	44	35
Deposits and advances received	1,955	1,744	-	-
Payable for purchase of assets	2,135	1,889	2	2
Accrued bonus	1,056	857	93	80
Payable for acquisition of subsidiaries	66	359	-	-
Others	158	160	51	45
Total	17,828	16,483	263	219

23 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
At 31 December	2021	2020	2021	2020
	(in million Baht)			
Defined benefit plan	2,213	2,228	102	113
Termination benefits	96	-	-	-
Total	2,309	2,228	102	113

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirements of the Thai Labor Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Present value of the defined benefit obligations	<i>Note</i>		<i>(in million Baht)</i>		
At 1 January		2,228	2,467	113	109
Recognised in profit or loss:					
Current service costs and interest on obligation	30	214	254	12	13
Recognised in other comprehensive income:					
Actuarial (gain) loss					
- Demographic assumptions		-	125	-	1
- Financial assumptions		(157)	(450)	(6)	(16)
- Experience adjustment		-	339	-	14
Effect of movements in exchange rates		9	30	-	-
Acquired through business combination	6(a)	123	-	-	-
Benefit paid		(208)	(537)	(17)	(8)
Transfer		4	-	-	-
At 31 December		2,213	2,228	102	113

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	0.65-2.98	0.65-1.99	2.56	1.71
Future salary growth	4.0-5.0	4.0-5.0	4.0	4.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 15 years (2020: 15 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements			
<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Discount rate	(194)	(169)	228	198
Future salary growth	239	190	(207)	(165)

	Separate financial statements			
<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
<i>At 31 December</i>	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Discount rate	(6)	(6)	7	7
Future salary growth	8	7	(7)	(6)



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24 Share capital

	Par value per share (in Baht)	Number	2021 Amount (million shares / million Baht)	2020 Number	Amount
Authorised shares					
At 1 January					
- ordinary shares	1	6,320	6,320	6,320	6,320
At 31 December					
- ordinary shares	1	6,320	6,320	6,320	6,320
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	6,031	6,031	4,700	4,700
Increase of new shares	1	-	-	1,331	1,331
At 31 December					
- ordinary shares	1	6,031	6,031	6,031	6,031

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Initial public offering

The Company offered 1,691 million ordinary shares which consist of (1) 1,331 newly issued ordinary shares (2) 360 existing ordinary shares offered by Hawthorn Resources Limited. The new shares were placed at a price of Baht 42 per share (par value of Baht 1 plus a premium of Baht 41) for which the Company received Baht 22,986 million and received ordinary shares of Robinson Public Company Limited (ROBINS) by offering share swap amounting to Baht 32,916 million, totaling Baht 55,902 million before deduction of expenses from the placement. The shares of the Company began trading on the Stock Exchange of Thailand ("SET") on 20 February 2020.

Expenses directly attributable to the IPO of Baht 781 million were deducted from the IPO's share premium, which was received from shares offering to investors, resulted in net share premium of Baht 53,790 million.

Tender Offer - Robinson Public Company Limited

At the Board of Director's meeting of the Company held on 25 July 2019, pursuant to the business restructuring of the subsidiaries and affiliates, the directors approved to make a tender offer to purchase all shares in Robinson Public Company Limited ("ROBINS") held by other shareholders and proposed to purchase at Baht 66.50 per share by issue new ordinary shares of the Company as consideration for the Conditional Exchange Offer, the newly issued ordinary share price at Baht 42 per share.

Tender offer period started from 27 December 2019 to 3 February 2020. After the completion of tender offer, the Company, the Tender Offer of ROBINS accepted the shares offered for sale in 494,976,571 shares. As a result, the Company has increasing in investments in subsidiaries and equity in amounting to Baht 32,916 million, the direct shareholding in ROBINS increased from 27.75% to 72.31%, resulting to total shareholding included direct and indirect shareholding in ROBINS increased from 53.82% to 98.39% of the total issued and paid up shares of the Company.

The carrying amount of ROBINS's net assets in the Group's financial statements on the date of the acquisition was Baht 19,173 million. The Group recognised a decrease in non-controlling interests of Baht 11,036 million and a decrease in other equity of Baht 21,880 million.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.



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25 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

26 Segment information and disaggregation of revenue

(a) Segment information

Management determined that the Group has three reportable segments which are the Group's strategic divisions offer different products and services and cater to different and various needs of customers, but together offer a complete retail experience to consumers. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The Group's reportable segment which has changed during 2021 as a result of the acquisition of COL Public Company Limited and its Subsidiaries is disclosed in segment hardline. The following summary describes the operations in each of the Group's reportable segments.

<i>Segment 1 Fashion</i>	Operating fashion business mostly under department store format in Thailand and overseas.
<i>Segment 2 Food Products</i>	Operating food retailing such as supermarket and convenience store.
<i>Segment 3 Hardline</i>	Operating hardline retailing including consumer electronic, construction material, home products, stationery supplies, books and office equipment.

Each segment's performance is measured based on segment earnings before interest, taxes, depreciation and amortisation "EBITDA", as included in the internal management reports that are reviewed by the Group's CODM. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.



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For the year ended 31 December	Consolidated financial statement							
	Fashion		Food Products		Hardline		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	(in million Baht)							
Information about reportable segments								
External revenues	46,818	50,819	71,210	76,657	63,984	52,774	182,012	180,250
Inter-segment revenue	4,344	9,022	3,803	2,697	1,160	859	9,307	12,578
Total revenue	51,162	59,841	75,013	79,354	65,144	53,633	191,319	192,828
Disaggregation of revenue								
Primary geographical markets								
Thailand	35,556	41,982	40,648	46,345	54,908	41,633	131,112	129,960
Italy	11,154	8,616	-	-	-	-	11,154	8,616
Vietnam	86	124	30,562	30,310	9,076	11,141	39,724	41,575
Others	22	97	-	2	-	-	22	99
Total revenue	46,818	50,819	71,210	76,657	63,984	52,774	182,012	180,250
Major products/service lines								
Sale of goods	42,810	46,222	69,600	74,684	63,565	52,232	175,975	173,138
Rental services	3,457	3,872	1,154	1,415	379	311	4,990	5,598
Rendering services	435	555	373	441	18	216	826	1,212
Investing	116	170	83	117	22	15	221	302
Total revenue	46,818	50,819	71,210	76,657	63,984	52,774	182,012	180,250
Segment profit (loss) before income taxes	(3,784)	(3,968)	(379)	2,147	4,068	1,278	(95)	(543)
Segment profit before interest, income taxes, depreciation and amortisation	7,080	7,011	5,296	7,734	7,683	4,220	20,059	18,965
Other income	2,614	2,426	7,061	8,756	3,966	2,880	13,641	14,062
Interest income	116	170	83	117	22	15	221	302
Interest expense	1,938	1,662	674	706	501	582	3,113	2,950
Depreciation and amortisation	8,926	9,317	5,001	4,881	3,114	2,360	17,041	16,558
Share of profit of investments in associates and joint ventures	279	132	-	-	-	-	279	132
Tax expense (income)	(844)	(765)	42	(1)	430	(118)	(372)	(884)



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<i>For the year ended 31 December</i>	Fashion		Consolidated financial statement				Total	
	2021	2020	Food Products		Hardline		2021	2020
			2021	2020	2021	2020		
			<i>(in million Baht)</i>					
Other material non-cash items:								
- (Reversal of) impairment losses on property, plant and equipment and other intangible assets	(20)	324	280	45	(8)	15	252	384
- Losses on inventories devaluation	7	304	807	963	54	233	868	1,500
Investments in associates and joint ventures	1,108	1,031	4,451	-	-	-	5,559	1,031
Segment assets	109,364	117,491	83,451	71,982	70,413	49,707	263,228	239,180
Segment liabilities	138,904	126,393	32,014	30,236	33,229	26,836	204,147	183,465



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(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Consolidated financial statements			
	Revenues		Non-current assets	
	2021	2020	2021	2020
	(in million Baht)			
Thailand	131,112	129,960	112,519	106,586
Italy	11,154	8,616	29,724	30,406
Vietnam	39,724	41,575	30,626	24,667
Other countries	22	99	14,882	9,313
Investments in associates and joint ventures	-	-	5,559	1,031
Total	182,012	180,250	193,310	172,003

(c) Major customer

For the years 2021 and 2020, the Group had no customers with revenue greater than 10% of the Group's revenues.

27 Other income

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
Promotional and advertising income	7,595	7,216	199	97
Logistic and distribution income	2,459	2,560	-	-
Net gain on foreign exchange	-	659	-	24
Utilities income	421	483	-	-
Royalty income	300	302	304	291
Income sharing	272	206	-	-
Management fee income	146	259	-	-
Others	2,448	2,377	41	31
Total	13,641	14,062	544	443

28 Selling expenses

	Consolidated financial statements	
	2021	2020
	(in million Baht)	
Depreciation	15,094	14,716
Employee benefit	13,127	12,756
Utilities	3,925	4,101
Marketing and promotion	3,316	3,418
Rental and service expense	95	785
Others	4,806	4,738
Total	40,363	40,514



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For the year ended 31 December 2021

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Employee benefit	6,428	5,650	774	604
Management fee	1,746	2,028	322	15
Technology service expenses	1,332	1,151	23	6
Depreciation and amortisation	1,061	932	40	34
Loss from inventories devaluation	868	1,500	-	-
Professional	760	577	68	68
Maintenance	550	465	-	-
Impairment loss	252	390	-	-
Rental and service expense	234	381	10	11
Net loss on foreign exchange	201	-	150	-
Others	3,273	3,500	169	124
Total	16,705	16,574	1,556	862

30 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in million Baht)</i>			
Wages and salaries		15,147	14,512	583	466
Bonus		1,076	828	75	47
Defined benefit plans	23	214	254	12	13
Defined contribution plans		179	168	13	13
Termination benefits		96	-	-	-
Others		2,843	2,695	91	65
Total		19,555	18,457	774	604

31 Income tax

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Income tax recognised in profit or loss				
Current tax expense				
Current year	1,187	706	-	-
Under (over) provided in prior years	(35)	1	-	-
Deferred tax expense				
Movements in temporary differences	(1,524)	(1,591)	1	(1)
	(372)	(884)	1	(1)



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For the year ended 31 December 2021

	Consolidated financial statements					
	Before tax	2021 Tax expense	Net of tax	Before tax	2020 Tax benefit	Net of tax
Income tax						
			(in million Baht)			
Recognised in other comprehensive income						
Defined benefit plan actuarial gain (losses)	157	(32)	125	(14)	4	(10)
Cash flow hedges reserve	9	(2)	7	(12)	3	(9)
Financial assets at FVOCI	(1)	-	(1)	(86)	17	(69)
Total	165	(34)	131	(112)	24	(88)

	Separate financial statements					
	Before tax	2021 Tax expense	Net of tax	Before tax	2020 Tax expense	Net of tax
Income tax						
			(in million Baht)			
Recognised in other comprehensive income						
Defined benefit plan actuarial gain	5	(1)	4	1	-	1
Financial assets at FVOCI	2	-	2	6	(1)	5
Total	7	(1)	6	7	(1)	6

Reconciliation of effective tax rate

	Consolidated financial statements			
	2021	2020		
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Loss before income tax expense		(95)		(543)
Income tax using the Thai corporation tax rate	20	(19)	20	(109)
Effect of different tax rates in foreign jurisdictions		(25)		(192)
Difference in effective tax rate of investments in associates and joint ventures		(56)		(26)
Income not subject to tax		(209)		(247)
Expenses not deductible for tax purposes		218		153
Recognition of previously unrecognised tax losses		(49)		(65)
Current year losses for which no deferred tax asset was recognised		470		733
Deferred tax asset in prior year which recognised in this period		(97)		(168)
Expenses with additional deduction for tax purposes		(569)		(964)
Under (over) provided in prior years		(35)		1
Others		(1)		-
Total	391.58	(372)	162.80	(884)



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Reconciliation of effective tax rate

	Separate financial statements		Separate financial statements	
	2021	2020	2021	2020
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		483		3,774
Income tax using the Thai corporation tax rate	20	97	20	755
Income not subject to tax		(73)		(661)
Expenses not deductible for tax purposes		-		1
Expenses with additional deduction for tax purposes		(1)		(597)
Recognition of previously unrecognised tax losses		(22)		-
Current year losses for which no deferred tax asset was recognised		-		501
Total	-	1	-	(1)

Deferred tax

At 31 December

	Consolidated financial statements		Consolidated financial statements	
	Assets	Liabilities	Assets	Liabilities
	2021	2020	2021	2020
	(in million Baht)		(in million Baht)	
Total	5,409	3,877	(3,636)	(3,164)
Set off of tax	(594)	(495)	594	495
Net deferred tax assets (liabilities)	4,815	3,382	(3,042)	(2,669)

Deferred tax

At 31 December

	Separate financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
	2021	2020	2021	2020
	(in million Baht)		(in million Baht)	
Total	15	17	(2)	(2)
Set off of tax	(2)	(2)	2	2
Net deferred tax assets (liabilities)	13	15	-	-



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For the year ended 31 December 2021

	Consolidated financial statements					At 31 December
	At 1 January	Profit or loss	(Charged) / Credited to: Other comprehen- sive income (in million Baht)	Acquired in business combination	Effect of movements in exchange rates	
Deferred tax						
2021						
Deferred tax assets						
Trade and other current receivables	123	4	-	2	1	130
Inventories	505	57	-	76	2	640
Loans to other parties	19	2	-	-	-	21
Property, plant and equipment	52	56	-	-	-	108
Right-of-use assets	982	130	-	12	37	1,161
Derivatives	3	-	(2)	-	-	1
Non-current provisions for employee benefits	424	30	(32)	17	-	439
Loss carry forward	642	487	-	60	15	1,204
Others	1,127	559	-	3	16	1,705
Total	3,877	1,325	(34)	170	71	5,409
Deferred tax liabilities						
Financial assets measured at FVOCI	(280)	-	-	-	3	(277)
Property, plant and equipment	(227)	(32)	-	-	-	(259)
Fair value from business combination	(2,528)	222	-	(419)	(229)	(2,954)
Others	(129)	9	-	(25)	(1)	(146)
Total	(3,164)	199	-	(444)	(227)	(3,636)
Net	713	1,524	(34)	(274)	(156)	1,773



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For the year ended 31 December 2021

	Consolidated financial statements					
	(Charged) / Credited to:					
<i>Deferred tax</i>	At 1 January	Profit or loss	Other comprehen- sive income	Acquired in business combination	Effect of movements in exchange rates	At 31 December
	(in million Baht)					
2020						
Deferred tax assets						
Trade and other current receivables	81	40	-	-	2	123
Inventories	467	34	-	-	4	505
Loans to other parties	-	19	-	-	-	19
Property, plant and equipment	37	15	-	-	-	52
Right-of-use assets	475	490	-	-	17	982
Derivatives	-	-	3	-	-	3
Non-current provisions for employee benefits	469	(54)	4	-	5	424
Loss carry forward	17	621	-	-	4	642
Others	829	283	-	-	15	1,127
Total	2,375	1,448	7	-	47	3,877
Deferred tax liabilities						
Financial assets measured at FVOCI	(297)	-	17	-	-	(280)
Property, plant and equipment	(219)	(7)	-	-	(1)	(227)
Fair value from business combination	(3,199)	671	-	-	-	(2,528)
Others	392	(521)	-	-	-	(129)
Total	(3,323)	143	17	-	(1)	(3,164)
Net	(948)	1,591	24	-	46	713



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For the year ended 31 December 2021

	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss (in million Baht)	Other comprehen- sive income	
Deferred tax				
2021				
Deferred tax assets				
Trade and other current receivables	2	-	-	2
Non-current provisions for employee benefits	15	(1)	(1)	13
Total	17	(1)	(1)	15
Deferred tax liabilities				
Fair value from business combination	(2)	-	-	(2)
Total	(2)	-	-	(2)
Net	15	(1)	(1)	13
2020				
Deferred tax assets				
Trade and other current receivables	2	-	-	2
Non-current provisions for employee benefits	14	1	-	15
Total	16	1	-	17
Deferred tax liabilities				
Fair value from business combination	(1)	-	(1)	(2)
Total	(1)	-	(1)	(2)
Net	15	1	(1)	15
Unrecognised deferred tax assets				
	Consolidated financial statements	Separate financial statements		
	2021	2020	2021	2020
		(in million Baht)		
Loss carry forward	2,363	2,051	856	915

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.



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Notes to the financial statements

For the year ended 31 December 2021

32 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in million Baht / million shares)</i>			
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>	59	46	482	3,774
Number of ordinary shares outstanding at 1 January	6,031	4,700	6,031	4,700
Effect of shares issued on 20 February 2020	-	1,149	-	1,149
Weighted average number of ordinary shares outstanding	6,031	5,849	6,031	5,849
Basic earnings per share <i>(in Baht)</i>	0.01	0.01	0.08	0.65

On 20 February 2020, the Company issued new ordinary shares (see note 24).

33 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
2021				
2020 annual dividend	23 April 2021	May 2021	0.40	2,412



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Notes to the financial statements

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34 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

At 31 December	Consolidated financial statements					Fair value		
	Hedging instruments	Carrying amount		Total	Level 1	Level 2	Level 3	Total
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI					
					(in million Baht)			
2021								
Financial assets								
Investment in debt instruments	-	288	-	288	288	-	-	288
Investment in equity instruments	-	-	1,617	1,617	-	-	1,617	1,617
Forward exchange contract	-	5	-	5	-	5	-	5
Financial liabilities								
Interest rate swaps used for hedging	3	21	-	24	-	24	-	24
2020								
Financial assets								
Investment in debt instruments	-	215	-	215	215	-	-	215
Investment in equity instruments	-	-	1,603	1,603	-	-	1,603	1,603
Financial liabilities								
Interest rate swaps used for hedging	12	-	-	12	-	12	-	12

**Central Retail Corporation Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2021**

	Financial instruments measured at FVTPL	Carrying amount Financial instruments measured at FVOCI	Separate financial statements		Fair value		
			Total	Level 1 (in million Baht)	Level 2	Level 3	Total
At 31 December							
2021							
Financial assets							
Investment in equity instruments	-	14	14	-	-	14	14
2020							
Financial assets							
Investment in equity instruments	-	12	12	-	-	12	12



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Notes to the financial statements

For the year ended 31 December 2021

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Equity instruments	The fair value of non-listed unit trusts is estimated based on the net asset value at the reporting date.
Derivatives	The fair value of derivatives is obtained from quoted market prices in active markets, where available. Fair values of derivatives in an illiquid market are obtained using an average price (quoted from several reliable sources), valuation technique and a benchmark price of instruments which have similar characteristics, as appropriate.

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other current receivables, finance lease receivables and investments in debt securities.



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For the year ended 31 December 2021

(b.1.1) Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 26.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions and credit limits are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a payment period. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade receivables is disclosed in note 9.

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. As at 31 December 2021, the Group has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries (see note 7).

(b.2) *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



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The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements					
Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>At 31 December</i>					
<i>(in million Baht)</i>					
2021					
Non-derivative financial liabilities					
Short-term loans from financial institutions	35,632	35,632	-	-	35,632
Trade payables	36,905	36,905	-	-	36,905
Other current payables	17,828	17,828	-	-	17,828
Long-term borrowings	41,935	13,418	27,632	885	41,935
Lease liabilities	57,728	8,892	23,760	47,250	79,902
	190,028	112,675	51,392	48,135	212,202
Derivative financial liabilities					
Interest rate swaps used for hedging	3	3	-	-	3
Interest rate swaps	21	-	21	-	21
	24	3	21	-	24
Derivative financial assets					
Forward exchange contracts					
Cash outflow	-	(373)	(100)	-	(473)
Cash inflow	5	378	100	-	478
	5	5	-	-	5
2020					
Non-derivative financial liabilities					
Short-term loans from financial institutions	31,625	31,625	-	-	31,625
Trade payables	31,569	31,569	-	-	31,569
Other current payables	16,483	16,483	-	-	16,483
Long-term borrowings	32,255	2,763	29,087	405	32,255
Lease liabilities	58,037	7,230	23,885	47,218	78,333
	169,969	89,670	52,972	47,623	190,265
Derivative financial liabilities					
Interest rate swaps used for hedging	12	12	-	-	12
	12	12	-	-	12



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At 31 December	Separate financial statements				
	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but	More than 5 years	
			less than 5 years		
			(in million Baht)		
2021					
Non-derivative financial liabilities					
Short-term loans	29,731	29,731	-	-	29,731
Other current payables	263	263	-	-	263
Long-term borrowings	28,884	7,400	21,484	-	28,884
Lease liabilities	50	23	27	-	50
	<u>58,928</u>	<u>37,417</u>	<u>21,511</u>	<u>-</u>	<u>58,928</u>
2020					
Non-derivative financial liabilities					
Short-term loans	29,162	29,162	-	-	29,162
Other current payables	219	219	-	-	219
Long-term borrowings	18,876	1,500	17,376	-	18,876
Lease liabilities	45	22	23	-	45
	<u>48,302</u>	<u>30,903</u>	<u>17,399</u>	<u>-</u>	<u>48,302</u>

The cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

Consolidated financial statements						
2021			2020			
Exposure to foreign currency at 31 December	USD	Others	Total	USD	Others	Total
			(in million Baht)			
Financial assets	63	15	78	64	33	97
Financial liabilities	(3,433)	(224)	(3,657)	(606)	(289)	(895)
Net statement of financial position exposure	(3,370)	(209)	(3,579)	(542)	(256)	(798)
Forward exchange purchase contracts	478	-	478	-	-	-
Net exposure	(2,892)	(209)	(3,101)	(542)	(256)	(798)



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<i>Exposure to foreign currency at 31 December</i>	Separate financial statements					
	2021			2020		
	USD	EUR	Total (in million Baht)	USD	EUR	Total
Financial assets	54	5	59	47	4	51
Financial liabilities	(2,882)	-	(2,882)	-	-	-
Net exposure	(2,828)	5	(2,823)	47	4	51

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group mitigates this risk by ensuring that the majority of borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in million Baht)			
<i>Financial instruments with variable interest rates</i>				
Financial assets	288	215	46	-
Financial liabilities	(30,072)	(34,856)	(22,384)	(28,861)
Net statement of financial position exposure	(29,784)	(34,641)	(22,338)	(28,861)
Interest rate swaps	10,205	1,659	5,000	-
Net exposure	(19,579)	(32,982)	(17,338)	(28,861)

Interest rate swap contract

During 2021, the Group entered into an interest rate swap agreement for a long-term loan amounted of Baht 3,500 million swapping a floating interest rate of 6M THBFIX plus spread per annum, to a fixed interest rate of 1.98% per annum, with maturity aligned to the loan granted.

During 2021, the Company entered into an interest rate swap agreement for a long-term loan amounted of Baht 5,000 million swapping a floating interest rate of 6M THBFIX plus spread per annum, to a fixed interest rate of 1.95% per annum, with maturity aligned to the loan granted.

During 2020, the Group entered into an interest rate swap agreement for a long-term loan amounted of EUR 45 million swapping a floating interest rate of 3M Euribor plus spread per annum, to a fixed interest rate of 0.24% per annum, with maturity aligned to the loan granted.



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Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>Impact to profit or loss</i>				
<i>2021</i>				
Financial instruments with variable interest rate	196	(196)	173	(173)
<i>2020</i>				
Financial instruments with variable interest rate	330	(330)	289	(289)

(in million Baht)

35 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

36 Commitments with non-related parties

	Consolidated financial statements	
	2021	2020
	(in million Baht)	
<i>Capital commitments</i>		
Buildings and other constructions	1,217	1,329
System development	54	11
Furniture, fixtures and office equipment	85	13
Total	1,356	1,353
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within 1 year	23	57
1 - 5 years	5	16
Total	28	73
<i>Other commitments</i>		
Unused letters of credit for goods and supplies	5,620	1,941
Bank guarantees	2,241	1,572
Service agreements	37	-
Total	7,898	3,513



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37 Contingent liabilities

Legal dispute involving the boundary of leased land

During 2019, the owner of a plot of land for which the lease had expired served the Group with a claim amounting to Baht 3,815 million as compensation for a dispute with regard to the boundary of the plot. On 2 February 2021, the Civil Court dismissed the case. The plaintiff has appealed against the judgment. On 8 December 2021, the Group filed an appeal response. The case is pending before the Appeal Court. Management believes the plaintiff's claims are unlikely to succeed and a provision for future payments is not necessary.

Legal dispute involving the permits issued for the store construction in Italy

The Group leases a constructed store from a related party. The related party was served with claims by third parties regarding the permits under which it constructed the store in Italy. The Municipality of Rome or the ad-hoc officer may order that (i) the rebuilding and reconversion works to be demolished in whole or in part, or a demolition order could reduce the effective net selling space of the store resulting in the temporary closure of the store, or (ii) to forbid access to the entire store, or to require the payment of a curing fine of at least Euro 40 million and/or for payment of damages in an amount of approximately Euro 5 million. The hearing was held on 18 June 2020. On 9 September 2020, the judgement was issued by the Board of the Council of State which rejected the action for the nullity of the acts advanced by the counterparties. The building permit was issued validly and legally subject to the authority of Municipality of Rome. However, there are still pending disputes relating to the challenge against the building permit in respect of the content of the building permit and the claim for indemnification before the Administrative Regional Court. The hearings for these cases have not been scheduled yet and it is impossible to reasonably estimate the potential impact. Management believes the claims are unlikely to succeed and a provision for future payments is not necessary.

Legal dispute involving the payment of department store construction

During 2020, the contractor company served the Group with a claim amounting to Baht 95 million as compensation for legal dispute with regard to the breach of construction contract from a modified plan of a department store. The case is pending before the Civil Court. Management believes the claims are unlikely to succeed and a provision for future payments is not necessary.

Legal dispute involving the permits issued for the store construction in Thailand

The Group leases a land from a related party to operate a department store. The related party was served with claims by a third party regarding the building permits under which it constructed the department store in Saraburi province in order to revoke the permits. In December 2016, the Central Administrative Court issued the judgement to the related party to demolish the building within 180 days. In January 2017, the Chief Executive of the Subdistrict Administrative Organization and the related party filed an appeal to the Supreme Administrative Court. The court has accepted the appeal. The case is pending before the Supreme Administrative Court. Management believes the claims are unlikely to succeed and a provision for future payments is not necessary.



Central Retail Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

38 Events after the reporting period

Credit guarantee

In January 2022, the Company entered into an additional short-term credit guarantee agreement with a financial institution for a related party amounting to Baht 500 million.

Dividend payment

At the Board of Director's meeting of the Company held on 25 February 2022, the directors approved the appropriation of annual dividends based on the operating profit for the year 2021 of Baht 0.3 per share, amounting to Baht 1,809.3 million. The dividend will be paid to shareholders during 2022. Such dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 29 April 2022.



Glossary of Terms

Apart from the context otherwise requires, terms defined shall have the following meanings:

Central Group	HCDS and other companies operating under the “Central” brand, or entities under the name “Central” in which a member of the Chirathivat family holds a significant portion of shares, including Central Pattana Public Company Limited (CPN) and Central Plaza Hotel Public Company Limited (CENTEL).
Retail business group	Central Retail’s business is organized into 4 operating segments based on business units, including hardline, food, fashion, and property or “segments” as presented in financial statement of the Company.
Central Retail	Central Retail Corporation Public Company Limited and/or subsidiaries and/or associated company, as context requires.
Key retail banners	Key retail banners as presented in the table of Central Retail’s key retail banners in “Business Overview”
The Company	Central Retail Corporation Public Company Limited
Subsidiaries	The meaning of subsidiaries in accordance with Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551, Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (As amended).
Associated company	The meaning of associated company in accordance with Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551, Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (As amended).
SET	The Stock Exchange of Thailand
Public Limited Companies Act	Public Limited Companies Act, B.E. 2535 (1992) (As amended)
Securities and Exchange Act	Securities and Exchange Act B.E. 2535 (1992) (As amended)
SEC	The Securities and Exchange Commission, Thailand
CENTEL	Central Plaza Hotel Public Company Limited
COL	COL Public Company Limited
CPN	Central Pattana Public Company Limited
HCDS	Hong Central Department Store, major shareholder of the Company
RIS	RIS Company Limited, providing IT services and computer equipment
Southeast Asia	Southeast Asia is composed of Cambodia, Thailand, Brunei, Burma (Myanmar), the Philippines, Malaysia, Laos, Vietnam, Singapore and Indonesia

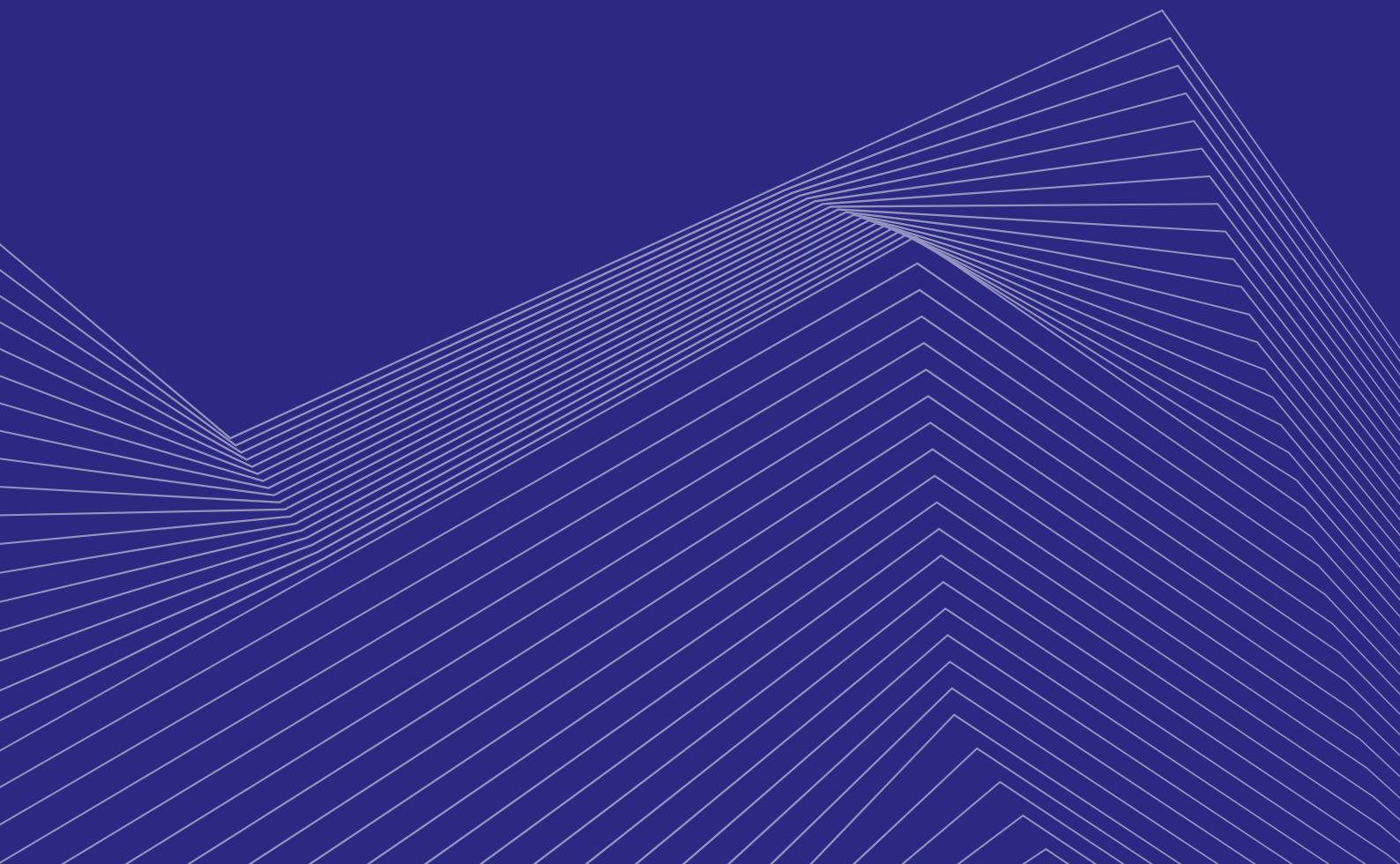


Glossary of Retailing Terms

Glossary of retailing terms, presented in this One-Report, shall have the following meanings:

DIY (“do-it-yourself”)	The method of building, modifying or repairing something without the aid of experts or professionals.
The 1 loyalty program or The 1	The customer loyalty program operated by The 1 Central Co. Ltd., a subsidiary of HCDS, in which Central Retail participates.
Multi-Format Retailer	A retailer that operates multiple types of retail businesses, such as department stores, specialty stores, supermarkets, hypermarkets, convenience stores, etc.
Retail plaza	A retail format that hosts a diverse collection of stores that share common structures and other areas at a single location, and which includes “lifestyle centers” which are designed to be a destination for shopping as well as entertainment, dining and other activities, and which generates revenue in the form of rental income from tenants.
Net selling space and average net selling space per location	Net selling space is the main selling space (excluding rental space and display windows), including stock rooms, promotion areas, and walkways forming part or adjacent to the selling space. Average net selling space per location is the net selling space as of the date indicated divided by the number of stores as at the date indicated.
Net leasable space	The area at a given location that may be rented out to tenants, after deducting for common areas.
Sales of goods per square meter	Computed based on total sales of goods for the period divided by net selling space for the period, which is the average of the net selling space as of the end of each month comprising the period.
Average rental income per square meter	Average rental income per square meter is calculated based on total rental income for the period divided by the total occupied area for the period.
FMCG (Fast-Moving Consumer Goods)	Merchandise sold quickly. Examples include non-durable goods such as packaged foods, beverages, toiletries, over-the-counter drugs, and other consumables.
Repeat customer rate	The percentage of customers who have made more than one visit transaction in a given year.
Same store sales growth (SSSG)	The change in the contribution to total gross sales between two periods made by the relevant stores on a standalone basis under each of our key retail banners. The stores that are included in comparisons are those that have been in operation during the entirety of the two periods of comparison. The comparison for each store takes into account sales by that store during the same period it was in operation in both the reporting period and the period of comparison. The gross sales of all the relevant stores in the relevant period are then aggregated and compared.
Total occupancy rate	The percentage of net leasable space leased out to a tenant, which is 12-month average occupancy rate.
Omnichannel	Omnichannel refers to the confluence of the various shopping channels used by customers in modern retailing, including in-store, online, mobile and social media.

Enclosure





ENCLOSURE 1

Details of Directors, Executives, Controlling Person, Person in charge of Finance and Accounting, Head of Controller, and Company Secretary and the representative for contact and coordination in case of a foreign company

1.1 Details of Directors, Executives, Controlling Person, Person in charge of Finance and Accounting, Head of Controller and Company Secretary



1.1 Details of Directors, Executives, Controlling Person, Person in charge of Finance and Accounting, Head of Controller and Company Secretary

Board of Directors



Dr. Prasarn Trairatvorakul

Age 69 years
Chairman

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor of Engineering in Electrical Engineering (First Class Honors), Chulalongkorn University
- Master of Engineering in Industrial Engineering and Management, Asian Institute of Technology, Thailand
- Master in Business Administration, Harvard University, Massachusetts, USA
- Doctor of Business Administration, Harvard University, Massachusetts, USA

Training organized by Thai Institute of Directors Association (IOD)

- Role of the Chairman Program (RCP) 2/2001
- Director Certification Program (DCP) 21/2002
- Ethical Leadership Program (ELP) 2/2015
- Board Nomination and Compensation Program (BNCP) 5/2018
- IT Governance and Cyber Resilience Program (ITG) 15/2020

Board Member/Management in Other Listed Company

2019 - Present	Chairman / Independent Director, Pruksa Holding Public Company Limited
2019 - Present	Chairman / Independent Director, SCG Packaging Public Company Limited
2019 - Present	Independent Director, Siam Cement Public Company Limited

Position in Other Company / Organization / Institution

4 Companies 11 Organizations

Experiences

1999 - 2003	Secretary-General, Securities and Exchange Commission of Thailand
2004 - 2010	President, Kasikornbank Public Company Limited
2010 - 2015	Governor, Bank of Thailand
2014 - 2019	Member, State Enterprise Policy Committee
2017 - 2019	Chairman, Economic Reform Committee
2017 - 2019	Chairman, Public Procurement Committee
2017 - 2019	Member, Independent Commission for Education Reform

GICS Industry Experience: Retailing

- President - Retail Banking and Financial Leasing at Kasikorn Bank PCL

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : - None -
- Held by spouse or minor children : - None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

- Annual General Meeting of Shareholders 2021 1/1
- The Board of Directors meeting 10/10

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Suthichai Chirathivat**

Age 81 years
Authorized Director
Vice Chairman

Date of Appointment as a Director**6 September 2019 - 25 November 2021****Education**

- Bachelor in Civil Engineering, Kingston College of Technology, UK
- Honorary Doctorate Degree in Business Administration, Chiang Rai Rajabhat University

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 55/2006
- Role of the Chairman Program (RCP)

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

87 Companies

Experiences

- | | |
|-------------|-------------------------------------------------------------------------------|
| 2009- 2013 | Chairman of the Supervisory Board, Central Group of Companies Company Limited |
| 1993 - 2021 | Vice Chairman Central Plaza Hotel Public Company Limited |
| 2000- 2021 | Chairman of the Board of Directors Central Pattana Public Company Limited |

GICS Industry Experience: Retailing

- Assistant Manager at Central Silom Department Store
- Chief Financial Officer at Harng Central Department Store Co., Ltd.

Shareholdings (Ordinary Shares) (as at 25 November 2021)

- Held personally : 0.0952%
- Held by spouse or minor children : 0.6226%

Family Relationship among Directors and Executives

- Elder Brother of (1) Mr. Suthikiati Chirathivat (2) Prof.Dr. Suthiphand Chirathivat and (3) Mr. Suthilaksh Chirathivat
- Uncle of (1) Mrs. Yuwadee Chirathivat (2) Mr. Prin Chirathivat (3) Mr. Tos Chirathivat and (4) Mr. Pichai Chirathivat

Meeting attendance in 2021

- | | |
|-----------------------------------------------|-----|
| • Annual General Meeting of Shareholders 2021 | 1/1 |
| • The Board of Directors meeting | 9/9 |

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Suthikiati Chirathivat**

Age 79 years
Authorized Director
Vice Chairman

Date of Appointment as a Director**6 September 2019 - Present****Education**

- Diploma in Mechanical Engineering, South West Essex Technical College, UK
- Bachelor of Arts in Political Science, Ramkamhaeng University
- Master of Arts in Political Science, Ramkamhaeng University
- Honorary Doctorate Degree in Business Administration, College of Asian Scholars
- Honorary Doctorate Degree in Business Administration, Dhurakij Pundit University
- Honorary Doctorate Degree in Hotel and Tourism Studies, Kasem Bundit University
- Honorary Doctorate Degree in Mass Communications, Ramkamhaeng University

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 68/2008

Other Training

- Diploma, The Joint State-Private Sectors Class 1, Thailand National Defense College
- Diploma, The Modern Management Course Class 1, Thailand National Defense College

Board Member / Management in Other Listed Company

2002 - Present	Director, Central Pattana Public Company Limited
2004 - Present	Chairman, Central Plaza Hotel Public Company Limited
2009 - Present	Chairman and Chairman of the Executive Committee, Bangkok Post Public Company Limited

Position in Other Company / Organization / Institution

66 Companies

Experiences

1984 - 1988	The Founder and Head of Thai Retailers Association, Thai Retailers Association
1991 - 1992	Member, National Legislative Assembly
1992 - 1996	Member, Senate of Thailand
2014 - 2015	Advisor to Chairman of the Constitutional Court, Constitutional Court of Thailand
2014 - 2016	Honorary Advisor, Thai Hainanese Trade Association

GICS Industry Experience: Retailing

- Assistant Manager at Central Trading Co., Ltd.
- Assistant Manager at Central Group

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.6439%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- Younger Brother of Mr. Suthichai Chirathivat*
- Elder Brother of (1) Mr. Sudhitham Chirathivat (2) Prof.Dr. Suthiphand Chirathivat and (3) Mr. Suthilaksh Chirathivat
- Uncle of (1) Mrs. Yuwadee Chirathivat (2) Mr. Prin Chirathivat (3) Mr. Tos Chirathivat and (4) Mr. Pichai Chirathivat

Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman and directors effective 25 November 2021

Meeting attendance in 2021

- Annual General Meeting of Shareholders 2021 1/1
- The Board of Directors meeting 10/10

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Sudhitham Chirathivat**

Age 74 years
Authorized Director
Director

Date of Appointment as a Director **21 December 2021 - Present**

Education

- Master of Business Administration - Operations Research IONA University, New York, USA
- Bachelor's Degree - Electrical Engineering, University of Maryland (College Park), USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 37/2003

Board Member / Management in Other Listed Company

1995 - Present	Director, Central Pattana Public Company Limited
2003 - Present	Director, Central Plaza Hotel Public Company Limited
2010 - Present	Chairman, Jasmine International Public Company Limited
2018 - Present	Chairman, Grand Canal Land Public Company Limited

Position in Other Company / Organization / Institution

68 Companies

Experiences

1990 - 2002	Managing Director and Chief Executive Officer, Central Pattana Public Company Limited
1996 - 2002	Chairman, Coffee Partners Company Limited (Starbucks-Thailand)
1998 - 2002	President and Founder, Thai Shopping Center Association
2001 - 2003	Advisor to the Minister of Commerce, The Ministry of Commerce
2006- 2008	Member of the National Legislative Assembly
2007 - 2015	Advisory of the Nomination and Remuneration Committee, Central Pattana Public Company Limited
2009- 2013	Chairman of the Executive Committee, Central Group of Companies Co., Ltd.
2011	Director, Big C Supercenter Public Company Limited
2015 - 2021	Independent Director, Chairman of Risk Management Committee, Member of Audit Committee, Member of the Nomination and Remuneration Committee, TV Thunder Public Company Limited

GICS Industry Experience: Retailing

- Executive Vice President, Harnng Central Department Store Co., Ltd.
- Executive Director, Central Group of Companies Co., Ltd.
- Executive Chairman, Central Group of Companies Co., Ltd.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.6644%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- Younger Brother of Mr. Suthikiati Chirathivat
- Elder Brother of (1) Prof. Dr. Suthiphand Chirathivat and (2) Mr. Suthilaksh Chirathivat
- Uncle of (1) Mrs. Yuwadee Chirathivat (2) Mr. Prin Chirathivat (3) Mr. Tos Chirathivat and (4) Mr. Pichai Chirathivat

Meeting attendance in 2021

Mr. Sudhitham has been appointed to be a member of the Board of Directors on 21 December 2021.
He has not attended the meetings held in 2021.

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mrs. Pratana Mongkolkul**

Age 58 years

Independent Director, Chairman of the Audit Committee

Date of Appointment as a Director

6 September 2019 - Present

Education

- Bachelor of Accounting, Thammasat University
- Master of Business Administration, Thammasat University
- Certificate Advanced Management Program, Harvard Business School, Harvard University, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 34/2003
- Director Accreditation Program (DAP) 2/2003
- Advanced Audit Committee Program (AACP) 22/2016
- IT Governance and Cyber Resilience Program (ITG) 4/2017
- Risk Management Program for Corporate Leaders (RCL) 8/2017
- Ethical Leadership Program (ELP) 21/2021
- Director Leadership Certification Program (DLCP) 2/2021
- Board Nomination and Compensation Program (BNCP) 12/2021

Other Training

- Director Diploma Examination Year 2003, The Australian Institute of Directors Association
- Chief Financial Officer Certification Program Class 1/2004, Institute of Certified Accounting and Auditors of Thailand
- Executive Program Class 6/2008, Capital Market Academy
- Thai Intelligent Investors 1/2012, Thai Investors Association
- Public Director Certification Program Class 13/2015, King Prajadhipok's Institute
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Rationale 20/2017, King Prajadhipok's Institute
- Higher Intellectual Property Law Certificate: Intellectual Property Challenges in the Next Normal 2021, The Central Intellectual Property and International Trade Court.

Board Member / Management in Other Listed Company

2015 - Present	Independent Director, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee and Member of the Good Corporate Governance Committee, FN Factory Outlet PLC.
2017 - Present	Independent Director and Chairman of the Audit Committee, Rojukiss International PLC.
2019 - Present	Independent Director, TBSP Public Company Limited
2020 - Present	Independent Director, Member of Audit Committee, Member of the Nomination Committee and Member of the Remuneration Committee, Total Access Communication PLC.

Position in Other Company / Organization / Institution

8 Companies 4 Organizations

Experiences

1992 - 1998	Senior Vice President of Finance and Accounting Department, Central Pattana Public Company Limited
1998 - 2012	Director and Group Chief Financial Officer, Minor International Public Company Limited
2007 - 2011	Director, S&P Syndicate Public Company Limited
2007 - 2011	Independent Director, Chairman of Audit Committee, Thoresen Thai Agencies Public Company Limited
2012 - 2015	Director and Chairman of Executive Committee, MC Group PLC.
2013 - 2019	Independent Director, Member of the Audit Committee, T.K.S. Technologies PLC.
2014 - 2017	Independent Director and Member of the Executive Committee, Dusit Thani PLC.
2014 - 2018	Member of Board Commissioners, Chairman of the Audit Committee, Port Authority of Thailand
2015 - 2017	Director, Member of the Executive Committee, Government Saving Bank
2015 - 2019	Director, Chairman of the Audit Committee, Thailand Post Company Limited
2017 - 2020	Director, Member of Executive Board Committee, Thai Airways International PLC.
2018 - 2019	Board of Trustees and Chairman of the Audit Committee & Risk Management, Dhurakij Bundit University
2014 - Present	Associate Judge of The Central Intellectual Property and International Trade Court

GICS Industry Experience: Retailing

- Group Chief Financial Officer, Minor International PCL.
- Senior Vice President of Finance & Accounting Department, Central Pattana PCL.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally :- None -
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Audit Committee meeting	13/13

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mrs. Patareeya Benjapolchai

Age 67 years
 Independent Director,
 Chairman of the Corporate Governance and Sustainability Committee,
 Member of the Audit Committee and
 Member of the Risk Policy Committee

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor of Accountancy (Accounting), Chulalongkorn University
- Master of Business Administration, Thammasat University
- Certificate, Advanced accounting and Auditing, Chulalongkorn University

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 1/2000
- Financial Institutions Governance Program (FGP) 1/2010
- Director Certification Program Update (DCPU) 2/2014
- Director Certification Program refresher course (DCP) 2/2014
- Driving Company Success with IT Governance (ITG) 2/2016
- Ethical Leadership Program (ELP) 12/2018
- Director Leadership Certification Program (DLCP) 0/2021
- Advanced Audit Committee Program (AACP) 42/2021

Other Training

- Executive Program Class 1/2005, Capital Market Academy
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (PDI 13/2010), King Prajadhipok's Institute
- IOD (UK) Annual Convention 2016 "Thriving in a Changing World", The Institute of Directors (UK)
- IOD (Singapore) 2017 Flagship Conference "The Sustainability Imperative", Singapore Institute of Directors (SID)

Board Member / Management in Other Listed Company

2020 - Present Independent Director and Chairman of the Risk Management Committee,
 Interlink Communication Public Company Limited

Position in Other Company / Organization / Institution

2013 - Present Independent Director and Chairman of the Audit Committee,
 Bangkok Glass Public Company Limited
 2013 - Present Director of Revolving Fund Evaluation Committee, Ministry of Finance
 2013 - Present Member of the SET AWARD Committee as an Expertise for Corporate Governance and
 Social Responsibilities, The Stock Exchange of Thailand
 2017 - Present Subcommittee on Acquisition of Securities for Business Takeover,
 The Securities and Exchange Commission

2019 - Present Independent Director and Member of the Audit Committee, Glow Energy Public Co., Ltd.
 2020 - Present Independent Director and Member of the Audit Committee,
 ANZ BANK (THAI) Public Company Limited

Experiences

2006 - 2010 President, The Stock Exchange of Thailand / Chairman, Thailand Securities Depository Co., Ltd.
 2013 - 2017 Directors' Responsibilities Steering Committee, The Securities and Exchange Commission
 2010 - 2021 Associate Judge / The Central Intellectual Property and International Trade Court
 2011 - 2019 Independent Director and Audit Committee,
 Chairman of the Corporate Governance Committee,
 TISCO Financial Group Public Company Limited
 2011 - 2017 Ethics Committee, Federation of Accounting Professions
 Under The Royal Patronage of His Majesty The King
 2013 - 2019 Director, Thai Institute of Directors Association
 2014 - 2019 Independent Director, MCOT Public Company Limited
 2016 - 2021 Independent Director, Thaicom Public Company Limited
 2017 - 2019 Advisor for Civil Penalties Measurement, The Securities and Exchange Commission

Shareholdings (Ordinary Shares) (as at 31 January 2022)

• Held personally :- None -
 • Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Audit Committee meeting	13/13
• The Risk Policy Committee meeting	6/6
• The Corporate Governance and Sustainability Committee meeting	4/4

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mrs. Atchaka Sibunruang

Age 67 years
 Independent Director,
 Chairman of the Nomination and Remuneration Committee and
 Member of the Corporate Governance and Sustainability Committee

Date of Appointment as a Director **6 September 2019 - 27 December 2021**

Education

- Bachelor of Economics (First Class Honors), Chulalongkorn University
- Master of Arts in Economics, Sussex University, UK
- Doctor of Philosophy in Economics, Sussex University, UK

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 88/2007
- IT Governance and Cyber Resilience Program (ITG) 15/2020
- Ethical Leadership Program (ELP) 23/2021
- Director Leadership Certification Program (DLCP) 2/2021

Other Training

- Program on Investment Appraisal and Management Class 1990, Harvard Institute for International Development, USA
- National Defense Course (NDC) 2005, Thailand National Defense College
- Top Executive Program in Commerce and Trade Program Class (TEPCOT) 48/2008, Commerce Academy
- Diploma in Political and Governance Program Class 13/2009, King Prajadhipok's Institute
- Executive Program Class 10/2010, Capital Market Academy
- Executive Program on Energy Literacy for a Sustainable Future Class 1/2012, Thailand Energy Academy

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

2 Companies 2 Organizations

Experiences

2014 - 2015	Chairman, Thai Cane & Sugar Corporation Limited
2014 - 2015	Chairman, General Environmental Conservation Public Company Limited
2014 - 2015	Chairman, Naraiphand Company Limited
2014 - 2015	Secretary, Ministry of Industry
2014 - 2015	Chairman, Industrial Estate Authority of Thailand
2015 - 2016	Minister, Ministry of Industry
2016 - 2017	Minister, Ministry of Science and Technology

Shareholdings (Ordinary Shares) (as at 27 December 2021)

Held personally	: 0.0012 %
Held by spouse or minor children	: - None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Nomination and Remuneration Committee meeting	4/4
• The Corporate Governance and Sustainability Committee meeting	4/4

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Sompong Tantapart**

Age 64 years

Independent Director, Member of the Audit Committee,
Member of the Nomination and Remuneration Committee**Date of Appointment as a Director****6 September 2019 - Present****Education**

- Bachelor of Accounting, Thammasat University
- Master of Public Administration (M.P.A.), Chulalongkorn University

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 210/2015
- Advanced Audit Committee Program (AACP) 33/2019
- Ethical Leadership Program (ELP) 23/2021

Board Member / Management in Other Listed Company

2021 - Present	Independent Director, Chairman of the Audit Committee, S Hotels and Resorts Public Company Limited
2019 - Present	Independent Advisor, Bangkok Commercial Asset Management Public Company Limited

Position in Other Company / Organization / Institution:

- None -

Experiences

2014 - 2016	Deputy Director-General of the Revenue Department
2014 - 2018	Director, Erawan Hotel Public Company Limited
2014 - 2018	Director, Dhanarak Asset Development Public Company Limited
2016 - 2018	Principal Advisor on Strategic Tax Administration, The Revenue Department of Thailand
2019 - October 2021	Independent Director, Chairman of the Board and Chairman of the Audit Committee, S Hotels and Resorts Public Company Limited

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally :- None -
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Audit Committee meeting	13/13
• The Nomination and Remuneration Committee meeting	4/4

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mr. Kanchit Bunajinda

Age 54 years
Independent Director, Chairman of the Risk Policy Committee

Date of Appointment as a Director6 September 2019 - Present

Education

- Bachelor of Engineering, Civil Engineering, Chulalongkorn University
- MBA (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 30/2003
- Director Accreditation Program (DAP) 35/2005
- Audit Committee Program (ACP) 14/2006
- Monitoring the Quality of Financial Reporting (MFR) 8/2009
- Monitoring the System of Internal Control and Risk Management (MIR) 6/2009
- Monitoring the Internal Audit Function (MIA) 5/2009
- Director Leadership Certification Program (DLCP) 0/2021

Board Member / Management in Other Listed Company

2016 - Present	Independent Director, Member of Enterprise Risk Policy Committee, Member of the Nomination and Remuneration Committee, KCE Electronics Public Company Limited
2020 - Present	Independent Director, Chairman of the Risk Policy Committee, Member of the Nomination and Remuneration Committee, Bluebik Group Public Company Limited

Position in Other Company / Organization / Institution

2 Companies 1 Organization

Experiences

2003 - 2015	Director, Central Pattana Public Company Limited
2006 - 2015	Director, Prukso Real Estate Public Company Limited
2009 - 2018	Director, Robinson Public Company Limited
2014 - 2017	Director, ZEN Corporation Group Public Company Limited

GICS Industry Experience: Retailing

- Director, Robinson Public Company Limited

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally:- None -
- Held by spouse or minor children:- None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

Annual General Meeting of Shareholders 2021	1/1
The Board of Directors meeting	10/10
The Risk Policy Committee meeting	6/6

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Prof.Dr. Suthiphand Chirathivat

Age 68 years
Authorized Director
Director, Member of the Nomination and Remuneration Committee

Date of Appointment as a Director13 November 2020 - Present

- Education
- License ès Sciences Economiques (Economics), Aix-Marseille University
 - Maitrise ès Sciences Economiques (Economics), Aix-Marseille University
 - D.E.A en Sciences Economiques (Economics), Paris I - Pantheon-Sorbonne University
 - Doctorat de 3e cycle ès Sciences Economiques (Economics)

Training Programs

- None -

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

10 Companies

Experiences

2004 - 2014	Director - Economic, National Research Council of Thailand
2005 - 2008	Chairman of Economics Research, Faculty of Economics, Chulalongkorn University
2006 - 2008	Chairman of Doctor of Philosophy (Economics) Program, Chulalongkorn University
2007 - 2015	International Advisory Board, ASEAN Economic Bulletin
2014 - 2018	Vice Chairman - Economic, National Research Council of Thailand

- Shareholdings (Ordinary Shares) (as at 31 January 2022)
- Held personally : 0.7271%
 - Held by spouse or minor children :- None -

- Family Relationship among Directors and Executives
- Younger Brother of (1) Mr. Suthichai Chirathivat* (2) Mr. Suthikiati Chirathivat and (3) Mr. Sudhitham Chirathivat
 - Elder Brother of Mr. Suthilaksh Chirathivat
 - Uncle of (1) Mrs. Yuwadee Chirathivat (2) Mr. Prin Chirathivat (3) Mr. Tos Chirathivat and (4) Mr. Pichai Chirathivat
- Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman and directors effective 25 November 2021

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Nomination and Remuneration Committee meeting	4/4

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mrs. Yuwadee Chirathivat

Age 68 years
 Authorized Director
 Director and Member of the Executive Committee

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor of Arts (Second Class Honors), Thammasart University
- Master of Science in Journalism, Northwestern University, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 111/2014
- Ethical Leadership Program (ELP) 21/2021

Other Training

- Diploma, The Joint State-Private Sectors Course, Class 18, Thailand National Defense College
- High level manager on business in industrial and Investment Development, Class 1, Institute of Business and Industrial Development
- Executive Program Class 19, Capital Market Academy
- Certificate Course in Good Governance for Medical Executives, Class 8, King Prajadhipok's Institute and the Medical Council of Thailand

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

32 Companies

Experiences

1996 - 2013	President, Central Department Store Company Limited
2014 - 2017	CEO and President - Department Store Group, Central Group of Companies Company Limited

GICS Industry Experience: Retailing

- Managing Director at Central Department Store Co., Ltd.
- Chief Executive Officer and President at Central Group

Shareholdings (Ordinary Shares) (as at 31 January 2022)

Held personally	: 0.2824%
Held by spouse or minor children	: - None -

Family Relationship among Directors and Executives

- Nephew of (1) Mr. Suthichai Chirathivat* (2) Mr. Suthikiati Chirathivat (3) Mr. Sudhitham Chirathivat (4) Prof.Dr. Suthiphand Chirathivat and (5) Mr. Suthilaksh Chirathivat
- Elder Sister of (1) Mr. Prin Chirathivat and (2) Mr. Tos Chirathivat
- Cousin of Mr. Pichai Chirathivat

Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman And directors effective 25 November 2021

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Executive Committee meeting	13/13

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Suthilaksh Chirathivat**

Age 66 years
Authorized Director
Director

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor of Political Science, Chulalongkorn University
- Master of Business Administration, University of New Haven, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 100/2013

Board Member / Management in Other Listed Company :

- None -

Position in Other Company / Organization / Institution

76 Companies

Experiences

2010 - 2017 Director, Central Embassy Plaza Company Limited

GICS Industry Experience: Retailing

- General Manager at Central Plaza Shopping Center Ladprao
- General Manager at Zen Department Store, World Trade Center
- Business Development at Central Retail Corporation Co., Ltd.
- Executive Director and Chief Operating Office at Central Retail Corporation Co., Ltd.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

Held personally : 0.7444%

Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- Younger Brother of (1) Mr. Suthichai Chirathivat* (2) Mr. Suthikiati Chirathivat (3) Mr. Sudhitham Chirathivat and (4) Prof.Dr. Suthiphand Chirathivat
- Uncle of (1) Mrs. Yuwadee Chirathivat (2) Mr. Prin Chirathivat (3) Mr. Tos Chirathivat and (4) Mr. Pichai Chirathivat

Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman And directors effective 25 November 2021

Meeting attendance in 2021

- Annual General Meeting of Shareholders 2021 1/1
- The Board of Directors meeting 10/10

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Prin Chirathivat**

Age 59 years

Authorized Director

Director, Member of the Risk Policy Committee

Date of Appointment as a Director**6 September 2019 - Present****Education**

- Bachelor of Science (Accounting), Skidmore College, USA
- Master of Business Administration, SASIN Graduate Institute of Business Administration Chulalongkorn University

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 2/2000
- Director Accreditation Program (DAP) 35/2005
- Audit Committee Program (ACP) 6/2005
- Role of the Chairman Program (RCP) 11/2005
- Monitoring the Internal Audit Function (MIA) 1/2007
- Monitoring the System of Internal Control and Risk Management (MIR) 1/2007
- Monitoring the Quality of Financial Reporting (MFR) 7/2009
- Monitoring Fraud Risk Management (MFM) 1/2009
- Advanced Audit Committee Program (AACP) 1/2009
- Corporate Governance for Capital Market Intermediaries (CGI) 20/2018
- Advanced Audit Committee Program, AACP 39/2021

Other Training

- Institute of Security Psychology, Class 73
- Advanced Certificate Course in Public Economics Management for Executives, Class 4, King Prajadhipok's Institute,
- Executive Program Class 1, Capital Market Academy
- The Program of Senior Executive on Justice Administration Class 13/2008, Judicial Training Institute
- The Joint State - Private Sectors Course, Class 22, National Defense College
- Executive Development Training Program Year 2019, Royal Thai Police

Board Member / Management in Other Listed Company

1994 - Present	Director, Member of Nomination and Compensation Committee, Member of Risk Management and Corporate Governance Committee, Central Plaza Hotel Public Company Limited
1995 - Present	Director, Member of Risk Policy Committee and Advisory of the Nomination and Remuneration Committee, Central Pattana Public Company Limited
2012 - Present	Director, Member of Audit Committee, Bumrungrad Hospital Public Company Limited

Position in Other Company / Organization / Institution

129 Companies

Experiences

1999 - 2012	Director, Malee Sampran Company Limited
2003 - 2012	Director, Bualuang Securities Public Company Limited

GICS Industry Experience: Retailing

- Deputy Chief Executive Officer at Central Group

Shareholdings (Ordinary Shares) (as at 31 January 2022)

• Held personally	: 0.4065%
• Held by spouse or minor children	: 0.2654%

Family Relationship among Directors and Executives

- Nephew of (1) Mr. Suthichai Chirathivat* (2) Mr. Suthikiati Chirathivat (3) Mr. Sudhitham Chirathivat (4) Prof.Dr. Suthiphand Chirathivat and (5) Mr. Suthilaksh Chirathivat
- Younger Brother of Mrs. Yuwadee Chirathivat
- Elder Brother of Mr. Tos Chirathivat
- Cousin of Mr. Pichai Chirathivat

Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman And directors effective 25 November 2021

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Risk Policy Committee meeting	6/6

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mr. Tos Chirathivat

Age 57 years
 Authorized Director
 Director, Chairman of the Executive Committee,
 Member of the Nomination & Remuneration Committee

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor's Degree - Economics, Wesleyan University, USA
- Master of Business Administration - Finance, Columbia University, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 188/2021

Other Training

- Executive Program Class 3/2006, Capital Market Academy

Board Member / Management in Other Listed Company :

- None -

Position in Other Company / Organization / Institution

53 Companies

Experiences

2014 - Present	Executive Chairman and Chief Executive Officer, Central Group Company Limited
2010 - Present	Director, Central Embassy Hotel Company Limited

GICS Industry Experience: Retailing

- Executive Chairman and Chief Executive Officer of Central Group
- Chief Executive Officer of Central Retail Corporation Co., Ltd.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.6377%
- Held by spouse or minor children : 0.0145%

Family Relationship among Directors and Executives

- Nephew of (1) Mr. Suthichai Chirathivat* (2) Mr. Suthikiati Chirathivat (3) Mr. Sudhitham Chirathivat (4) Prof.Dr. Suthiphand Chirathivat and (5) Mr. Suthilaksh Chirathivat
- Younger Brother of (1) Mrs. Yuwadee Chirathivat and (2) Mr. Prin Chirathivat
- Cousin of Mr. Pichai Chirathivat

Remark * Mr. Suthichai Chirathivat Resignation of Vice Chairman And directors effective 25 November 2021

Meeting attendance in 2021

• Annual General Meeting of Shareholders 2021	1/1
• The Board of Directors meeting	10/10
• The Nomination and Remuneration Committee meeting	4/4
• The Executive Committee meeting	13/13

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Pichai Chirathivat**

Age 60 years

Authorized Director

Director, Member of the Corporate Governance and

Sustainability Committee

Date of Appointment as a Director**6 September 2019 - Present****Education**

- Bachelor of Business Administration, Azusa Pacific University, USA
- Master of Business Administration (Marketing), Pitzer College, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) No. 169/2020

Other Training

- Strategic Planning & Management in Retailing, Intercontinental Group of Department Stores (IGDS)
- Diploma, The National Defense Course Class 53, National Defense College
- Executive Program Class 22, Capital Market Academy
- Executive Management with Business Development and Investment Class 5, Institute of Business and Industrial Development
- Advanced Security Management Program (ASMP) Class 4, National Defense College
- Senior Executive Development Training Program, Royal Thai Police
- ISP, Institute of Security Psychology

Board Member / Management in Other Listed Company

2012 - Present

Director, Malee Group Public Company Limited

Position in Other Company / Organization / Institution

26 Companies

Experiences

2003- 2016

Chief Executive Officer, Central Trading Company Limited

GICS Industry Experience: Retailing

- Vice President - Procurement at Central Department Store Co., Ltd.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

Held personally

: 0.8826%

Held by spouse or minor children

:- None -

Family Relationship among Directors and Executives

- Nephew of (1) Mr. Suthichai Chirathivat * (2) Mr. Suthikiati Chirathivat (3) Mr. Sudhitham Chirathivat (4) Prof.Dr. Suthiphand Chirathivat and (5) Mr. Suthilaksh Chirathivat
- Cousin of (1) Mrs.Yuwadee Chirathivat (2) Mr. Prin Chirathivat and (3) Mr. Tos Chirathivat

Remarks * Mr. Suthichai Chirathivat Resignation of Vice Chairman And directors effective 25 November 2021

Meeting attendance in 2021

- Annual General Meeting of Shareholders 2021 1/1
- The Board of Directors meeting 10/10
- The Corporate Governance and Sustainability Committee meeting 4/4

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mr. Yol Phokasub

Age 60 years
 Authorized Director
 Director, Member of the Executive Committee,
 Member of the Risk Policy Committee,
 Member of the Corporate Governance and Sustainability Committee,
 Chief Executive Officer

Date of Appointment as a Director **6 September 2019 - Present**

Education

- Bachelor of Engineering (Honors) in Computer Science and Software Engineering, Imperial College, University of London, UK

Training organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 120/2015
- Ethical Leadership Program (ELP) 21/2021
- Directors Certification Program (DCP) 313/2021

Other Training

- Executive Program Class 13/2021, Capital Market Academy
- The Executive Program in Energy Literacy for a Sustainable Future Class 7/2016, Thailand Energy Academy

Board Member / Management in Other Listed Company

2017 - Present Chairman, Synergetic Auto Performance Public Company Limited

Position in Other Company / Organization / Institution

19 Companies

Experiences

2009 - 2015	Chairman, SCB Asset Management Ltd.
2011 - 2015	Vice Chairman of the Board SCB Life Assurance Public Company Limited
2013 - 2016	Member of the Advisor Board, Master Card Asia Public Company Limited
2015 - 2016	Director, Mrigadayavan Palace Foundation
2015 - 2016	Director, Siam Commercial Foundation
2015 - 2016	President, Siam Commercial Bank Public Company Limited

GICS Industry Experience: Retailing

- Vice Chairman and Director of Unilever Thailand Co., Ltd.
- Managing Director of Unilever Thai Trading Co., Ltd.
- Managing Director of Unifoods Thailand Co., Ltd.
- Chief Operating Officer of Dutch Mill Group

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.0058%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in 2021

- | | |
|-----------------------------------------------------------------|-------|
| • Annual General Meeting of Shareholders 2021 | 1/1 |
| • The Board of Directors meeting | 10/10 |
| • The Risk Policy Committee meeting | 6/6 |
| • The Executive Committee meeting | 13/13 |
| • The Corporate Governance and Sustainability Committee meeting | 4/4 |

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Management



Mr. Piya Nguiakaramahawongse

Age 64 years

Being person in charge of Finance and Accounting

Member of the Executive Committee, Chief Financial Officer

Education

- MBA and M.S. (Electrical Engineering) University of Southern California, Los Angeles, USA
- B.S. (Electrical Engineering) and B.S. (Management), Massachusetts Institution of Technology, Cambridge, USA

Training organized by Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 64/2005
- Corporate Governance for Capital Market Intermediaries (CGI) 20/2018

Other Training

- Chief Financial Officer Certification Program Class 2018, Federation of Accounting Professions (FAP) under the Royal Patronage of His Majesty the King
- Catch up with New Thai Financial Reporting Standards which are effective on 2019 and 2020, Federation of Accounting Professions (FAP) under the Royal Patronage of His Majesty the King
- TLCA CFO Professional Development Program (TLCA CFO CPD 8/2021)
- Taxes for accountants, system-wide taxes, Dharmniti Seminar and Training Co.,Ltd.

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

11 Companies

Experiences

2007 - 2014	Director, Central Life Broker Company Limited
2007 - 2019	Director, Terasoft Solutions Development Company Limited
2008 - 2016	Director, CR Hatyai (Thailand) Company Limited
2011 - 2018	Director, CG Training Center Company Limited
2014 - 2018	Co-Group CFO, Harnng Central Department Store Limited

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.0049%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Olivier Langlet**

Age 52 years

Chief Executive Officer - Vietnam

Education

- Bachelor Degree, Major in Economics, University of Jemeppe
- Master Degree, Major in Foreign Trade and International Relations, University of Liege

Training Program

- None -

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization/Institution

- None -

Experiences

2019 - 2021	Chief Executive Officer, Marko Cash & Carry Czech Republic / Retail Business
2018 - 2019	Chief Executive Officer, Marko Cash & Carry Ukraine / Retail Business

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally :- None -
- Held by Spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Pierluigi Cocchini**

Age 53 years

Chief Executive Officer - Rinascente

Education

- Scientific High School - Galileo Galilei Institute - Ciriè - (Torino)

Training Program

- None -

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

- None -

Experiences

2014 - 2017 Sales Director, La Rinascente s.p.a.

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally :- None -
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mr. Philippe Jean Broianigo**

Age 61 years

Chief Executive Officer - Property and Business Development

Education

- Post-graduate Diploma, Sales and Marketing Techniques, University of Nice, France
- Master's Degree - Management, University of Nice, France

Training Program

- None -

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

12 Companies

Experiences

2014 - 2021

Chief Executive Officer - Central Retail Vietnam

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.0012%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -



Mr. Yingyai Eumkhong

Age 37 years

Person in charge of accounting

Vice President - Finance and Accounting

Education

- Bachelor of Accounting (First-class Honor), Thammasat University
- Master of Accountancy (Academic Excellence), Chulalongkorn University

Training Program

- “TFRS 2021 Update” by Central People Development Center
- “Summary of Key points and issues of TFRS for PAEs which are effective and change in 2021” by Stock Exchange of Thailand
- “M&A Trends and Directions, Key consideration points, and M&A Strategy” by Stock Exchange of Thailand
- “Improve Process Through Digital Technology” seminar by Federation of Accounting Professions (Completed Continuing Professional Development (CPD) courses of Year 2021 according to the requirement)

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

- None -

Experiences

2015	Assistant Vice President - Accounting, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited
2016 - 2018	General Manager - International Finance and Accounting Support, Central Group (Thailand)

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.0001%
- Held by Spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

- None -

**Mrs. Ngamchit Kiattanavith****Age 53 years****Vice President - Company Secretary Office
as the Company Secretary****Education**

- Bachelor of Science (Economics), Kasetsart University
- MBA (Finance) Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training organized by Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP) 92/2018
- Company Reporting Program (CRP) 22/2018
- Effective Minutes Taking (EMT) 42/2018
- Anti-Corruption the Practical Guide (ACPG) 46/2018
- Road to Certified 2020
- Road to Join CAC 3/2020
- Company Secretary Refresh Program (RFP) 4/2021

Other Training

- Certificate of Good Governance for Middle-Level Executive (Class 19), King Prajadhipok's Institute
- CGR Workshop 2020 "Enhancing Good Corporate Governance based on CGR Scorecard", The Stock Exchange of Thailand
- THSI 2021

Board Member / Management in Other Listed Company

- None -

Position in Other Company / Organization / Institution

- None -

Experiences

2012 - 2016	Manager, Stock Exchange Compliance Department, Thai Airways International Public Company Limited
2017 - 2019	Director, Corporate Compliance and Governance Department, Thai Airways International Public Company Limited

Shareholdings (Ordinary Shares) (as at 31 January 2022)

- Held personally : 0.0004%
- Held by spouse or minor children :- None -

Family Relationship among Directors and Executives

- None -

**Penalty in the past 5-year regarding Securities and Exchange Act B.E. 2535 (1992) or
Derivatives Act B.E. 2546 (2003)**

- None -



1.2 The Company Secretary and agents scope of duties and responsibilities

1.2.1 The Company Secretary's scope of duties and responsibilities

To comply with Section 89/15 of the Securities and Exchange Act, the Board of Directors' meeting of the Company No. 6/2019 on 13 May 2019 had a resolution to appoint Mrs. Ngamchit Kiattanavith as the company secretary of the Company which shall have scope of duties and responsibilities as follows:

- (1) Prepare and maintain all documents relating to the Company's statutory register of directors, the Board of Directors' meeting invitations, meeting minutes and supporting documents, Annual Reports, shareholders' meeting invitation, meeting minutes and supporting documents.
- (2) Send conflict of interest reports prepared by directors and executives as per Section 89/14 of the Securities and Exchange Act to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven (7) days of the receipt of each report and maintain and keep record of conflict-of-interest reports submitted by directors and executives.
- (3) Provide initial advices regarding to regulations, laws and Company's rules to the Board of Directors and executives and regular follow up, as well as report the significant changes in regulations and/or laws to the Board of Directors and executives.
- (4) Coordinate and follow up the Company's compliance with laws, regulations, rules, the Board of Directors' resolutions and shareholders' meeting resolutions and the good corporate governance policy.
- (5) Organize The Board of Directors meetings and shareholders' meeting according to applicable laws, the Company's rules and practices.
- (6) Ensure that appropriate information disclosure and information reports are submitted to the related regulators as required.
- (7) Ensure that the Board of Directors activities and any actions are in line with the laws and or the regulations of the Thai Capital Market Supervisory Board or as assigned by the Board of Directors.

1.2.2 Responsibility of agents (overseas)

- None -



CENTRALRETAIL

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