



บริษัท เจริญโภคภัณฑ์อาหาร จำกัด (มหาชน)

CHAROEN POKPHAND FOOD PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107537000246

(Translation)

No .Bor Mor Jor .Jor Por Or .072/2021

13 September 2021

Subject : Information Memorandum Concerning the Entire Business Transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited and Offering of Shares in Siam Makro Public Company Limited to the Public

To : Shareholders

Attachment : Information Memorandum Concerning the Assets Disposition (under Schedule (2)) : the Entire Business Transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited and the Offering of Shares in Siam Makro Public Company Limited to the Public (Public Offering) in form of QR Code

Reference is made to the information memorandum disclosed by Charoen Pokphand Foods Public Company Limited (the "Company" or "CPF") regarding (1) the entire business transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited and (2) the offering of shares in Siam Makro Public Company Limited to the public (Public Offering) to the Stock Exchange of Thailand (the "SET") on 31 August 2021.

The size of the transaction (1) and (2) is equivalent to 28.97 percent and 2.56 percent of the net tangible assets of the Company and its subsidiaries based on the latest consolidated financial statements as at 30 June 2021 which have been reviewed by the auditor, respectively. Upon combining with the disposal of assets transactions of the Company and its subsidiaries during the past six months (from 28 February 2021 to 30 August 2021), the highest size of the combined transactions when calculated on the basis of the net tangible assets is equal to 31.53 percent, therefore, it is considered as a Class 2 transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the "**Notifications on Acquisition or Disposal of Assets**") with the value being higher than 15 percent but less than 50 percent. Therefore, the Company is required to disclose an information memorandum to the SET and deliver a notice informing the shareholders of the Company within 21 days from the date of the transaction disclosure to the SET.

To comply with the Notifications on Acquisition or Disposal of Assets, the Company would like to send the information memorandum concerning (1) the entire business transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited and (2) the offering of shares in Siam Makro Public Company Limited to the Public (Public Offering) (details are in the Attachment in form of QR Code) to all shareholders whose names appear on of the latest record date on 31 August 2021.

Please be informed accordingly.

Sincerely yours,

Kobboon Srichai

(Mrs. Kobboon Srichai)

Company Secretary

**Information Memorandum Concerning the Assets Disposition
(under Schedule (2))**

The Entire Business Transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited and the Offering of Shares in Siam Makro Public Company Limited to the Public (Public Offering)

A. Information Memorandum under Schedule (1)**(1) The Entire Business Transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited**

On 31 August 2021, the Board of Directors of Charoen Pokphand Foods Public Company Limited (the “**Company**”) approved the entire business transfer of C.P. Retail Holding Company Limited (“**CPRH**”), an affiliate in which the Company indirectly holds 20.00 percent shares through C.P. Merchandising Company Limited (“**CPM**”), to Siam Makro Public Company Limited (“**Makro**”) (“**EBT**”) with the total value of THB 43,589,814,450 (calculated on the basis of the 20.00 percent shareholding of CPM in CPRH). Under the EBT, the transfer of the business of CPRH to Makro will be by way of the entire business transfer method and includes shares in C.P. Retail Development Company Limited (“**CPRD**”) which CPRH holds 99.99 percent shares and CPRH’s other assets such as cash and cash equivalents. Makro will issue up to 5,010,323,500 new shares with a par value of THB 0.50 each at the offering price of THB 43.50 per share to CPRH as consideration for the EBT (the “**Share Issuance as EBT Consideration**”).

The EBT is a transaction of CPRH which is not a subsidiary of the Company (under the definition set out in Section 89/1 of the Securities and Exchange Act B.E. 2535 (1992), as amended), hence the transaction is not one which the Company would need to calculate and consider the transaction size and follow other procedures under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the “**Notifications on Acquisition or Disposal of Assets**”). However, the EBT in this case has specific details being that Makro will issue new shares to CPRH as payment of consideration for the acquisition of the entire business of CPRH, and CPRH will proceed to register its dissolution within 2021 after the completion of the EBT. Following the registration of dissolution, all remaining assets of CPRH, including shares in Makro which CPRH will receive as consideration for the entire business transfer, will be delivered to the CPRH Shareholders in proportion to their respective shareholdings as part of the liquidation process of CPRH. As such, it is deemed appropriate to adapt and apply the relevant requirements under the Notifications on Acquisition or Disposal of Assets to the entering into the EBT, *mutatis mutandis*, as though the Company itself is entering into a disposal of assets transaction.

In this regard, the EBT will only occur after the Extraordinary General Meetings of Shareholders of Makro and CP All Public Company Limited (“**CPALL**”), which will be held on 12 October 2021, resolve to approve the entering into the various relevant transactions of each respective company.

The details of the disposal of assets transaction of the Company are as follows:

1 Date, Month and Year of the Transaction

Around one to three weeks from the date of Extraordinary General Meetings of Shareholders of Makro and CPALL

2 Parties Involved and Relationship with the Company

Transferor: CPRH

Transferee: Makro

Relationship with the Company: The Company indirectly holds shares representing 20.00 percent of the total registered capital of CPRH through CPM which is a subsidiary of the Company

3 General Description of the Transaction and Transaction Size

3.1 General Description of the Transaction

Under the EBT, the transfer of the business of CPRH to Makro will be by way of the entire business transfer method and includes shares in CPRD which CPRH holds 99.99 percent shares and CPRH's other assets such as cash and cash equivalents. Makro will issue up to 5,010,323,500 new shares with a par value of THB 0.50 each at the offering price of THB 43.50 per share to CPRH as consideration for the EBT.

CPRH is an investment holding company, holding 99.99 percent shares in CPRD which holds (a) 99.99 percent shares in Lotus's Stores (Thailand) Company Limited which holds 99.99 percent shares in Ek-Chai Distribution System Company Limited, an operator of a retail business under the name Lotus's in Thailand; and (b) 100.00 percent shares in Lotuss Stores (Malaysia) Sdn. Bhd., which operates retail business under the name Lotus's in Malaysia (collectively referred to as the "**Lotus's Group**"). The business of the Lotus's Group is divided into two main groups which are the retail business and the business of leasing space in shopping malls. The Lotus's Group is a leading operator in the retail business of groceries and consumer products with multi-store formats comprising hypermarkets, supermarkets, and mini-supermarkets, and operates the business of leasing space in shopping malls in Thailand and Malaysia. For the year ended 31 December 2020, CPRD's total pro forma revenue was THB 208,648 million and the total pro forma assets was THB 406,640 million.

3.2 Transaction Size and Calculation of the Transaction Size of the Disposal of Assets Transaction

The EBT of CPRH is considered as a disposal of assets transaction under the Notifications on Acquisition or Disposal of Assets. The highest size of the transaction when calculated on the basis of the net tangible assets (NTA) is equal to 28.97 percent of the net tangible assets (NTA) of the Company and the subsidiaries based on the latest consolidated financial statements as at 30 June 2021 which have been reviewed by the auditor. Upon combining with the disposal of assets transactions of the Company and its subsidiaries during the past six months (from 28 February 2021 to 30 August 2021) and the offering of shares in Makro by CPM (the details of which appear in Event No. 3), the highest size of the combined transactions when calculated on the basis of the net tangible assets (NTA) is equal to 31.53 percent, therefore, it is considered as a Class 2 transaction under the Notifications on Acquisition or Disposal of Assets with the value being higher than 15 percent but less than 50 percent. Details of the calculation of the transaction size are as follows:

Financial Information used in the Calculation of the Transaction Size

Financial Information	The Company	CPRH	CPRD
	Consolidated Financial Statements ended 30 June 2021	Separate Financial Statements ended 31 December 2020	Pro Forma Consolidated Financial Information ended 31 December 2020
Net Tangible Assets ⁽¹⁾ (NTA)	137,721	199,479	
Total assets	792,223		
Net profit (loss)	25,566 ⁽²⁾		1,778

Note : (1) Net Tangible Assets are calculated as the total assets less goodwill, other intangible assets, total liabilities, and non-controlling interests.

(2) Net profit (loss) attributable to equity holders of the Company for the past 12 months ended 30 June 2021

Basis of the Calculation of the Size of the Disposal of Assets Transaction**Unit: THB Million (unless specified otherwise)**

Basis of Calculation	Calculation Basis	The EBT	Total Transaction Size (percent)
1. Value of Net Tangible Assets (NTA) basis	$\frac{((\text{NTA of company to be disposed} \times \text{Disposed proportion}) \times 100)}{(\text{NTA of listed company})}$	$\frac{((199,479 \times 20\%) \times 100)}{137,721}$	28.97
2. Net Operating Profits basis	$\frac{((\text{Net operating profits of company to be disposed} \times \text{Disposed proportion}) \times 100)}{\text{Net operating profits of listed company}}$	$\frac{((1,778 \times 20\%) \times 100)}{25,566}$	1.39
3. Total Value of Consideration basis	$\frac{(\text{Value of disposed transaction} \times 100)}{\text{Total assets of listed company}}$	$\frac{((43,590) \times 100)}{792,223}$	5.50
4. Value of Shares Issued for the Payment of Assets basis	-	-	-

4 Details of the Disposed Assets

CPRH will transfer the entire business to Makro, comprising all assets and liabilities with details as follows:

(1) Assets

(1.1) All shares in CPRD held by CPRH in the amount of 1,994,745,742 shares with a par value of THB 100 each, representing 99.99 percent of the total issued and paid-up shares in CPRD.

(1.2) Other assets existing as at the EBT Date.

(2) Liabilities

All liabilities existing as at the EBT Date.

4.1 General Information of CPRH**(1) General description of the business**

Company name	C.P. Retail Holding Company Limited
Type of business	Investment business by holding shares in other companies
Office address	313 C.P. Tower, 14th Floor, Silom Road, Silom Sub-district, Bang Rak District, Bangkok
Juristic person registration number	0105563041629
Registration date	6 March 2020
Registered capital as at 31 July 2021	THB 199,479,574,500
Issued and paid-up capital as at 31 July 2021	THB 199,479,574,500

(2) Business operations of CPRH

CPRH operates the business of holding shares in other companies (investment holding company) and holds shares in its subsidiary, namely, CPRD.

(3) List of shareholders of CPRH as at 31 July 2021

No.	Shareholders	Shares	Voting Rights
1	CPALL	797,918,298	40.00 percent
2	CPH	797,918,298	40.00 percent
3	CPM	398,959,149	20.00 percent
	Total	1,994,795,745	100.00 percent

- (4) List of directors of CPRH as at 31 July 2021

No.	Directors	Position
1	Mr. Soopakij Chearavanont	Director
2	Mr. Suphachai Chearavanont	Director
3	Mr. Narong Chearavanont	Director
4	Mr. Adirek Sripratak	Director
5	Mr. Umroong Sanphasitvong	Director

- (5) Summary of financial position and operating results

The key financial information of CPRH for the accounting period from 6 March 2020 (the date of incorporation) and ending on 31 December 2020 based on the audited separate financial statements can be summarised below.

Unit: THB million	The period from 6 March 2020 (the date of incorporation) to 31 December 2020
Statement of Comprehensive Income	
Total revenue	0.11
Total expenses	0.68
Net profit	(0.58)
Statement of Financial Position	
Total assets	199,479.62
Total liabilities	0.62
Total shareholders' equity	199,479.00

4.2 General information of subsidiary of CPRH

4.2.1 CPRD

- (1) General description of the business

Company name	C.P. Retail Development Company Limited
Type of business	Investment business by holding shares in other companies
Office address	629/1 Nawamin Road, Nuan Chan Sub-district, Bueng Kum District, Bangkok
Juristic person registration number	0105563042102
Registration date	6 March 2020
Registered capital as at 31 July 2021	THB 199,474,574,500
Issued and paid-up capital as at 31 July 2021	THB 199,474,574,500

- (2) Business operations of CPRD

CPRD operates the business of holding shares in other companies (investment holding company) and holds shares in its subsidiary, namely, (a) Lotus's Stores (Thailand) Company Limited ("**Lotus TH**"); (b) Ek-Chai Distribution System Company Limited ("**Ek-Chai**") which is CPRD's subsidiary through Lotus TH's shareholding; and (c) Lotuss Stores (Malaysia) Sdn. Bhd ("**Lotus MY**").

Please consider the details of the business operations of CPRD and other companies within the Lotus's Group in the annex to this Information Memorandum.

(3) List of shareholders of CPRD as at 31 July 2021

No.	Shareholders	Shares	Voting Rights
1	CPRH	1,994,745,742	99.99 percent
2	Mr. Soopakij Chearavanont	1	<0.01 percent
3	Mr. Adirek Sripratak	1	<0.01 percent
4	Mr. Umroong Sanphasitvong	1	<0.01 percent
	Total	1,994,745,745	100.00 percent

(4) List of directors of CPRD as at 31 July 2021

No.	Directors	Position
1	Mr. Suphachai Chearavanont	Director
2	Mr. Narong Chearavanont	Director
3	Mr. Adirek Sripratak	Director
4	Mr. Piyawat Titasattavorakul	Director
5	Mr. Pittaya Jearavisitkul	Director
6	Mr. Suparat Kawatkul	Director
7	Mr. Umroong Sanphasitvong	Director
8	Mr. Boonchai Opas-iam-likit	Director
9	Mr. Kriengchai Boonpoapichart	Director
10	Mr. Naris Thamkuekool	Director
11	Mr. Sompong Rungnirattisai	Director
12	Mr. Noppadol Dej-Udom	Director
13	Mr. Thirapol Thanomsakyuth	Director
14	Mr. Prasit Boondoungprasert	Director
15	Mr. Nattawat Chunhawuttiyanon	Director

(5) Summary of financial position and operating results

The key financial information of CPRD for the accounting period from 6 March 2020 (the date of incorporation) and ending on 31 December 2020 based on the audited consolidated financial statements can be summarised below.

Unit: THB million	The period from 6 March 2020 (the date of incorporation) to 31 December 2020
Statement of Comprehensive Income⁽¹⁾	
Total revenue ⁽²⁾	9,570.17
Total expenses ⁽³⁾	(9,083.80)
Gross profit	1,346.86
Net profit	(157.97)
Statement of Financial Position	
Total assets	400,957.81
Total liabilities	201,657.59
Total shareholders' equity	199,300.22

Notes: (1) CPRD purchased the shares in Lotus TH and Lotus MY on 18 December 2020. Therefore, CPRD has consolidated the Lotus's Group operating results as from 18 December 2020 onwards.

(2) The total revenue consists of revenue from sale of goods, rental income and revenue from rendering services and other incomes.

(3) The total expenses consist of the cost of sales, cost of rental and cost of rendering of services, distribution costs and administrative expenses.

The key pro forma consolidated financial information of CPRD for the years ended 31 December 2019 and 2020 which has been assured by the auditor can be summarised below.

Unit: THB million	The year ended 31 December 2019	The year ended 31 December 2020
Consolidated Statements of Profit and Loss		
Revenue from sales of goods	205,227	197,460
Rental income and revenue from rendering services	14,805	11,188
Cost of sales	(166,237)	(160,670)
Cost of rental and cost of rendering of services	(5,354)	(5,526)
Gross Profit	48,441	42,452
Gains (loss) on foreign exchange rate	(2)	87
Other income	3,093	2,370
Net derivative gain	1	2
Distribution costs	(28,557)	(28,716)
Administrative expenses	(5,595)	(6,434)
Profit (Loss) from Operating Activities	17,381	9,761
Finance costs	(6,736)	(6,772)
Share of profit from investment in joint ventures and an associate	815	782
Profit (Loss) before Income Tax Expenses	11,460	3,771
Income tax expenses	(3,127)	(1,993)
Profit for the year	8,333	1,778
Consolidated Statements of Financial Position		
Assets		
Cash and cash equivalents	21,724	20,357
Trade and other current receivables	3,419	2,725
Inventories	12,386	11,930
Investment properties	29,695	29,186
Property, plant and equipment	72,986	71,113
Right-of-use assets	25,422	26,894
Goodwill	226,228	226,228
Other assets	16,514	18,207
Total Assets	408,374	406,640
Liabilities		
Short-term borrowings from financial institutions	120,823	120,823
Trade and other current payables	37,127	38,361
Lease liabilities (including current portion)	30,241	34,059
Other liabilities	16,849	15,808
Total Liabilities	205,040	209,051
Issued and paid-up share capital	199,475	199,475
Retained earnings (Deficits)	8,333	10,112
Difference arising from pro forma adjustments	(4,561)	(12,066)
Other components of shareholders' equity	80	61
Total Shareholders' Equity Attributable to Owners of the Parent	203,327	197,582
Non-controlling interests	7	7
Total Shareholders' Equity	203,334	197,589
Total Liabilities and Shareholders' Equity	408,374	406,640

Notes: The unaudited pro forma consolidated financial information of CPRD has been compiled based on:

- (1) The separate financial statements of CPRD for the period from 6 March 2020 (the date of incorporation) to 31 December 2020 prepared in accordance with Thai Financial Reporting Standards and audited by the auditor in accordance with Thai Standards on Auditing, expressing the unmodified opinion dated 28 May 2021. The auditor's report has not been published.
- (2) The special purpose consolidated financial statements of Lotus TH and its subsidiaries for the years ended 28 February 2021 and 29 February 2020 prepared in accordance with Thai Financial Reporting Standards and audited by auditor in accordance with Thai Standards on Auditing, expressing the unmodified opinion dated 31 August 2021. The auditor's report has not been published.
- (3) The special purpose financial statements of Lotus MY for the years ended 28 February 2021 and 29 February 2020 prepared in accordance with Malaysian Financial Reporting Standards and audited by auditor in accordance with International Standards on Auditing, expressing unmodified opinion dated 30 August 2021. The auditor's report has not been published.

4.2.2 Lotus TH which is a subsidiary of CPRD

- (1) General description of the business

Company name	Lotus's Stores (Thailand) Company Limited
Type of business	Investment business by holding shares in other companies
Office address	629/1 Nawamin Road, Nuan Chan Sub-district, Bueng Kum District, Bangkok
Juristic person registration number	0105541029677
Registration date	15 May 1998
Registered capital as at 31 July 2021	THB 12,301,000
Issued and paid-up capital as at 31 July 2021	THB 12,301,000

- (2) Business operations of Lotus TH

Lotus TH operates the business of holding shares in other companies (investment holding company) and holds shares in its subsidiary, namely, Ek-Chai.

Please consider the details of the business operations of Lotus TH and other companies within the Lotus's Group in the annex to this Information Memorandum.

- (3) List of shareholders of Lotus TH as at 31 July 2021

No.	Shareholders	Shares	Voting Rights
1	C.P. Retail Development Company Limited	1,230,098	99.99 percent
2	Mr. Suphachai Chearavanont	1	<0.01 percent
3	Mr. Narong Chearavanont	1	<0.01 percent
	Total	1,230,100	100.00 percent

- (4) List of directors of Lotus TH as at 31 July 2021

No.	Directors	Position
1	Mr. Suphachai Chearavanont	Director
2	Mr. Adirek Sripratak	Director
3	Mr. Umroong Sanphasitvong	Director

4.2.3 Ek-Chai which is a subsidiary of CPRD through shareholding by Lotus TH

- (1) General description of the business

Company name	Ek-Chai Distribution System Company Limited
Type of business	Retail trading of groceries and consumer products
Office address	629/1 Nawamin Road, Nuan Chan Sub-district, Bueng Kum District, Bangkok
Juristic person registration number	0105536092641

Registration date	13 August 1993
Registered capital as at 31 July 2021	THB 5,137,500,050
Issued and paid-up capital as at 31 July 2021	THB 5,137,500,050

(2) Business operations of Ek-Chai

Ek-Chai engages in the retail business of groceries and consumer products with multi-store formats under the name, Lotus's, and the business of leasing space in shopping malls in Thailand.

Please consider the details of the business operations of Ek-Chai and other companies within the Lotus's Group in the attachment to this Information Memorandum.

(3) List of shareholders of Ek-Chai as at 31 July 2021

No.	Shareholders	Shares	Voting Rights
1	Lotus's Stores (Thailand) Company Limited	513,750,003	99.99 percent
2	Mr. Suphachai Chearavanont	1	<0.01 percent
3	Mr. Narong Chearavanont	1	<0.01 percent
	Total	513,750,005	100.00 percent

(4) List of directors of Ek-Chai as at 31 July 2021

No.	Directors	Position
1	Mr. Sompong Rungnirattisai	Director
2	Mr. Naris Thamkuekool	Director
3	Mr. Nattawat Chunhawuttiyanon	Director
4	Ms. Salinla Seehaphan	Director
5	Mrs. Aurakanda Attavipach	Director

4.2.4 Lotus MY which is a subsidiary of CPRD

(1) General description of the business

Company name	Lotuss Stores (Malaysia) Sdn. Bhd.
Type of business	Retail store business
Office address	12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
Juristic person registration number	200001018812 (521419-K)
Registration date	24 July 2000
Registered capital	-
Issued and paid-up capital	MYR 856,000,000, comprising: 1) Class A ordinary shares – 39,200,000 shares; 2) Class B ordinary shares – 16,800,000 shares; and 3) Preference shares (non-convertible non-cumulative irredeemable preference shares) – 60,000,000 shares

(2) Business operations of Lotus MY

Lotus MY engages in the retail business of groceries and consumer products with multi-store formats under the name, Lotus's, and the business of leasing space in shopping malls in Malaysia.

Please consider the details of the business operations of Lotus MY and other companies within the Lotus's Group in the attachment to this Information Memorandum.

(3) List of shareholders of Lotus MY as at 31 July 2021

No.	Shareholders	Shares	Voting Rights
1	C.P. Retail Development Company Limited	1) Class A ordinary shares – 39,200,000 shares; 2) Class B ordinary shares – 16,800,000 shares; and 3) Preference shares (non-convertible non-cumulative irredeemable preference shares) – 60,000,000 shares	100.00 percent

(4) List of directors of Lotus MY as at 31 July 2021

No.	Directors	Position
1	Mr. Narong Chearavanont	Director
2	Mr. Naris Thamkuekool	Director
3	Mr. Piyawat Titasattavorakul	Director
4	Mr. Nattawat Chunhawuttiyanon	Director
5	Mr. Kenneth Chuah Jin Kiat	Director
6	Mr. Yong Yvonne	Director
7	Mr. Sushmita Jeni Paul	Director
8	Mr. Azliza Baizura Binti Azmel	Director

5 Total Value of Consideration and Criteria for Determination of Total Value of Transaction and Consideration

The total value of consideration in respect of the EBT is THB 43,589,814,450 (by considering the shareholding proportion of CPM in CPRH at 20.00 percent). Makro will issue up to 5,010,323,500 new shares with a par value of THB 0.50 each at the offering price of THB 43.50 per share to CPRH as consideration for the EBT. The value is based on the negotiations between Makro and CPRH on the basis of valuation in accordance with the discounted cash flow which considers the operating performance and other relevant factors, and market comparable (with companies operating similar businesses) approaches.

6 Value of Disposed Assets

The value of the assets disposed in the EBT is approximately THB 43,589,814,450 (by considering the shareholding proportion of CPM in CPRH at 20.00 percent).

7 Expected Benefits of the Company

The Company believes that the EBT will;

- (a) support the Company's strategies and strengthen the Company in the long run as a result of the benefits derived from reinforcing Makro and CPALL to become the largest grocer in Asia (excluding Japan) in the retail and wholesale industry and the EBT is also a part of the internal restructuring and business restructuring⁽¹⁾;
- (b) allow the Company to realise greater benefits which are expected to be derived from the consolidation of Makro and CPRD, including from combining the strengths in various aspects of Makro with those of the Lotus's Group, such as the coverage of store formats and the expansion of the coverage of the business operations at a regional level, as well as to realise indirect benefits from the Company's investment in CPALL which is the major shareholder of Makro;
- (c) increase the opportunity to sell the Company's products in Makro's and the Lotus's Group's stores given the strategies of both companies which focus on the sale of good quality fresh foods in stores in order to provide more options for customers.

- (d) increase the liquidity of the Company's investment by converting from the investment in the shares in CPRD (through CPRH's shareholding) which has no liquidity and the shares are not listed on the SET to investment in shares in Makro which are securities listed on the SET which has trading liquidity;
- (e) enhance the retail and wholesale industry to become more modernized, strengthen the competitive advantage against international e-commerce companies or technology companies that compete in Thailand by allowing quick response to rapid changes in consumer behaviour (particularly consumers' spending behaviour which has changed during the Covid-19 pandemic) at both national and regional levels and will be beneficial to stakeholders in all sectors through the internal restructuring and business restructuring for the purpose of achieving such objectives.

Following the completion of the EBT, the Company's indirect shareholding through CPM (other than the portion held through CPALL) in Makro will be approximately 10.21 percent of the total voting rights in Makro, which holds 99.99 percent of the total voting rights in CPRD. This will result in the Company holding shares (through CPM) in Makro which is a public company listed on the SET instead of holding shares in CPRH which is a limited company (as is currently the case).

Note : According to Euromonitor report with respect to the sales volume in the year 2020 in Asia (other than Japan).

8 Conditions of the Transaction

The EBT will only occur after the full satisfaction of the conditions precedent as specified in the EBT Agreement between Makro and CPRH, including contracts and other documents in relation to such transaction. Material conditions precedent are summarised below:

- (a) The meeting of shareholders of Makro has resolved to approve the EBT and the Share Issuance as EBT Consideration, including other matters necessary for and/or in connection with such transactions.
- (b) The meeting of shareholders of CPALL has resolved to approve the EBT and the Share Issuance as EBT Consideration, including the execution of the EBT Agreement, and other matters necessary for and/or in connection with such transactions in compliance with the relevant regulations.
- (c) The meetings of the board of directors of CPM, CPH and the Company have resolved to approve the EBT, including the execution of the EBT Agreement, and other matters necessary for and/or in connection with such transactions in compliance with the relevant regulations.
- (d) The meeting of the board of directors and meeting of shareholders of CPRH have resolved to approve the EBT, including the execution of the EBT Agreement and other relevant documents as well as any other actions to ensure the successful completion of the EBT.
- (e) As at the EBT Date, no events or actions have occurred which may result in material adverse effects on the entire business of CPRH, the businesses of CPRD, companies within the Lotus's Group, the subsidiaries in which CPRH, directly and indirectly, holds more than 50.00 percent shares, and/or the business of Makro and no events occur which obstruct the EBT and the Share Issuance as EBT Consideration.
- (f) The SEC Office has approved the offering of the newly issued ordinary shares to CPRH which is an offering to a specific person (Private Placement).
- (g) Makro, companies within the Makro's Group, CPRH, CPRD, companies within the Lotus's Group, and the subsidiaries in which CPRH, directly and indirectly, holds more than 50.00 percent shares have obtained the necessary consents, permissions, agreements or waivers from customers, suppliers, creditors or contract parties who are third parties of Makro, companies within Makro's Group, CPRH, CPRD, companies within the Lotus's Group, and the subsidiaries

in which CPRH, directly and indirectly, holds more than 50.00 percent shares in connection with the EBT and the Share Issuance as EBT Consideration.

- (h) In order to enable CPRH to transfer shares in CPRD (which are a part of the assets of CPRH) to Makro pursuant to the EBT Agreement, Makro will execute a guarantee in the form to be agreed between creditors of CPRD and Makro. Such guarantee will come into effect when Makro has received the transfer of shares in CPRD from CPRH.

Schedule of Actions for all relevant transactions is as follows:

No.	Procedures	Time period
1.	The date on which the meeting of the Board of Directors approves the transaction	31 August 2021
2.	The disposal of assets transaction in relation to the entire business transfer of CPRH transaction	One to three weeks from the date on which the Extraordinary General Meetings of Shareholders of Makro and CPALL approve the transaction
3.	The offering of shares in Makro by the Company to the Public (Public Offering)	After the completion of the disposal of assets in relation to the entire business transfer of CPRH transaction and after Makro has obtained approval for the offering of the ordinary shares to the public (Public Offering) from the SEC Office and the registration statement for securities offering and the prospectus have become effective.

Note: The above schedule is subject to change.

9 Opinion of the Board of Directors on the Transaction

On 31 August 2021, the Board of Directors, excluding directors who are interested persons, is of the view that the EBT will reinforce the business segments that the Company invests in (directly and indirectly) and will strengthen Makro and CPRD in becoming the leaders in the retail and wholesale business. It will enable them to expand the coverage of the business operations to be at a regional level, as well as reinforce the business as a result of the expected benefits of combining the strengths in various aspects of Makro with those of the Lotus's Group, such as the coverage of store formats. In addition, the combined benefits from the joint operations will improve the efficiency, and it is expected that this will be beneficial to the Company and the shareholders of the Company in the future through the internal restructuring and business restructuring for the purpose of achieving such objectives.

Therefore, the meeting of the Board of Directors has resolved to approve the EBT.

10 Opinion of the Audit Committee and/or the Directors of the Company which is different from the Board of Directors' Opinion as specified in Paragraph 9

The Audit Committee and the directors of the Company do not have different opinion from the Board of Directors' opinion as specified in Paragraph 9.

(2) The Offering of Shares in Siam Makro Public Company Limited to the Public (Public Offering)

On 31 August 2021, the Board of Directors of Charoen Pokphand Foods Public Company Limited (the “**Company**”) approved C.P. Merchandising Company Limited (“**CPM**”), a subsidiary of the Company, to offer ordinary shares in Siam Makro Public Company Limited (“**Makro**”) which CPM will receive from the return of investment to the shareholders of C.P. Retail Holding Company Limited (“**CPRH**”) (as explained in the Information Memorandum on the Entire Business Transfer of C.P. Retail Holding Company Limited to Siam Makro Public Company Limited, the details of which appear in Enclosure 1) to the public (Public Offering or “**PO**”) in the amount of up to 181,600,000 shares with a par value of THB 0.5 each, representing up to 1.85 percent of the total issued and outstanding ordinary shares in Makro after the completion of the EBT or representing up to 1.63 percent of the total issued and outstanding ordinary shares in Makro after the completion of the PO of Makro, at the same time as the PO of Makro (the “**CPM's Shares Offering**”).

The CPM's Shares Offering is considered as a disposal of assets transaction under the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated 29 October 2004 (as amended) (the “**Notifications on Acquisition or Disposal of Assets**”).

The details of the disposal of assets transaction of the Company are as follows:

1 Date, Month and Year of the Transaction

After the completion of the EBT and after Makro has obtained approval for the offering of the ordinary shares to the public (Public Offering) from the Office of the Securities and Exchange Commission (the “**SEC Office**”) and the registration statement for securities offering and the prospectus have become effective.

2 Parties Involved and Relationship with the Company

Purchasers:

- 1) The public and/or institutional investors
- 2) Existing shareholders of (a) Makro (other than CP All Public Company Limited (“**CPALL**”) and subsidiaries of CPALL); (b) CPALL (other than the CPG group as specified in Form 56-1 for the year 2020 of CPALL); and (c) the Company (other than the CPG group as specified in Form 56-1 for the year 2020 of the Company) (If any)
- 3) Customers, suppliers or persons providing any other benefits (patrons) of Makro, CPALL, CPM and/or CPH (If any)
- 4) Cornerstone investors (If any)

Seller: CPM

3 General Description of the Transaction and Transaction Size

3.1 General Description of the Transaction

CPM, a subsidiary of the Company, will offer ordinary shares in Makro to the public (Public Offering) at the same time as the PO of Makro in the amount of up to 181,600,000 shares with a par value of THB 0.50 each, representing up to 1.85 percent of the total issued and outstanding ordinary shares in Makro after the EBT or representing up to 1.63 percent of the total issued and outstanding ordinary shares in Makro after the completion of the PO of Makro, which will occur after the completion of the EBT.

In this regard, Makro will issue new ordinary shares in the amount of up to 6,372,323,500 shares with a par value of THB 0.50 each, dividing into (a) up to 5,010,323,500 shares with a par value of THB 0.50 each to CPRH as a consideration for the EBT; and (b) up to 1,362,000,000 shares with a par value of THB 0.50 each for public offering.

3.2 Transaction Size and Calculation of the Transaction Size of the Disposal of Assets Transaction

The CPM's Shares Offering is considered as a disposal of assets transaction under the Notifications on Acquisition or Disposal of Assets. The highest size of the transaction when calculated on the basis of the net tangible assets (NTA) is equal to 2.56 percent of the net tangible assets (NTA) of the Company and the subsidiaries based on the latest consolidated financial statements as at 30 June 2021 which have been reviewed by the auditor. Upon combining with the disposal of assets transactions of the Company and its subsidiaries during the past six months (from 28 February 2021 to 30 August 2021) and the EBT, the highest size of the combined transactions when calculated on the basis of the net tangible assets (NTA) is equal to 31.53 percent, therefore, it is considered as a Class 2 transaction under the Notifications on Acquisition or Disposal of Assets with the value being higher than 15 percent but less than 50 percent. Details of the calculation of the transaction size are as follows:

Financial Information used in the Calculation of the Transaction Size

Unit: THB Million

Financial Information	The Company	Makro	CPRH	CPRD
	Consolidated Financial Statements ended 30 June 2021	Consolidated Financial Statements ended 30 June 2021	Separate Financial Statements ended 31 December 2020	Pro Forma Consolidated Financial Information ended 31 December 2020
Net Tangible Assets (NTA) ⁽¹⁾	137,721	17,565	199,479	
Total assets	792,223	70,131		
Net profit (loss)	25,566 ⁽²⁾	6,723 ⁽²⁾		1,778

Note: (1) Net Tangible Assets are calculated as the total assets less goodwill, other intangible assets, total liabilities and non-controlling interests.

(2) Net profit (loss) attributable to equity holders of the Company for the past 12 months ended 30 June 2021

Basis of the Calculation of the Size of the Disposal of Assets Transaction

Unit: THB Million (unless specified otherwise)

Basis of Calculation	Calculation Basis	The CPM's Shares Offering	Total Transaction Size (percent)
1. Value of Net Tangible Assets (NTA) basis	$\frac{((\text{NTA of company to be disposed} \times \text{Disposed proportion}) \times 100)}{(\text{NTA of listed company})}$	$\frac{((17,565+199,479) \times 1.63\%) \times 100}{137,721}$	2.56
2. Net Operating Profits basis	$\frac{((\text{Net operating profits of company to be disposed} \times \text{Disposed proportion}) \times 100)}{\text{Net operating profits of listed company}}$	$\frac{((6,723+1,778) \times 1.63\%) \times 100}{25,566}$	0.54
3. Total Value of Consideration basis	$\frac{(\text{Value of disposed transaction} \times 100)}{\text{Total assets of listed company}}$	$\frac{(181.6 \times 39.52^{(1)}) \times 100}{792,223}$	0.91
4. Value of Shares Issued for the Payment of Assets basis	-	-	-

Note: (1) The value of the disposed transaction per share is calculated from the weighted average price of ordinary shares in Makro traded on the SET for the past 15 consecutive business days prior to the date on which the Board of Directors passed the resolution, the period of which is from 9 to 30 August 2021 and the price of which is THB 39.52 per share (Source: SETSMART from www.setsmart.com).

4 Details of the Disposed Assets

Ordinary shares in Makro in the amount of 181,600,000 shares, representing 1.63 percent of the total issued and outstanding ordinary shares in Makro after the PO of Makro.

4.1 General Information of Makro

(1) General description of the business

Company name	Siam Makro Public Company Limited Company Limited
Type of business	Wholesale business of groceries and consumer products
Office address	1468 Phatthanakan Road, Phatthanakan Sub-district, Suan Luang District, Bangkok
Juristic person registration number	0107537000521
Registration date	11 February 1994
Registered capital as at 31 July 2021	THB 2,400,000,000
Issued and paid-up capital as at 31 July 2021	THB 2,400,000,000

(2) Business operations of Makro

Makro operates cash and carry trade centres business under the name “Makro” to sell groceries and consumer products and engages in the import, export and distribution of frozen and chilled food products as well as provides storage and delivery services.

(3) List of the first 10 shareholders of Makro before the EBT as at 15 March 2021

No.	Shareholders	Shares	Voting Rights (percent)
1	Siam Makro Holding (Thailand) Limited ⁽¹⁾	2,640,302,800	55.01
2	CPALL	1,827,598,700	38.07
3	Bualuang Long-Term Equity Fund	38,441,700	0.8
4	Mr. Prinya Tieworn	34,300,000	0.71
5	Thai NVDR Company Limited	18,879,397	0.39
6	Bualuang Long - Term Equity Fund 75/25	17,106,100	0.36
7	Bualuang Flexible RMF	11,310,300	0.24
8	Bualuang Equity RMF	8,302,900	0.17
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	7,107,958	0.15
10	Bualuang Basic Dividend LTF	6,287,300	0.13
	Total	4,609,637,155	96.03

Note: (1) Siam Makro Holdings (Thailand) Limited is 99.99 percent indirect subsidiary of CPALL. CPALL's combined shareholding in Makro is 93.08 percent of total issued and paid-up shares in Makro.

List of the shareholders after the EBT and before the tender offer for securities by CPM and CPH is as follows:

No.	Shareholders	Shares	Voting Rights (percent)
1	CPALL	3,831,728,100	39.06
2	Siam Makro Holding (Thailand) Limited	2,640,302,800	26.91
3	CPH	2,004,129,400	20.43
4	CPM	1,002,064,700	10.21
5	Minority shareholders	332,098,500	3.39
	Total	9,810,323,500	100.00

(4) List of directors of Makro as at 31 July 2021

No.	Directors	Position
1	Mr. Suphachai Chearavanont	Director
2	Mr. Korsak Chairasmisak	Director
3	Mrs. Suchada Ithjarukul	Director
4	Mr. Umroong Sanphasitvong	Director
5	Mr. Piyawat Titasattavorakul	Director
6	Mr. Pittaya Jearavisitkul	Director
7	Mr. Adirek Sripratak	Director
8	Mr. Prasert Jarupanich	Director
9	Mr. Narong Chearavanont	Director
10	Mrs. Saowaluck Thithapant	Director
11	Mr. Joti Bhokavanij	Independent Director
12	Mr. Rawat Chamchalerm	Independent Director
13	Mrs. Kannika Ngamsopee	Independent Director
14	Mr. Jukr Boon-Long	Independent Director
15	Mr. Prasobsook Boondech	Independent Director

After the EBT, there will be no material change (change in not more than one-half of the composition) in the composition of the Board of Directors of Makro. In the event of change in the Board of Directors and the management, Makro will comply with the relevant regulations and will further notify the details of such change to the shareholders of Makro.

(5) Summary of financial position and operating results

The key financial information of Makro for the years ended 31 December 2018, 2019 and 2021 and for the six-month period ended 30 June 2021 based on the consolidated financial statements of Makro which have been reviewed by the auditor can be summarised below.

Unit: THB million	The year ended 31 December 2018	The year ended 31 December 2019	The year ended 31 December 2020	The six-month period ended 30 June 2021
Statement of Comprehensive Income				
Total revenue ⁽¹⁾	192,930.09	210,627.04	218,760.19	111,052.81
Total expenses ⁽²⁾	185,120.27	202,422.55	209,803.69	106,981.01
Gross profit ⁽³⁾	18,943.85	21,167.71	22,123.90	10,702.92
Net profit ⁽⁴⁾	5,941.99	6,244.59	6,562.67	3,020.86
Statement of Financial Position				
Total assets	62,065.26	62,641.33	74,034.15	70,130.98
Total liabilities	42,808.63	41,906.96	51,323.64	47,274.21
Total shareholders' equity	19,256.63	20,734.37	22,710.52	22,856.77

Notes: (1) The total revenue consists of revenue from sale of goods, revenue from rendering of services and other income.

(2) The total expenses consist of cost of sale of goods, distribution cost and administrative expenses.

(3) The gross profit is calculated as revenue from sales of goods less cost of sale of goods.

(4) Net profit attributable to the equity holders of Makro

5 Total Value of Consideration and Criteria for Determination of Total Value of Transaction and Consideration

The total value of consideration in respect of the CPM's Shares Offering will be in line with the offering price of newly issued ordinary shares and existing ordinary shares in Makro which will be offered to the public (Public Offering). At present, the shares offering price has not yet been determined. The offering price will be determined through a book building process in which institutional investors are

to express their intention to purchase the shares in Makro at the desired price (Book building) through a survey by securities companies or by other appropriate methods.

6 Value of Disposed Assets

The assets disposed are the ordinary shares in Makro which CPM will receive from the Return of Investment to the CPRH Shareholders. CPM will receive consideration in the form of cash from investors. At present, the offering price of shares which will be offered to the public (Public Offering) has not yet been determined. The offering price will be determined through a book building process in which institutional investors are to express their intention to purchase the shares in Makro at the desired price (Book building) through a survey by securities companies or by other appropriate methods.

7 Expected Benefits of the Company

The Company believes that this CPM's Shares Offering will be directly and indirectly beneficial to the Company as follows:

- (1) The Company will receive fund from the fund raising through the CPM's Shares Offering which will reinforce the Company's financial position and which can be used for payment of loans, business expansion and as the Company's working capital in line with various business plans of the Company.
- (2) The Company will be able to realise the actual value of the investment in companies within the Lotus's Group which, at present, the Company indirectly invests in through the shareholding in CPRH. This will be reflected in the value of the ordinary shares in Makro after the acceptance of the transfer of the entire business of CPRH which includes the businesses within the Lotus's Group. In this regard, the offering price of the ordinary shares in Makro that will be offered to the public (Public Offering) will be the price that will be determined through a book building process based on the demand of institutional investors to purchase the securities which is a process of surveying the demand of investors which are institutional investors both in Thailand and overseas who will jointly determine the price. As such, the offering price will be derived through a transparent process without price distortion.

8 Conditions of the Transactions

- (a) The meeting of shareholders of Makro has resolved to approve Makro to issue and offer new shares to the public (Public Offering) and has resolved to approve the EBT.
- (b) Makro has registered the increase of the registered capital with the Department of Business Development, the Ministry of Commerce
- (c) The EBT has been completed.
- (d) Makro has received the approval from the SEC Office to offer newly issued shares to the public (Public Offering).

9 Opinion of the Board of Directors on the Transaction

The Board of Directors is of the view that the CPM's Shares Offering is reasonable as it will reinforce the Company's group of companies to be ready for future expansion of various projects which will support the Company's group of companies to expand the business in the future. In respect of the CPM's Shares Offering, the Company has taken into consideration the various relevant factors such as the appropriateness of the capital structure and proceeds utilisation plan of the Company etc.

10 Opinion of the Audit Committee and/or the Directors of the Company which is different from the Board of Directors' Opinion as specified in Paragraph 9

The Audit Committee and the directors of the Company do not have different opinion from the Board of Directors' opinion as specified in Paragraph 9.

Annex

DETAILS OF C.P. RETAIL DEVELOPMENT COMPANY LIMITED (“CPRD”)

BUSINESS DESCRIPTION¹

Overview

CPRD is a leading retailer of groceries and consumer goods which has a variety of store formats as well as a leading mall operator in Thailand and Malaysia. In Thailand, through its subsidiary Ek-Chai, CPRD is a leading multichannel retailer in terms of both physical store space and market share. As of 28 February 2021, it had 2,094 stores across the country, including 219 hypermarkets, 196 supermarkets and 1,679 mini-supermarkets. CPRD’s retail business in Thailand is supported by strong local supply chains and efficient distribution and logistics networks. In addition, CPRD also has strong brand equity and investment plans in the various strategic initiatives.

In addition, through its subsidiary Ek-Chai, CPRD is a leading operator of malls in Thailand in terms of number of malls. As of 28 February 2021, in Thailand it had:

- 196 malls (excluding the 23 LPF listed property fund malls described below) representing permanent net lettable area (“NLA”) of approximately 715,000 m² in aggregate, occupied by CPRD’s hypermarkets. 61 of these malls were owned by CPRD under freehold over land and building;
- an occupancy rate of approximately 90% at its malls based on permanent NLA; and
- a 25% interest in LPF, through its subsidiary Ek-Chai, a listed property fund that holds 23 malls across Thailand with permanent NLA of approximately 337,000 m².

CPRD also operates a leading retail store business and malls business in Malaysia through its subsidiary Lotus MY. As of 28 February 2021, CPRD operated 46 hypermarkets and 16 supermarkets across Peninsular Malaysia. Similar to CPRD’s retail business in Thailand, CPRD’s Malaysia retail business is supported by reliable supply chains and robust distribution and logistics networks, as well as CPRD’s strong brand equity and significant investments in the various strategic initiatives discussed above.

As of 28 February 2021, CPRD’s malls business in Malaysia had:

- 57 malls representing permanent NLA of approximately 296,000 m² in aggregate, of which 40 malls were owned by CPRD under freehold or leasehold over title²; and
- an occupancy rate of approximately 92% at its malls based on permanent NLA.

As of and for the year ended 31 December 2020, CPRD had revenue from sale of goods of THB 197,460 million, rental income and revenue from rendering of services of THB 11,188 million and total assets of THB 406,640 million, in each case on a pro forma basis.³

Recent Developments

Asset acquisitions from CPFT

- On 31 May 2021, CPRD entered into an agreement with CPF Trading Co., Ltd. (“CPFT”), an indirect subsidiary of CPF, through its subsidiary Ek-Chai, to purchase certain assets including equipment, IT

¹ Due to rounding conventions, totals given for columns of figures in this document may not equal the sums of the individual line items contained therein.

² In Malaysia, a freehold gives the title holder the right from the Malaysian government to use the land for an indefinite period. A leasehold gives the title holder the right from the Malaysian government to use the land for a term not exceeding 99 years, which means the landowner can hold the land until the expiry of the leasehold period and, unless extended or renewed, the leasehold land will revert to the Malaysian state. Both freeholds and leaseholds are transferrable.

³ Unless stated otherwise, references to “pro forma” financial information for CPRD assumes CPRD acquired Lotus TH, Ek-Chai and Lotus MY effective 1 January 2019. In addition, although CPRD’s fiscal year-end is 31 December, the underlying financial statements of Lotus TH and Lotus MY have a fiscal year-end of 28 February until 28 February 2021. Therefore, the data presented herein for Lotus TH and Lotus MY are based on their respective financial years ended 29 February 2020 and 28 February 2021.

systems and other relevant assets and information. CPRD has agreed to pay total consideration of approximately THB 862 million for these assets. CPRD plans to use such assets to support CPRD's existing businesses.

Impact of COVID-19 pandemic

- **General impact.** Thailand and Malaysia have experienced and continue to experience multiple waves of the COVID-19 outbreak, and new variants of COVID-19 have been discovered. The COVID-19 pandemic has caused significant disruptions to global and regional economies, including the economies of Thailand and Malaysia. To curb the spread of COVID-19, the governments in Thailand and Malaysia have imposed various protective measures against the outbreak. For example, they have implemented protective measures including temporary shutdowns of operating facilities or reduced operating hours, implemented lock downs in high risk areas, implemented travel restrictions and border controls, suspended business activities, imposed rules on quarantines and social distancing and suspended major events. This has significantly affected the Thai and Malaysian economies, production and supply chains and the business operations of companies in these countries, including ours. In Thailand, the impact of COVID-19 was initially less severe than in other countries. However, the most recent wave of COVID-19 infections has severely impacted Thailand since December 2020 and has resulted in the implementation of full or partial lockdowns in several regions where CPRD's stores and malls are located. These measures have disrupted normal business operations both in and outside of affected areas, and the resulting economic effects have had a particularly negative impact on Thailand's travel and tourism industry, with large-scale closures of hotels, restaurants and airlines throughout the country. CPRD's management is closely monitoring the situation and cooperating with the local governments to ensure the sufficiency of food availability and to minimise the impact on its business to the extent possible.
- **Measures undertaken by CPRD.** CPRD have taken extensive precautionary measures to protect its employees and customers from COVID-19 and the effects of the pandemic. Among many measures:
 - it has implemented strict safety measures, such as regular sanitation efforts and social distancing measures, across its stores, distribution centres and offices;
 - it has provided protective equipment to its employees;
 - it has adjusted its work processes and enabled various groups within its work force to work from home in order to reduce the risk of infection without materially sacrificing operations and productivity;
 - it has provided COVID-19 insurance coverage to many of its employees who were most at risk;
 - it has provided additional assistance to its employees including cash coupons for purchasing necessary supplies from its stores; and
 - it has endeavoured to avoid layoffs and in some cases, even increased recruitment during the pandemic period. It also paid out special cash awards to certain customer-facing employees to show its appreciation for their efforts and dedication to its customers throughout the pandemic.
- **Impact on CPRD's business and further responses.** The government's protective measures against the outbreak and disruptions in Thailand and in Malaysia have had the following impact on CPRD's business:
 - Government-mandated lockdowns and restrictions have affected CPRD's stores' operating hours, affected its customer traffic, and required it to adopt safety measures. CPRD's retail stores and distribution centres stayed open during lockdown periods as the Government permitted businesses selling food products to remain open. However, in Thailand, the Government prohibited the sale or display of "non-essential" goods, such as clothing, alcohol and electrical appliances, during the lockdown periods, which has negatively affected CPRD's sales of such

products. The Government also implemented a COVID-19 stimulus campaign which provided financial stimulus aimed mainly at supporting traditional stores such as local “mom-and-pop” stores, rather than large-scale modern stores like ours. This has had the effect of increasing competition from such local traditional stores with CPRD’s retail businesses. The Government did implement other initiatives which provided some relief for CPRD’s businesses in the form of reduced social security expenses and property taxes. CPRD’s retail business experienced panic buying following the announcement of lockdowns, which led to shortages of some products, exacerbated by the eventual closures of international borders which caused logistical problems for imported goods. Another effect of the COVID-19 pandemic has been to accelerate the shift in customers’ shopping behaviour to online purchases due to the difficulties of physically accessing CPRD’s stores during periods of lockdown or due to fears of disease. CPRD’s retail business in Thailand saw a decrease in revenue from sale of goods of THB 8,364 million, or 4.9%, from THB 171,326 million in the year ended 29 February 2020 to THB 162,962 million in the year ended 28 February 2021, in part as a result of this combination of factors. However, CPRD believes these factors were partially offset by increased food sales as a result of panic buying and other factors. The government of Malaysia implemented similar prohibitions on “non-essential” goods and, depending on the severity of the outbreak in the relevant district, imposed travel distance restrictions, restrictions on inter-district or inter-state travel and trading hour. Nevertheless, CPRD’s retail business in Malaysia saw an increase in revenue from sale of goods of MYR 98 million (THB 597 million), or 2.2%, from MYR 4,542 million (THB 33,901 million) in the year ended 29 February 2020 to MYR 4,640 million (THB 34,498 million) in the year ended 28 February 2021 due to the opening of new stores and increases in demand for online shopping. CPRD believes that its compliance with safety protocols in Malaysia and the hygiene practices in its stores have helped to make customers feel confident to continue shopping at its stores during the pandemic.

- The government-mandated lockdowns resulted in closures or significantly reduced operating hours for most malls in Thailand and Malaysia at various times during the COVID-19 pandemic. This development led to a downturn in earnings for the tenants of CPRD’s malls in Thailand and Malaysia, which then led to increased vacancies in its malls and stores. As of 28 February 2021, CPRD’s permanent occupancy rate in Thailand had fallen to approximately 90% from an average of approximately 95% in periods before the COVID-19 pandemic. To help mitigate the impact on its tenants from the pandemic despite a decrease in occupancy rates, CPRD extended financial support through rent reductions to the tenants of its malls in Thailand, which had a negative effect on its rental income. Government stimulus programs aimed at consumers and business owners also helped improve the prospects of its tenants. Although such measures helped to ameliorate the fall in occupancy rates at CPRD’s malls as a result of COVID-19, due to the new waves of COVID-19 since April 2021, as of 30 June 2021, the permanent occupancy rate in its malls in Thailand further decreased to approximately 80%.

As a result, CPRD’s malls business in Thailand saw a 24.1% decrease in rental income and revenue from rendering of services, from THB 12,739 million in the year ended 29 February 2020 to THB 9,670 million in the year ended 28 February 2021. In Malaysia, CPRD’s malls business was able to maintain a relatively steady fixed tenant occupancy rate of approximately 90% throughout the pandemic. However, CPRD offered significant rental waivers and discounts to its mall tenants in Malaysia. As a result, CPRD’s malls business in Malaysia saw a 26.4% decrease in rental income and revenue from rendering of services from MYR 277 million (THB 2,066 million) in the year ended 29 February 2020 to MYR 204 million (THB 1,518 million) in the year ended 28 February 2021.

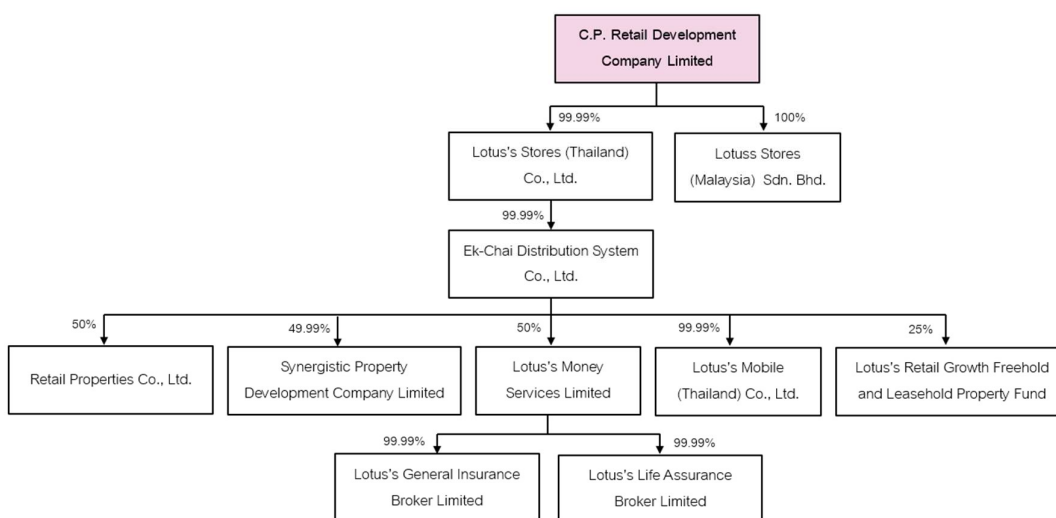
- The buying habits of CPRD’s customers changed during the COVID-19 pandemic, particularly in the retail sector. In addition to being more careful with their expenses in general, CPRD’s customers began to spend more on fresh food products and other grocery products, and less on

non-food products, and began to prefer shopping in their neighbourhoods, avoiding big retail stores, preferring instead to shop in smaller-format stores such as supermarkets, mini-supermarkets and local “mom-and-pop” stores, and shopping online. This was magnified by Government stimulus measures which encouraged shopping at traditional stores such as local “mom-and-pop” stores, rather than large-scale modern stores, as well as, in certain cases, government restrictions on travel and movement. While this shift in retail consumer spending patterns had a negative effect on CPRD’s larger format stores, it had a positive effect on its small format stores. The aggregate contribution from supermarkets and mini-supermarkets to CPRD’s aggregate revenue from sale of goods and other income relating to retail business⁴ in Thailand increased by 1.6% from THB 62,571 million in the year ended 29 February 2020 to THB 63,556 million in the year ended 28 February 2021. In response to these changes, CPRD improved its fresh food offerings particularly in its mini-supermarkets to meet this increased local demand.

- There was also increased interest from CPRD’s customers in shopping online, especially during the early stages of Government-mandated lockdowns. In response to this increased interest, CPRD accelerated its online channel activity across Thailand and Malaysia to capitalise on the fast-emerging online trend during COVID-19. CPRD’s revenue from sale of goods from its online segment in Thailand grew by 63.4% from THB 744 million in the year ended 29 February 2020 to THB 1,216 million in the year ended 28 February 2021. Similarly, CPRD’s revenue from sale of goods from its online segment in Malaysia grew by 37.7% from MYR 122 million (THB 909 million) in the year ended 29 February 2020 to MYR 168 million (THB 1,246 million) in the year ended 28 February 2021. Since 28 February 2021, CPRD’s online segment has continued to demonstrate substantial growth, with revenue from sale of goods from its online segment for the three months ended 31 May 2021 more than twice the level seen in the corresponding period of 2020.

Structure of the CPRD’s Group

As of 31 July 2021, CPRD has only two direct subsidiaries, Lotus TH, the holding company for the Thai operations, and Lotus MY, the operating company in Malaysia. Lotus TH, in turn, has only one direct subsidiary, Ek-Chai, the operating company in Thailand. For further detail of CPRD’s joint ventures, see “Associates and Joint Ventures”.



⁴ Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD’s retail business.

History

Selected key milestones relating to CPRD's business are set out below:

- 1994 • Ek-Chai opened its first store in Bangkok's Seacon Square
- 1996 • Ek-Chai opened its first distribution centre in Wangnoi, near Bangkok
- 2001 • Ek-Chai opened its first mini-supermarket called Express Ramindra
 - Tesco and Sime Darby entered into a joint venture to form the Lotus MY business
- 2002 • Lotus MY opened its first hypermarket store in Puchong, Selangor, Malaysia
- 2003 • Ek-Chai launched the first Talad store opened in Phongphet, Thailand
- 2007 • Lotus MY launched its Clubcard loyalty programme in Malaysia
 - Lotus MY opened its fresh products distribution centre in Simpang Pulai, Perak, Malaysia
- 2009 • Ek-Chai launched its Clubcard loyalty programme in Thailand
 - Lotus MY opened its ambient distribution centre in Bukit Beruntung, Selangor, Malaysia
- 2012 • Tesco Lotus Retail Growth Property Fund ("TGLF") began trading on the SET
- 2013 • Ek-Chai and Lotus MY launched their Grocery Home Shopping ("GHS") online shopping platform, allowing customers to buy fresh produce, groceries, and general products online
- 2015 • Ek-Chai's regional distribution centres opened in the Northeast and South of Thailand
- 2018 • Lotus MY launched a strategic partnership with Lazada
 - Ek-Chai began redeveloping its hypermarket and mini-supermarket concepts
- 2019 • Lotus MY completed a refresh of 21 stores under its next generation program
- 2020 • COVID-19 pandemic caused major disruption in the world economy, affecting CPRD's business in Thailand and Malaysia
 - The investment in CPRD by CPALL, CPH and CPM through shareholding in special purpose vehicle, CPRH, was completed in December 2020
- 2021 • In February, CPRD's hypermarket was rebranded under the "Lotus's" brand, and opened its first "Go Fresh" mini-supermarket
 - In June, Ek-Chai also expanded coverage of its grocery home shopping online platform from 25 stores in February to 89 stores.

CPRD's Business Segments

CPRD's business comprises two main segments:

- Retail business
- Malls business

In addition, CPRD has invested in associates and joint ventures. For a description of CPRD's joint ventures, see "*Associates and Joint Ventures*".

The following table sets forth CPRD's revenue from sale of goods in Thailand and Malaysia for the periods indicated.

	Year Ended 28 February ⁵			
	2020	%	2021	%
	(unaudited)			
	(THB millions, except percentages)			
Thailand.....	171,326	83.5	162,962	82.5
Malaysia ⁶	33,901	16.5	34,498	17.5
Total revenue from sale of goods	205,227	100.0	197,460	100.0

The following table sets forth CPRD's rental income and revenue from rendering services in Thailand and Malaysia for the periods indicated.

	Year Ended 28 February			
	2020	%	2021	%
	(unaudited)			
	(THB millions, except percentages)			
Thailand	12,739	86.0	9,670	86.4
Malaysia ⁶	2,066	14.0	1,518	13.6
Total rental income and revenue from rendering services	14,805	100.0	11,188	100.0

The following table sets forth CPRD's EBITDA by main segment in Thailand and Malaysia and the total EBITDA and as adjusted for share of profit from investment in joint ventures and an associate for the periods indicated.

	Year Ended 28 February			
	2020	%	2021	%
	(unaudited)			
	(THB millions, except percentages)			
Business Segment				
Thailand				
Retail.....	15,745	52.4	11,135	50.1
Malls.....	9,804	32.6	6,412	28.9
Segmental EBITDA for Thailand	25,549	85.0	17,547	79.0
Malaysia ⁶				
Retail.....	1,938	6.5	2,714	12.2
Malls.....	1,752	5.8	1,162	5.3
Segmental EBITDA for Malaysia	3,690	12.3	3,876	17.5
Share of profit from investment in joint ventures and an associate	815	2.7	782	3.5
Total EBITDA⁽¹⁾	30,054	100.0	22,205	100.0

Note:

(1) EBITDA for any year is defined as profit for the year adding back depreciation and amortisation, finance costs and income tax expense. EBITDA by business segment has been calculated by allocating a portion of such expense items to each segment and also does not include share of profit from investment in joint ventures and an associate. Similarly, EBITDA by geographic segment does not include share of profit from investment in joint ventures and an associate. CPRD uses EBITDA, including EBITDA by segment, to provide additional information about its operating performance. EBITDA, including EBITDA by segment, is not a measure of financial performance under TFRS, MFRS or IFRS. CPRD believes that this measure is useful for certain investors to determine its operating cash flow and historical ability to meet debt service and capital expenditure requirements. CPRD believes the investor community commonly uses this type of financial measure to assess the operating performance of companies in its business sector. You should not consider CPRD's definition of EBITDA, including EBITDA by segment, in isolation or construe it as an alternative to profit for the year or as an indicator of operating performance or any other standard measure under TFRS, MFRS or IFRS. CPRD's definition of EBITDA and its allocation of expenses in calculating EBITDA by business segment may not be comparable to similarly titled measures used by other companies, including in the same industry.

⁵ References to 28 February 2020 in financial and operating result table shown in this document are to 29 February 2020, as that was a leap year.

⁶ In preparing its pro forma consolidated financial statements, CPRD applied a THB to MYR exchange rate of 7.4634 and 7.4356 for the year ended 29 February 2020 and 28 February 2021, respectively.

Thailand

CPRD, through its subsidiary Ek-Chai, operates a retail business and malls business in Thailand. It is a leading multichannel retailer in terms of both physical store space and market share in Thailand. As of 28 February 2021, it had 2,094 stores across the country, including 219 hypermarkets, 196 supermarkets and 1,679 mini-supermarkets. CPRD's retail business in Thailand is supported by strong local supply chains and efficient distribution and logistics networks. CPRD's retail business has been built on its strong brand equity and proven strategy for establishing a platform for profitable growth. CPRD continues to drive growth through continuing investments, including in the following areas:

- capturing new customer segments by modernising and relaunching the new “Lotus’s” brand;
- improving the quality of product offerings and services;
- modernising and renovating its stores and researching the implementation of new technologies to enhance the efficiency of CPRD's business operations and to provide more convenience to its customers;
- implementing the “Go Fresh” concept in its supermarkets and mini-supermarkets;
- expanding the geographical coverage of its stores in Thailand;
- accelerating online sales growth by leveraging its nationwide network of over 2,000 stores, including improving performance and collaborating with popular online marketplaces such as Grab, Shopee and Lazada as other points of sale; and
- launching new businesses, such as the coffee and café chain businesses “Jungle Café” and “Arabita” and vending machines and collaborating with True retail to expand our product offering.

For additional information, see “CPRD's Retail Business in Thailand – Thai Retail Initiatives.”

CPRD is also a leading operator of malls in Thailand in terms of number of malls. As of 28 February 2021, in Thailand it had:

- 196 malls (excluding the 23 LPF listed property fund malls described below) representing permanent NLA of approximately 715,000 m² in aggregate, occupied by CPRD's hypermarkets. 61 of these malls were owned by CPRD under freehold over land and building;
- an occupancy rate of approximately 90% at its malls based on permanent NLA; and
- a 25% interest in LPF, through its subsidiary Ek-Chai, a listed property fund that holds 23 malls across Thailand with permanent NLA of approximately 337,000 m².

CPRD's Retail Business in Thailand

The following table sets forth sales, by format, of CPRD's retail business in Thailand for the periods indicated.

	Year Ended 28 February			
	2020	%	2021	%
	<i>(unaudited)</i>			
	<i>(THB millions, except percentages)</i>			
Retail Sales in Thailand				
Retail stores in Thailand				
Hypermarkets.....	108,848	63.2	98,811	60.4
Supermarkets.....	20,191	11.7	21,146	12.9
Mini-supermarkets.....	42,380	24.6	42,410	25.9
Online channel.....	744	0.5	1,216	0.8
Total retail sales in Thailand.....	172,163	100.0	163,583	100.0
(Less) Other income relating to retail business ⁷	(837)		(621)	
Revenue from sale of goods.....	171,326		162,962	

⁷ Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD's retail business.

Thai Retail Stores

CPRD operates three types of brick-and-mortar stores in Thailand: “H-Stores” hypermarkets, “Go Fresh” supermarkets and “Go Fresh” mini-supermarkets.

- *H-Stores* - CPRD’s H-Store hypermarkets are one-stop shopping complexes with a particular emphasis on fresh foods and groceries, with sales floor areas around 2,000 to 7,000 m², with an average sales floor area of approximately 4,500 m². According to Euromonitor, CPRD is, by a significant margin, the leading hypermarket chain in Thailand. CPRD’s hypermarkets’ value proposition is to be a destination for fresh food and dry grocery – food products, but also with full coverage of dry grocery – non-food products, in particular health and beauty products, household products and baby products, home and living products, appliances and apparel. The hypermarkets cater to a broad spectrum of customer needs including top-up needs, “big basket” routine purchases and stock-up needs. These larger-format stores will also be key elements in CPRD’s online integration initiative, as they can serve as fulfilment hubs as well as showrooms for products that will be sold only through online channels. The value proposition of CPRD’s hypermarkets lies in its ability to offer consistently competitive pricing on its products – an “Everyday Low Price” – that appeals to its target customers.

For the year ended 28 February 2021, CPRD’s hypermarkets had aggregate revenue from sale of goods and other income relating to retail business⁸ of THB 98,811 million, which accounted for 60.4% of its overall retail sales in Thailand. For the year ended 28 February 2021, the product breakdowns of H-Stores sales were 53.3% from dry grocery, 17.4% from fresh food, 14.3% from general merchandise, 5.5% from apparel and 9.5% from liquor and tobacco products. CPRD believes that more than half of Thailand’s population lives within a 25-minute driving distance from a CPRD H-Store.

- *“Go Fresh” Supermarkets* - As part of CPRD’s rebranding initiative, CPRD is in the process of rebranding its former “Talad” supermarkets to “Go Fresh” supermarkets. Its supermarkets are mid-sized stores ranging in sales floor area from 500 to 1,500 m², with an average sales floor area of approximately 725 m² that are mainly located in busy commercial areas or smaller rural towns. They were developed as local neighbourhood stores where customers can regularly shop for groceries as well as other products. The focus of these supermarkets is to provide customers with quality fresh food and dry grocery - food products, and a wide selection of dry grocery – non-food products, in particular health and beauty products, and household and baby products. The supermarkets primarily cater to customers who shop to top-up or stock-up. These mid-sized stores will also play a key part in CPRD’s online initiative.

For the year ended 28 February 2021, CPRD’s supermarkets had aggregate revenue from sale of goods and other income relating to retail business⁹ of THB 21,146 million, which accounted for 12.9% of its overall retail sales in Thailand. For the year ended 28 February 2021, the product breakdowns in terms of sales were 60.8% from dry grocery, 31.5% from fresh food, 3.6% from liquor and tobacco products, 3.3% from general merchandise and 0.8% from apparel.

- *“Go Fresh” Mini-supermarkets* - As part of CPRD’s rebranding initiative, it is in the process of rebranding the former “Tesco Lotus Express” to the new “Lotus’s Go Fresh” mini-supermarkets. Its mini-supermarkets typically have small footprints with sales floor area ranging in size from 150 to 400 m², with an average sales floor size of approximately 170 m². CPRD plans for its mini-supermarkets to be the main future growth driver for its retail business in Thailand. As of 28 February 2021, CPRD was one of the largest mini-supermarket operators in Thailand, and it plans to open

⁸ Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD’s retail business.

⁹ Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD’s retail business.

approximately 700 additional mini-supermarkets by the end of 2023. CPRD currently operates its mini-supermarkets in a wide range of locations, from residential and commercial areas to gas stations, providing convenience and accessibility to customers. The focus for the mini-supermarkets is to provide a wide selection of fresh food and dry grocery – food products, together with non-food essentials. The mini-supermarkets primarily cater to customers who shop for daily cooking and top-up needs but increasingly play an important role in online sales as well, particularly for on demand delivery. CPRD is also concentrating on placing more of its new Jungle Cafés in its mini-supermarkets to increase foot traffic and attract more customers.

For the year ended 28 February 2021, CPRD's mini-supermarkets had aggregate revenue from sale of goods and other income relating to retail business¹⁰ of THB 42,410 million, which accounted for 25.9% of its overall retail sales in Thailand. For the year ended 28 February 2021, the product breakdowns of the sales were 63.1% from dry grocery, 22.3% from fresh food, 11.9% from liquor and tobacco, 2.2% from general merchandise and 0.5% from apparel.

The following table sets forth the number of stores, by type, for CPRD's retail segment in Thailand as of the dates indicated.

Number of Stores	As of 28 February	
	2020	2021
Hypermarkets	215	219
Supermarkets	178	196
Mini-supermarkets.....	1,595	1,679
Total	1,988	2,094

Online Channel

In addition to its offline retail business, CPRD serves customers in Thailand through its online channel by leveraging its extensive hypermarkets network as fulfilment hubs.

CPRD's online channel serves customers who want a convenient way to shop for groceries. Its online retail platform, the GHS platform serve as fulfilment hub and allows customers to order online from 89 of its hypermarkets as of June 2021. CPRD's GHS platform allows customers to either order and pick-up at the store, or to arrange for next-day delivery service. In addition to GHS, CPRD has historically partnered with third-party marketplaces such as Shopee, Lazada and Happy Fresh, and more recently during the COVID-19 pandemic, with Grab and Food Panda to offer its products on their separate online platforms. Customers are able to order CPRD products on these marketplaces, and the marketplace will deliver those products to customers on-demand and within 1-2 days of ordering. In order to better serve this expanding online channel, CPRD is currently upgrading its IT system. The new IT infrastructure, which is expected to be in place by mid-2022, will support CPRD's online catalogue to cover the product offerings from over 2,000 stores in all store formats.

In addition, CPRD will leverage its extensive network of its hypermarkets to be used as fulfilment hubs by expanding from 89 hypermarkets in June 2021 to over 200 hypermarkets clusters nationwide, with 40 to 45 clusters located in the greater Bangkok area, and to leverage its 2,000 stores for both on-demand and next-day deliveries for CPRD's online business. Once this enhanced IT infrastructure is in place, CPRD will be able to fully leverage its nationwide footprints in Thailand to provide an effective combination of on-demand and next-day online service to its customers. In addition, the new infrastructure will cover a significant upgrade across key operating systems including customer application, order management system, picking system and transport management system. The new IT system will also implement a new application that provides personalised customer experiences and is easier for customers to use. For the year ended 28 February 2021, CPRD's had revenue from sale of goods from its online segment in Thailand of THB 1,216 million, which accounted for 0.8% of CPRD's overall retail sales in Thailand. Since 28 February 2021,

¹⁰ Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD's retail business.

CPRD's online segment has continued to demonstrate substantial growth, with revenue from sale of goods from its online segment for the three months ended 31 May 2021 more than twice the level seen in the corresponding period of 2020.

Thai Retail Initiatives

CPRD is committed to improving and expanding its retail store business in Thailand with the following initiatives:

- *Modernise and relaunch "Lotus's" brand.* Since the separation of Lotus TH, Ek-Chai and Lotus MY from their former parent company Tesco, and under the new ownership and management of CPRD, it has launched an initiative to modernise and relaunch the "Lotus's" brand and to distinguish it from the "Tesco Lotus" brand previously operated by Tesco. CPRD believes this initiative will attract and capture new customer segments, particularly younger customers. Its brand modernisation efforts include adopting new colourful logos on our store signs and publicity materials, researching the implementation of technologies to enhance the efficiency of CPRD's business operation and to provide more convenience to customers, strengthening online channel sales and introducing a new loyalty scheme. CPRD's goal is to rebrand all of its hypermarkets to the "Lotus's" brand by the end of 2022 and to continue evolving the format to better fit customers in different regions across Thailand.
- *Improve product offerings and services.* CPRD believes that the main draw of its retail business is the high quality and wide range of products that allow its stores to serve as one-stop-shop destinations. In particular, CPRD's fresh food strategy emphasizes regional sourcing from local vendors, direct delivery to stores to ensure freshness and quality, and offering of a wide range of fresh foods in all of our store formats to meet a broader spectrum of customer needs. CPRD also invests in developing more private label products for the Thai retail market, which it believes offer more options to customer for value-for-money products. Other product lines that CPRD is improving include health, beauty and wellness products and home appliances. In addition to improving its product offerings, CPRD is committed to refining other ancillary aspects of its stores to improve the overall shopping experience. These include ensuring cleanliness and safety of its stores, quick restocking and shelving of products, in-store support and product recommendations and implementing convenient technology such as self-checkout machines.
- *Modernise and renovate its stores.* CPRD is renovating its hypermarkets to better adapt to the changing needs and demands of its customers. It is currently downsizing the store floor in its hypermarkets for apparel and hardware and expanding fresh food and cooking sections to meet increased demand for such products. CPRD is also implementing new technologies and IT system to improve its customers' shopping experience and to improve store efficiency. The goal of renovation and upgrading all of its hypermarkets is to increase business efficiency and to provide more convenience to customers.
- *Implement "Go Fresh" concept.* CPRD is also rebranding its Talad supermarkets to "Go Fresh" supermarkets and its Tesco Lotus Express to "Lotus's Go Fresh" mini-supermarket. This effort includes repurposing its store space. The "Go Fresh" concept will be a key element in our "Winning with Fresh" strategy. CPRD's Go Fresh stores will focus on fresh food offerings in both loose and packaged form, and uniquely position themselves as close-to-home stores for convenient and quick shopping for fresh food products. The Go Fresh stores will have an enhanced look and feel akin to a "modern wet market" concept, and will offer quality fresh food products to serve the daily cooking and household needs of customers.
- *Mini-supermarkets of CPRD.* The mini-supermarkets will have a wider selecting of grocery products than normal convenience stores, and CPRD aims to enhance the customer experience through the addition of Jungle Café kiosks and mobile shopping services. Smaller stores that can be optimised to accommodate increased store capacity will be upgraded and rebranded as "Lotus's Go Fresh" mini-supermarkets. Currently CPRD plans on implementing the "Go Fresh" concept, under which it aims

to complete the rebranding of approximately 1,000 stores in Thailand by the end of 2021 and of the remaining stores in Thailand by the end of 2022. As of 31 July 2021, CPRD has rebranded 343 stores to the “Go Fresh” concept.

- *Expand geographic coverage.* In comparison, traditional trade has a high penetration rate throughout the country, including areas where it does not have stores. Therefore, in order to reach and serve more customers, as well as to improve its fulfilment capabilities, CPRD plans to develop stores where it currently does not have a presence. Under this store expansion plan, CPRD aims to open an average of 4 to 6 new hypermarkets, 10 new supermarkets and 250 mini-supermarkets per year over the next three years.
- *Accelerate online sales by leveraging its strength in nationwide physical footprint.* With its GHS online platform, CPRD aims to expand its online offerings beyond the current coverage through 89 hypermarket stores in the Bangkok area to over 2,000 stores across the country by the end of 2022, including all of its mid and small-sized stores with the “Go Fresh” format. The expansion will enable retail customers in Thailand to receive their online purchases on an on-demand, next-day, and click-and-collect basis nationwide. The new GHS online platform will be enhanced through CPRD’s ongoing IT initiative, encompassing significant upgrades to customer applications, ordering management system, picking system, and transport management system. In addition, CPRD will continue to work with leading marketplace partners such as Shopee, Lazada, Grab, and Food Panda to complement CPRD’s online channel.
- *Launch new businesses to enhance the store experience.* CPRD believes that F&B can drive foot traffic to its stores. As an initial strategy, CPRD has decided to capitalise on customers’ growing interest in coffee shops by making its new Jungle Café and Arabitua coffee shops a key part of its store experience. CPRD believes that its high-quality, good-value coffee products, sold through its coffee shops in various formats at its retail spaces, will entice people to shop with it. CPRD’s current plan is to place Jungle Café counters, shops-in-shop or shop-front spaces in its mini-supermarkets and supermarkets, or even placing standalone Arabitua coffee shops in its hypermarket premises. In addition to coffee, CPRD is looking at developing other F&B retail dining concepts to attract customers to its stores. Furthermore, CPRD intends to leverage its partnership with True to enhance the electronic products offerings in its stores as described under the general merchandise segment below.

Thai Retail Products

A key factor for the success of CPRD’s Thai retail business is the variety of products offered in its stores. CPRD’s main products categorised as Fresh Food, Dry Grocery – Food, Dry Grocery – Non-Food, General Merchandise, Liquor & Tobacco and Apparel. CPRD sells a wide range of leading global and domestic brands alongside a significant number of local SME brands and an extensive range of its private label products, the details of which are set out below:

- *Fresh Food* - Fresh food is the core of all of CPRD’s product ranges and the fastest growing category in its retail business. CPRD’s fresh food product range comprises meat and seafood (pork, poultry, beef, egg, fish, shrimp), vegetable and fruit, dairy (fresh milk, yogurt and cheese), egg, ready-to-cook and ready-to-eat, bakery, and frozen food (ready-to-cook and ready-to-eat frozen meals and ice cream). CPRD strives to serve high quality fresh food products to customers at affordable prices. It carefully sources and sells products made to the highest quality to ensure that all of its products are safe and comply with all applicable laws and regulations. CPRD leverages its supply chain to help build better relationships and strengthen its capability to source directly from farmers and local suppliers. It extensively develops a value-added range for fresh foods to serve its customer’s needs, such as marinades and ready-to-cook and ready-to-eat meals, as well as new innovations such as plant-based meats.

- *Dry grocery - Dry grocery covers both dry food and dry non-food products.*
 - Dry food products comprise cooking essentials (cooking oil, sauce, seasoning), beverages (water, soft drink, juice, coffee, tea), staple food (rice, noodle, grain), shelf-stable and plant-based milk, baby (milk powder and food), confectionery (biscuit, snack, candy), food supplements, canned food and baking needs. CPRD's curated range of dry food products caters to a wide range of key customer needs across its different channels, price ranges, brands and imported goods. CPRD collaborates closely with global suppliers to serve its customers and expand the product categories. It develops strong relationships with local suppliers to develop new products to enhance its offering and strengthen its points of differentiation.
 - *Dry non-food* products include health and beauty (shampoo, soap, toothpaste, lotion, cosmetics, pharmacy), household (laundry detergent, fabric softener, dishwash detergents, floor cleaners, insecticides), paper (toilet tissue, kitchen roll, facial tissue, feminine hygiene and adult diapers), baby (diapers and accessories), pet food and accessories and religious products. With this category of products, CPRD aims to offer an extensive range that includes all leading brands. CPRD purchases these products directly from the manufacturers. It has strong partnerships with a wide range of global vendors in the dry non-food segment that can help it deliver value for its customers.
- *General Merchandise* - General merchandise covers a wide group of categories including home products such as toys, stationery, sports equipment, bath, bedding, furniture, luggage, plastic storage, home cooking, automotive, lighting and do-it-yourself ("DIY") home improvement. CPRD offers quality items for everyday use, and, in categories in which leading brands do not have a product offering, offers its private label products. CPRD is therefore able also to differentiate and add value through its private label products. It will be focusing its efforts on offering its home cooking products to align with its overall food product offerings and on repurposing more of the floor space at its stores to optimise sales and follow customer trends. General merchandise also includes electrical products such as televisions, major domestic appliances (refrigerators, washing machines), small domestic appliances (rice cookers, electric cookers, fans, air conditioning, kettles, toasters, irons, vacuum cleaners, hair dryers). CPRD will be partnering with True to offer mobile phones, SIMs, phone accessories as well as internet-connected home products such as smart lights, electrical outlets and thermostats. It is also developing with True a "digital health corner" experience through which customers can have an online consultation with a doctor in its stores.
- *Liquor and tobacco* - CPRD offers a wide range of local and imported beer, wines, spirits and cigarettes with customised ranges and varieties for different groups of stores.
- *Apparel* - Apparel products include everyday clothing, focusing on essentials and comfortable clothing for all members of the family.

In addition to third-party national brands, CPRD offers thousands of private label products across all categories. CPRD's current brands follow three tiers:

- "Lotus's" - this is its core brand, which applies to a wide range of products that offer high quality at affordable prices;
- "Khumka" - an entry-level brand for essential products that are fit-for-purpose at very affordable prices; and
- "Prestigo" - this is its premium brand for high-quality products at reasonable prices, particularly for food-inspired and kitchen-related products.

CPRD is currently in the process of transitioning away from the "Tesco" brands previously used when it was part of Tesco and replacing those legacy private label products with the new brands described above. CPRD recently completed the transition to "Lotus's" brands in its fresh food category. CPRD will launch a broader private label initiative to create strong brand awareness with customers in August 2021, which it expects will

be followed by a full conversion to its new brands in all of its non-food product categories by the end of 2021.

CPRD is also developing products under newer brands across more categories, such as “Momento” for home lines, “Aliv” for health and beauty, and “MeStyle” for apparel.

For the year ended 28 February 2021, CPRD’s private label products constituted more than 20% of revenue from sale of goods in Thailand. For developing its private label products, CPRD selectively targets a product category that has a sizeable market, high growth potential with several existing brands and readily available opportunities for distinguishing its products.

CPRD plans to strengthen its general products offerings in its Thai retail segment as well as healthy foods and other health-related items aimed at customers who are increasingly health-conscious. It also intends to unify its product strategy with its retail business in Malaysia in order to cross-market private label products and jointly source products. CPRD’s goal is to align its products and categories across Thailand and Malaysia and provide a unified product line without compromising the needs specific to each market.

The following table sets forth sales revenues, by product type, of CPRD’s retail business in Thailand during the periods indicated.

	Year Ended 28 February			
	2020	%	2021	%
	<i>(unaudited)</i>			
	<i>(THB millions, except percentages)</i>			
Retail Sales in Thailand				
Dry grocery	98,565	57.3	92,985	56.9
Fresh food	31,757	18.4	33,425	20.4
General merchandise	18,383	10.7	16,035	9.8
Liquor and tobacco	15,669	9.1	15,251	9.3
Apparel	7,767	4.5	5,881	3.6
Delivery income and others ¹¹	22	0.0	6	0.0
Total retail sales in Thailand	172,163	100.0	163,583	100.0
(Less) Other income relating to retail business ¹²	(837)		(621)	
Revenue from sale of goods	171,326		162,962	

Thai Retail Customers

CPRD’s retail customers in Thailand span a variety of age groups, income demographics and household sizes. CPRD believes that its primary strengths in attracting customers include:

- customers’ perception of its products as offering significant value-for-money;
- the public’s trust in its brand; for instance, in 2021, CPRD under Lotus’s brand was voted as the second most trusted grocery store brand in Thailand, according to a consumer survey on brand image by Ipsos (Thailand) Company Limited; and
- its dedication to customer service and engagement with local communities.

CPRD plans on further leverage its strengths to reach more customers, especially the younger generation.

To better understand its customers, CPRD makes extensive use of customer data analysis. CPRD has extensive data sets covering more than 600 million customer transactions per year from almost 9 million ClubCard customers. CPRD has engaged third-party services with strong reputations and extensive experience in scientific analysis of customer data, who provide the latest technology, software and consulting services to help it understand customer behaviour and motivation and formulate strategies to

¹¹ Primarily represents delivery income.

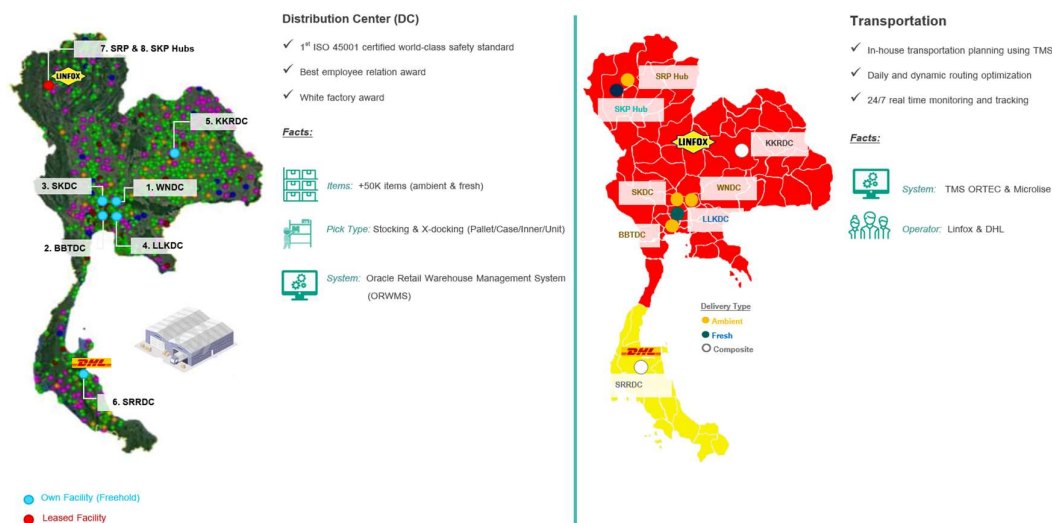
¹² Other income relating to retail business comprises consignment income, delivery income and staff discounts arising from CPRD’s retail business.

anticipate future buying patterns. CPRD is able to use such analytics to optimise the customer experience from acquisition to retention, as well as to enhance product selection. CPRD also uses its customer data analysis to formulate price and promotion strategies that deliver value to customers.

To keep its retail customers engaged, CPRD offers a Clubcard loyalty programme that allows customers to accumulate reward points for shopping at its stores. CPRD's research shows that loyalty programme members tend to buy more than non-members, both in terms of aggregate purchase amounts and size of individual purchases. As of 28 February 2021, CPRD had approximately 16 million loyalty programme members in Thailand, of whom over 50% were active purchasers. CPRD offers a Clubcard loyalty programme application for mobile phones that functions as a membership card and provides information to members regarding personalised coupons and other personalised promotions while also allowing CPRD a means of direct communication with its customers. CPRD is continuing to develop additional features to improve the customer experience on its loyalty programme application, create better rewards and enable customers to personalise their experience and introducing new loyalty scheme simultaneously with Lotus's rebranding initiative.

Thai Retail Distribution and Logistics

A key part of CPRD's retail strategy is optimizing its supply chain, distribution and logistics. This ensures sufficient and suitable inventory levels across its stores, that the produce and perishable goods it sells are fresh and of high quality, and that it can provide good value to customers while remaining profitable.



CPRD's suppliers' goods are first transported by DHL and Linfox, which are international logistics companies. They provide and operate a large fleet of trucks to CPRD's state-of-the-art distribution centres, from which the products are distributed to its stores. As online sales are increasing rapidly, CPRD has dedicated a few of its distribution centres to storing and distributing online sale products. It is also leveraging its nation-wide network of stores to fulfil online sales, which helps optimise last-mile delivery costs and thereby gives it a competitive advantage over other online retailers.

CPRD is constantly looking for ways to improve the efficiency of its distribution and logistics system. For instance, we are leveraging an "HLE Hub & Spoke" system for home deliveries to customers, whereby we have designated a number of our hyperstores, in addition to existing distribution centres, as hubs for the storage of "white goods". When an order is made, we work with third party operators to arrange for the goods to be picked up from the hubs and delivered directly to consumers' homes. This increases our capacity to offer home deliveries and complements our online growth strategy. Furthermore, we also developed a "Bakery Hub & Spoke" system, whereby it has designated six of its hyperstores as manufacturing hubs for baked goods. Professional bakers and support staffs at these hyperstores produce

baked goods, which are then transported directly to CPRD's other stores, bypassing the distribution centres. Such system improves the quality of baked goods and reduces product waste.

As of 28 February 2021, CPRD had 8 DCs in Thailand with an aggregate building floor space of approximately 277,000 m² and daily outbound distribution volume of approximately 950,000 cases per day and one online fulfilment centre with building floor space of 10,364 m² and daily outbound distribution volume of approximately 200 orders per day. The following table sets forth key details regarding CPRD's DCs and online fulfilment centre:

Facility name, location and description	Building floor space (m ²)	Approximate daily outbound distribution volume	Approximate average warehouse capacity utilisation for the year ended 28 February 2021
Regional			
SRP Hub - North Regional Ambient Hub	5,800	19,000 cases/day	70%
SKP Hub - North Regional Fresh Hub	1,450	11,000 cases/day	85%
SK RDC - Central Regional Ambient DC	33,700	222,000 cases/day	75%
KKRDC - Northeast Regional Ambient + Fresh DC	51,990	Ambient – 130,000 cases/day Fresh – 42,000 cases/day	80%
LLKRDC - Central Regional Fresh DC	35,000	88,000 cases/day	50%
SRRDC - South Regional Ambient + Fresh DC	51,990	Ambient – 65,000 cases/day Fresh – 20,000 cases/day	50%
National			
WN NDC - National Ambient DC	58,347	192,000 cases/day	75%
Online Fulfilment Centre	10,364	200 orders/day	70%
BBTDC - National Ambient DC	29,000	161,000 cases/day	80%

CPRD's distribution centres in Thailand are outfitted with advanced logistics technology, such as semi-automated single pick machines and automated picking cart with pick-to-light capabilities. Each of CPRD's hypermarkets also has backroom storage with average size of 200-300 m².

CPRD has arrangements with DHL and Linfox, international logistics companies, to provide and operate delivery fleets and logistics capability for its retail business in Thailand.

In addition to transportation and storage for its retail stores, CPRD offers distribution and logistics services to third parties, including warehouse space rental, cross docking platform, product transportation, return-to-vendor services and transport management.

Thai Retail Suppliers

CPRD's retail business in Thailand has direct buying relationships with many producers of brand-name products. CPRD works with its suppliers to create partnerships that provide it with end-to-end value chain efficiency that translates into quality products at affordable prices for its customers. All of CPRD's buyers receive regular training, and CPRD adheres to a code of conduct to ensure it deals with its suppliers ethically and legally. The COVID-19 pandemic created unprecedented supply constraints including disruptions and delays that have impacted and could continue to impact the flow and availability of certain products.

CPRD's Malls Business in Thailand

CPRD's malls business in Thailand consists of building and operating its own malls and acting as property manager for malls owned by CPRD's Retail Growth Freehold and Leasehold Property Fund ("LPF"), in which CPRD holds a 25% equity interest through its subsidiary Ek-Chai.

Malls in Thailand

In Thailand, CPRD's malls business (excluding its role as property manager for LPF) has developed three distinct types of malls to better serve different types of customers.

- *Family Malls* - These large malls are intended to be family-oriented destinations that provide a wide range of shopping and leisure activities. The principal tenants of CPRD's family malls include restaurants, fashion stores, financial and non-financial service providers and entertainment-related tenants. Its family malls in Thailand typically have a permanent NLA of over 5,000 m². As of 28 February 2021, CPRD had 12 family malls in Thailand (excluding 11 family malls held by LPF) with an aggregate permanent NLA of approximately 136,000 m².
- *Neighbourhood Malls* - These are mid-sized malls for quicker visits, with emphasis on food. They offer a diverse array of restaurants, beverage shops and grab & go food stores. Although smaller than CPRD's family malls, neighbourhood malls have entertainment-related tenants for families, as well as fashion stores and financial and non-financial service providers. The permanent NLA of these malls is typically between 2,000 and 5,000 m². As of 28 February 2021, CPRD had 85 neighbourhood malls in Thailand (excluding 11 neighbourhood malls held by LPF) with an aggregate permanent NLA of approximately 444,000 m².
- *Service Malls* - These smaller malls are aimed at providing a "one-stop" shopping space that is well-suited for everyday retail and services needs. As these malls are smaller, they focus on offering essential goods and services for customers, including a few restaurants, shops for various everyday service needs, basic clothing stores and recreational spaces for children. The service malls typically have a permanent NLA of less than 2,000 m². As of 28 February 2021, CPRD had 99 service malls in Thailand (excluding one service mall held by LPF) with an aggregate permanent NLA of approximately 135,000 m².

CPRD's malls are strategically located across Thailand to cover as much area as possible and to allow as much access to customers as possible. Each mall has a CPRD hypermarket as its anchor tenant. Most of CPRD's malls are located in the greater and central Bangkok region, as well as in major cities in the North, North East and South regions of Thailand. As of 28 February 2021, approximately 31% of CPRD's malls were located on freehold land.

Mall Initiatives

CPRD continues to search for prime locations for malls across Thailand with the following criteria:

- large and densely populated areas;
- highly visible and capable of generating increased customer traffic;
- access to major roads and public transportation; and
- large space available for parking and good infrastructure.

CPRD has a number of initiatives that it is pursuing in connection with its malls:

- *Future mall development*: Develop future malls as mixed-use properties that can function as neighbourhood shopping destinations by meeting customers' needs through online channel sales and delivery options. CPRD is also exploring other avenues to improving customers' experience in its future malls through, for example, greater variety and offerings, pairing with strategic partners, and personalized marketing to its customers.
- *Optimise mall layout*: Use underutilised areas and create a seamless layout between the mall and hypermarket.
- *Optimise space usage*: Increase the proportion of mall space used for food options, with a balance between mass-market brands and more niche or traditional offerings, to transform its malls into food destinations to attract more visitors and increase footfall.
- *Improve food court experience*: Upgrade and create right-sized spaces in its malls, and introduce new brands and concepts such as a cloud kitchen, to improve customers' food court experience.

- *Improve digital experience*: Implement IT infrastructure to improve support for digital payments by customers, so as to enhance customers' experience.
- *Actively manage tenant mix*: Actively seek out and acquire quality food and non-food tenants, in particular well-known brands or franchises, and introduce a new look and feel to the mall with the optimal tenant mix.
- *Health, beauty and wellness*: Focus on tenants and space usage in malls for health, beauty and wellness options, to serve changing consumer needs and preferences.

CPRD is also implementing the following strategies to accelerate the recovery of its malls business from the effects of the COVID-19 pandemic:

- invest in online channels and online delivery for mall customers and integrate mall tenants (both food and non-food tenants) onto its online platform; and
- develop new tenants to replace or downsize existing tenant categories that have been particularly badly impacted by COVID-19 by, for example, replacing play areas and cinemas with tenants devoted to home improvement and fitness options.

Investment in and Services to LPF

CPRD holds a 25% equity interest in LPF, through its subsidiary Ek-Chai, a listed property fund in Thailand, making it the largest unitholder. LPF owns 23 CPRD-branded malls across Thailand. CPRD also has an agreement with LPF to operate LPF's malls as the property manager.

As of 28 February 2021, LPF's property portfolio comprised 11 family malls, 11 neighbourhood malls and one service mall, with an aggregate permanent NLA of approximately 337,000 m² and 97% average occupancy rates.

As the property manager of LPF's malls and a 25% unitholder of LPF through its subsidiary Ek-Chai, CPRD derives two separate streams of income from LPF as follows:

- *Property Manager Fees* - As property manager, CPRD collects four different types of fees from LPF in connection with its services rendered in respect of LPF malls, namely: rental collection income, property management fee, incentive fee and commission income. CPRD receives property manager fees on a monthly basis, and these fees are calculated based on various metrics of the LPF malls' performance. The rental collection income is based on a percentage (not exceeding 3%) of LPF's annual net property revenue from malls, the property management fee is calculated based on a percentage (not exceeding 0.3%) of the net asset value of the fund, the incentive fee is based on a percentage (not exceeding 2.35%) of annual net property income of the mall.
- *Dividends* - As unitholder, CPRD receives distributions from LPF based on its unitholding percentage. The dividends have a minimum pay-out ratio of 90% of LPF's quarterly net investment income. CPRD receives four dividend payments per year.

Mall Tenants in Thailand

CPRD has a diverse mix of tenants across its malls in Thailand. CPRD broadly categorises its tenants into three different types:

- *Permanent tenants* - These are tenants who agree to a tenancy of more than one year with monthly rent of either a fixed amount or a variable rent based on their sales (with or without guaranteed minimum amounts). For the year ended 28 February 2021, CPRD's revenues from these tenants were THB 5,998 million.
- *Temporary tenants* - Temporary tenants lease for less than one year and their fast turnover allows CPRD to renew its product and services offerings based on the customers' needs. Small pop-up stalls

and small brand stores fall into this category. For the year ended 28 February 2021, CPRD's revenues from these tenants were THB 1,433 million.

- *Food court* - CPRD enters into service agreements with concessionaires for the food courts in its malls. These leases have an average term of one year. Food courts help maintain traffic to its malls and its other tenants, as customers often come to its malls for affordably priced meals. For the year ended 28 February 2021, CPRD's revenues from these tenants were THB 611 million.

Permanent tenants provide a stable stream of revenue and are thus crucial for the success of CPRD's malls business in Thailand. The average tenancy of its permanent tenants, including CPRD hypermarkets, which constitute the largest group of permanent tenants, is approximately 3 years, with large anchor tenants averaging up to 30 years. CPRD's permanent tenants can be further categorised as follows:

- *Finance* - these tenants constituted approximately 5% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 16% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.
- *Services & Technology* - these tenants constituted approximately 9% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 17% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.
- *Food* - these tenants constituted approximately 23% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 24% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.
- *Fashion* - these tenants constituted approximately 11% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 20% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.
- *Beauty & Leisure* - these tenants constituted approximately 8% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 11% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.
- *Anchor and outdoor space* - these tenants constituted approximately 44% of CPRD's permanent occupied NLA in Thailand as of 28 February 2021 and approximately 12% of CPRD's revenue from permanent tenants in Thailand for the year ended 28 February 2021.

Malaysia

CPRD operates a leading retail business and a malls business in Malaysia through its subsidiary Lotus MY. CPRD is a leading retailer in Peninsular Malaysia in terms of market share, with a household penetration rate for the year ended 28 February 2021 of 53%, with 62 stores as of 28 February 2021, including 46 hypermarkets and 16 supermarkets. Similar to CPRD's retail business in Thailand, CPRD's retail business in Malaysia is supported by reliable supply chains and robust distribution and logistics networks, as well as CPRD's strong brand equity and significant investments including:

- capturing new customer segments by modernising and relaunching the new "Lotus's" brand;
- improving the quality of product offerings and services at affordable pricing;
- implementing the "Go Fresh" concept for its new 1,000 m² stores;
- increasing coverage by expanding its physical store network in the 1,000 to 4,000 m² formats;
- leveraging its network of over 62 stores to accelerate online sales growth, including improving performance and collaborating with popular online marketplaces such as Food Panda, Shopee and Lazada as other points of sale; and
- strengthening its B2B sales channel nationwide by focusing on independent restaurants, traditional stores and other local establishments such as hospitals, hotels and schools.

For additional information, see “*CPRD’s Retail Business in Malaysia – Malaysia Retail Initiatives.*”

CPRD also operates a network of malls in Malaysia. As of 28 February 2021, CPRD had:

- 57 malls in Malaysia representing permanent NLA of approximately 296,000 m² in aggregate, of which 40 malls were owned by CPRD under freehold or leasehold over title¹³; and
- an occupancy rate of approximately 92% at its malls based on permanent NLA.

CPRD’s Retail Business in Malaysia

CPRD, through its subsidiary Lotus MY, is a leading retailer in Peninsular Malaysia. For the year ended 28 February 2021, its network of hypermarkets, supermarkets, “Express” stores (as described below), online and B2B sales channels had retail sales revenues of MYR 3,720 million (THB 27,664 million), MYR 767 million (THB 5,704 million), MYR 10 million (THB 77 million), MYR 168 million (THB 1,246 million) and MYR 22 million (THB 160 million), respectively.

Malaysian Retail Stores

CPRD operates two types of brick-and-mortar stores in Malaysia: hypermarkets and supermarkets.

As of 28 February 2021, CPRD has a total of 62 retail stores in Malaysia, primarily located in the Northwest, Central and Southwest of Peninsular Malaysia, with a particular concentration of 20 stores in Klang Valley, where the country's capital city, Kuala Lumpur, is located.

- *Hypermarkets* - CPRD’s hypermarket stores in Malaysia are one-stop shopping complexes with an emphasis on fresh foods and groceries, with sales floor areas greater than 4,000 m². Most of these hypermarkets are built as anchor stores in CPRD’s malls. For the year ended 28 February 2021, these hypermarkets had total retail sales revenue of MYR 3,720 million (THB 27,664 million), which accounted for 79.4% of CPRD’s overall retail sales revenues in Malaysia. The product breakdown of sales at CPRD’s Malaysian hypermarkets was 68.8% from groceries, 9.4% from general merchandise, 18.8% from fresh food and 3.0% from clothing. CPRD’s hypermarkets are a leading hypermarket network in Peninsular Malaysia. These stores are all located in Peninsular Malaysia.
- *Supermarkets* - These are mid-sized stores with sales floor areas ranging from 2,000 to 4,000 m² that are mainly located in Peninsular Malaysia. They were developed as local neighbourhood stores where customers can regularly shop for groceries as well as for other products. For the year ended 28 February 2021, CPRD’s supermarkets had total retail sales revenue of MYR 767 million (THB 5,704 million), which accounted for 16.4% of its overall retail sales revenues in Malaysia. The product breakdown of sales was 69.0% from groceries, 8.3% from general merchandise, 20.7% from fresh food and 2.0% from clothing.

CPRD is in the process of rebranding its hypermarkets and supermarkets in Malaysia under the name “Lotus’s” from the legacy “Tesco” brand name and expects to complete the rebranding by next year. Going forward, CPRD’s 1,000 m² stores in Malaysia will be branded “Go Fresh.” Until September 2020, CPRD’s retail business in Malaysia also included a smaller format of stores called “Express”, with average sales floor area of approximately 130 m². CPRD previously operated nine such Express stores with a local Malaysian partner but the format was discontinued in September 2020 when the partnership ended. CPRD may in the future explore other ways to open stores in the small format below 1,000 m².

¹³ *In Malaysia, a freehold gives the title holder the right from the Malaysian government to use the land for an indefinite period. A leasehold gives the title holder the right from the Malaysian government to use the land for a term not exceeding 99 years, which means the landowner can hold the land until the expiry of the leasehold period and, unless extended or renewed, the leasehold land will revert to the Malaysian state. Both freeholds and leaseholds are transferrable.*

The following table sets forth the number of stores, by type, for CPRD's retail segment in Malaysia.

Number of Stores	As of 28 February	
	2020	2021
Hypermarkets	46	46
Supermarkets	14	16
Express stores	9	0
Total	69	62

Malaysian Online Channels

In addition to the offline retail business CPRD operates at its brick-and-mortar stores in Malaysia, CPRD serves customers through online channels, in particular through its in-house GHS platform as well as third-party marketplaces such as Lazada, Food Panda, Shopee and Happy Fresh. CPRD has a number of initiatives to improve customers' online experience with its stores:

- offer better online customer experience through its on-going IT upgrade initiative, which should enable same day delivery, smart promotion mechanics and smarter product substitution;
- develop an online fulfilment centre prototype which should offer more online services, improve efficiency and reduce operational cost;
- increase the number of stores in Malaysia that can access its GHS platform beyond the current nine stores; and
- expand the "Click and Collect" functionality of our websites and app, whereby customers can place an order from home but collect it at the store in lieu of delivery, to all of its stores.

Malaysia Retail Initiatives

CPRD is committed to improving and expanding its retail store business in Malaysia with the following initiatives:

- *Modernise and relaunch "Lotus's" brand.* Since the separation of Lotus MY from its former parent company Tesco, and under the new ownership and management of CPRD, CPRD has embarked on an initiative to modernise and relaunch the "Lotus's" brand and to distinguish it from the "Tesco" brand previously operated by Tesco. CPRD plans to complete the modernisation of the "Lotus's" brand by mid-2022. It believes this initiative will attract and capture new customer segments, particularly younger customers. CPRD's brand modernisation efforts include adopting new colourful logos, researching the implementation of technologies to enhance the efficiency of CPRD's business operation and to provide more convenience to its customers, strengthening online channel sales and introducing a new loyalty scheme.

As a part of relaunching the "Lotus's" brand, CPRD is also introducing smaller stores of 1,000 m² branded as "Go Fresh" stores that will have a wider selection of grocery and fresh food products than convenience stores, and it aims to enhance the customer experience through "scan as you shop" functionality and self-service checkout counters. Currently CPRD plans on rebranding 62 stores in Malaysia by mid-2022 and opening 28 new stores by December 2023.

- *Improve product offerings and services.* CPRD believes that the main draw of its retail business is the high quality and wide range of its products, offered at affordable prices that allow the stores to serve as one-stop-shop destinations. In particular, CPRD's fresh food strategy emphasizes regional sourcing from local vendors, direct delivery to stores to ensure freshness and quality, and offering of a wide range of fresh foods to meet a broader spectrum of customer needs. CPRD also invests in developing more private label products for the Malaysian retail market, which it believes offer more options to customer for value-for-money products. CPRD is constantly refreshing its product ranges to keep up to date with changes in consumer needs and trends. Other product lines that it is improving include health, beauty and wellness products and home appliances. In addition to improving its

product offerings, CPRD is committed to refining other ancillary aspects of its stores to improve the overall shopping experience. These features include ensuring cleanliness and safety of its stores, quick restocking and shelving of products, in-store support, convenient and smart technologies such as “scan as you shop” and self-service checkout counters.

- *Modernise and renovate its stores.* CPRD is renovating its hypermarkets to better adapt to the changing needs and demands of its customers. CPRD is currently downsizing the store floor in its hypermarkets for apparel and hardware and expanding fresh food and cooking sections to meet increased demand for such products. It is also implementing new technologies and IT systems to improve its customers’ shopping experience and store efficiency.
- *Adjust its stores to smaller formats.* CPRD currently operates hypermarkets, which have a sales floor area of over 4,000 m², and supermarkets, which have sales floor areas between 2,000 and 4,000 m². CPRD has observed a shift in consumer preferences towards smaller format stores and is looking to meet this shift by resizing its stores to smaller formats. Smaller format stores also have lower operational costs. Due to prevailing foreign ownership restrictions under Malaysia law, foreign-owned operators are restricted from opening stores smaller than 1,000 m².
- *Leverage store network to accelerate online channel growth.* CPRD is aiming to significantly increase its retail sales by leveraging its extensive store network to accelerate growth in the online channel. Its ongoing efforts include developing an improved and more stable IT system, creating a seamless online shopping experience on its own GHS platform and mobile application and offering various convenience-focused features such as on-demand delivery and “click and collect” drive through shopping. CPRD continues to work on improving its partnerships with third-party platforms such as Happy Fresh, Food Panda, Shopee and Lazada to build a strong online presence and to make sure that it can reach customers conveniently through any online portal of their choice.
- *Strengthen its B2B channel.* In addition to establishing its brick-and-mortar stores as the go-to source for food and other shopping needs, CPRD is seeking to build and strengthen its retail B2B services. CPRD’s B2B effort includes being a one-stop shop for restaurants and local “mom-and-pop” stores that are looking for meat, fresh food, dry groceries and cookware. To increase B2B sales from Lotus MY’s retail business, CPRD has dedicated sales teams that directly service nearby restaurants and local “mom-and-pop” stores. CPRD also continues to invest in its IT infrastructure to create a more seamless customer experience.
- *Cost reduction.* Recently, CPRD has made investments to implement various cost reduction initiatives. Such initiatives include an energy cost savings project, where it has implemented energy efficient technologies at its stores in refrigeration, HVAC and lighting, as well as a shift to renewable energy through solar photovoltaic plants on the roofs of its large format stores and DCs. CPRD also performs thorough evaluations of costs relating to distribution and sales network. CPRD reviews its cost structures continuously, and in 2021 it is conducting a study of its supply chain network to optimise and develop for future growth. To further reduce its operating costs, CPRD has also implemented various technological and software tools, such as self-service checkouts, scan as you shop technology, a customer service desk solution, mobile apps for ordering, tablets for in-store communications with our staff, produce scales and payment link.

Malaysian Retail Products

A key factor in the success of CPRD’s retail business in Malaysia is the variety of affordably-priced products offered in its stores. CPRD offers a one-stop-shop experience for groceries, fresh food products, general products and apparel from a range of brands, in addition to its private label products.

- *Groceries* - CPRD’s grocery products include commodities, canned food, cooking and baking needs, baby products, hot beverages, confectionary goods, food supplements, beer, wine and spirits, cold beverages, health & beauty products, chilled and frozen foods and dried sundries. CPRD aims to sell quality groceries to customers who want a broad range of products available at affordable prices. It

constantly optimises its inventories, engages with local suppliers and develops private label products to compete effectively in the market.

- *Fresh Food* - Fresh food products include fresh vegetables and fruits, meats and seafood. In order to offer quality food products at affordable prices, CPRD engages in direct sourcing of products, introduce value-added products such as ready-to-cook or ready-to-eat items and regularly perform end-to-end reviews of its supply chain to ensure the freshness of its products. Fresh food is CPRD's fastest growing product category. Although it is not the most profitable product category, it is effective at increasing customer traffic to its stores. Traditional wet markets and other supermarkets are our direct competitors in the realm of fresh food products.
- *General Products* - General products include home furnishings, furniture, electrical products, computer products, luggage, outdoor leisure, home improvement supplies, automotive products, toys and stationery. CPRD offers quality items for everyday use, including a broad range of private label home products. CPRD refreshes its product line-up periodically and aims to offer new and higher quality products as it finds and partners with more suppliers.
- *Apparel* - CPRD's apparel products include affordable basics daily household needs consisting of both private label products and local brands. CPRD plans to expand its clothing offerings in Malaysia to include clothes for infants and children.

CPRD offers various private label products for each of the product categories above. CPRD's brands presently include "Tesco" for standard products and "Value" for value-focused products, although CPRD plans to migrate to "Lotus's" branding in the future. For the year ended 28 February 2021, CPRD's private label products constituted more than 25% of revenue from sale of goods in Malaysia. For developing its private label products, CPRD selectively targets a product category that has sizeable market size, high market growth potential with several existing brands and readily available opportunities for distinguishing its products. CPRD outsources the manufacturing of private label products to local manufacturers, while retaining IP over the brand and the recipes.

CPRD plans on implementing a policy to unify its Malaysian product strategy with its Thailand retail business, in order to cross-market private label products as well as to jointly source products. Its goal is to align its products and categories across the two regions and provide a unified product line without compromising the needs specific to each market.

The following table sets forth sales revenue, by product type, in CPRD's retail segment in Malaysia for the periods indicated.

	Fiscal Year Ended 28 February			
	2020	%	2021	%
	<i>(unaudited)</i>			
	<i>(MYR millions, except percentages)</i>			
Sales Revenue				
Groceries.....	3,219	70.1	3,246	69.3
Fresh food.....	777	16.9	882	18.8
General products.....	446	9.7	431	9.2
Apparel.....	151	3.3	128	2.7
Total retail sales.....	4,593	100.0	4,687	100.0
(Less) Other income relating to retail business ¹⁴	(51)		(47)	
Revenue from sales of goods ...	4,542		4,640	

¹⁴ Other income relating to retail business comprises consignment income arising from CPRD's retail business.

Malaysian Retail Customers

CPRD's retail customers in Malaysia span a variety of age groups, income demographics and household sizes. To better understand its customers, CPRD has in the past partnered with customer data science analysis companies to help it better understand its customer segments, develop its product strategy, plan its online and in-store retail shopping experience, develop customer loyalty program and identify effective marketing strategies.

To keep its customers engaged, CPRD offers a Clubcard loyalty programme that allows customers to accumulate reward points for shopping at its stores. CPRD's research shows that loyalty programme members tend to buy more than non-members. As of 28 February 2021, CPRD had approximately 1.9 million household loyalty programme members in Malaysia, of whom approximately 52% were active purchasers. CPRD offers a Clubcard loyalty programme application for mobile phones, which functions as a membership card and provides information regarding coupons and other promotions while also giving it a means to reach and communicate directly with members.

Malaysian Retail Distribution and Logistics

A key part of CPRD's Malaysian retail strategy is optimizing its supply chain, distribution and logistics. This ensures that its inventory levels across its stores are adequate, that the produce and perishable goods it sells are fresh and are of high quality, and that it can provide good value to customers while remaining profitable.

As of 28 February 2021, CPRD had 2 owned distribution centres and 1 rented frozen distribution centre in Malaysia with the aggregate storage space of approximately 108,136 m², and daily distribution outbound volume of approximately 330,231 cases. CPRD uses three kinds of distribution centres for its products: ambient distribution centres for storing groceries and general products at room temperature, fresh products distribution centres where it can store products at 1 to 2 degrees Celsius, and frozen-food distribution centres which are run by third parties. Each of CPRD's hypermarkets in Malaysia has backroom storage space, with an average area greater than 250 m² and height of greater than 5.5 metres (excluding fit-out stores where we are in a rented space and have had to adapt our design to the space available).

CPRD largely operates its distribution and logistics functions in-house in Malaysia. As of 28 February 2021, it had a fleet of trucks in Malaysia for transporting products to and from various distribution centres, stores and warehouses. Its fleet includes 20 dedicated trucks for long-haul routes in the north and south regions, 5 dedicated trucks for east coast delivery, 62 prime movers, 52 ambient trailers and 43 refrigerated trailers.

CPRD offers distribution and logistics capabilities to suppliers in Malaysia and to support its own online sales, including cross docking platform, product transportation, return-to-vendor services and transport management systems.

Malaysian Retail Suppliers

CPRD has direct buying relationships with many producers of brand-name products for its Malaysian retail business. Although it is not reliant on any one supplier, CPRD sources a large portion of products from certain popular brands. CPRD attempts to lower its purchase costs from its suppliers by negotiating volume discounts and additional incentives. While the COVID-19 pandemic created unprecedented supply constraints including disruptions and delays that have impacted and could continue to impact the flow and availability of certain products, CPRD has thus far not experienced any material disruption to its supplies as a result of the COVID-19 pandemic. CPRD has a strong long-term relationship with a wide network of suppliers, and in the event a source of supply becomes unavailable for any reason, it is generally able to procure the same or a substitute product from an alternative supplier by leveraging its supplier network.

CPRD's Malls Business in Malaysia

As of 28 February 2021, CPRD's malls business in Malaysia had:

- 57 malls representing permanent NLA of approximately 296,000 m² in aggregate, of which 40 malls were owned by CPRD under freehold or leasehold over title¹⁵; and
- an occupancy rate of approximately 92% at its malls based on permanent NLA.

Malls in Malaysia

In Malaysia, CPRD has developed three distinct types of malls to better serve different types of customers.

- *Family Malls* - These large malls are intended to be family-oriented destinations that provide a wide range of shopping and leisure activities. The principal tenants of CPRD's family malls include restaurants, fashion stores, financial and non-financial service providers and entertainment-related tenants. CPRD's family malls in Malaysia have lease NLA of over 6,000 m². As of 28 February 2021, CPRD had 23 family malls in Malaysia with an aggregate permanent NLA of approximately 197,000 m².
- *Neighbourhood Malls* - These are mid-sized malls for quicker visits, with emphasis on food. They offer a diverse array of restaurants, beverage shops and grab & go food stores. Although smaller than CPRD's family malls, neighbourhood malls also have entertainment-related tenants for families, as well as fashion stores and financial and non-financial service providers. The lease NLA of these malls are between 3,000 and 6,000 m². As of 28 February 2021, CPRD had 18 neighbourhood malls in Malaysia with an aggregate permanent NLA of approximately 73,000 m².
- *Service Malls* - These smaller malls are aimed at providing "one-stop" shopping space that is well-suited for everyday retail and services needs. As these malls are smaller, they focus on offering essential goods and services for customers, including a few restaurants, shops for various everyday service needs, basic clothing stores and recreational spaces for children. CPRD's service malls in Malaysia have lease NLA of less than 3,000 m². As of 28 February 2021, CPRD had 16 service malls in Malaysia with an aggregate permanent NLA of approximately 26,000 m².

CPRD's malls are strategically located throughout Peninsular Malaysia to cover as much area as possible and to allow as much access to customers as possible, and most have its hypermarkets as anchor tenants. CPRD continues to search for prime locations across Malaysia with the following criteria:

- Large and densely populated areas;
- Highly visible and capable of generating increased customer traffic;
- Access to major roads and public transportation; and
- Large space available for parking and good infrastructure.

Mall Tenants in Malaysia

CPRD has a diverse mix of different tenants across its malls. It broadly categorises its tenants into three different types:

- *Permanent tenants* - These are tenants who agree to a tenancy of more than one year with monthly rent of either a fixed amount or a variable rent based on their sales (with or without guaranteed minimum amounts). For the year ended 28 February 2021, revenues from these tenants were MYR 146 million (THB 1,089 million) (approximately 71.6% of total mall revenue in Malaysia).

¹⁵ In Malaysia, a freehold gives the title holder the right from the Malaysian government to use the land for an indefinite period. A leasehold gives the title holder the right from the Malaysian government to use the land for a term not exceeding 99 years, which means the landowner can hold the land until the expiry of the leasehold period and, unless extended or renewed, the leasehold land will revert to the Malaysian state. Both freeholds and leaseholds are transferrable.

- *Temporary tenants* - Temporary tenants lease for less than one year and their fast turnover allows CPRD to renew its product and services offerings based on the customers' needs. Small pop-up stalls and small brand stores fall into this category. For the year ended 28 February 2021, revenues from these tenants were MYR 40 million (THB 296 million) (approximately 19.6% of total mall revenue in Malaysia).
- *Food court* - CPRD enters into service agreements with concessionaires for food courts at its malls in Malaysia. The average term of their lease is 1 year. Food courts help maintain traffic to CPRD's malls and its other tenants, as customers often come to malls to have a meal at affordable prices. For the year ended 28 February 2021, revenues from these tenants were MYR 18 million (THB 133 million) (approximately 8.8% of total mall revenue in Malaysia).

Permanent tenants provide a stable stream of revenue and are thus crucial for the success of CPRD's malls business in Malaysia. The average tenancy of CPRD's permanent tenants is approximately 2 years, with large anchor tenants averaging up to 3 years. Every year, approximately 1,000 units have leases that expire that year. CPRD's permanent tenants are primarily classified into six categories:

- *Food & Beverages* - these tenants constituted 14.6% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 23.4% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.
- *Health & Beauty* - these tenants constituted 5.5% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 16.1% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.
- *DIY & Home* - these tenants constituted 32.4% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 14.6% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.
- *Fashion* - these tenants constituted 17.0% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 15.9% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.
- *Services* - these tenants constituted 11.4% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 21.0% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.
- *Leisure, Sports & Other* - these tenants constituted 19.1% of CPRD's permanent occupied NLA in Malaysia as of 28 February 2021 and 9.0% of CPRD's revenue from permanent tenants in Malaysia for the year ended 28 February 2021.

Associates and Joint Ventures

CPRD has in the past invested and will continue to seek opportunities to invest in associates and joint ventures. CPRD's share of profits from investment in joint ventures and an associate comprised 9.8% and 44.0% of CPRD's profit for the years ended 31 December 2019 and 2020, respectively, on a pro forma basis. Below is a summary of CPRD's material associates and joint ventures as of 31 December 2020, on a pro forma basis.

Company	Jurisdiction	% Ownership	Business
Lotus's Retail Growth Freehold and Leasehold Property Fund	Thailand	25%	Listed property fund which holds 23 malls across Thailand
Retail Properties Company Limited	Thailand	50%	Leasing land and building where hypermarket in Bang Pakok is located
Synergistic Property Development Company Limited	Thailand	49.99%	Mall and other real estate businesses in Pattaya
Lotus's Money Services Limited	Thailand	50%	Financial and Insurance services

CPRD RISK FACTORS

1 The outbreak of the novel coronavirus (“COVID-19”) has caused, and could continue to cause, severe disruptions in global and regional economies, including the economies of Thailand and Malaysia, which could adversely affect CPRD.

The COVID-19 pandemic has caused significant disruptions to global and regional economies, including the economies of Thailand and Malaysia. To curb the spread of COVID-19, Thailand and Malaysia have imposed various protective measures against the outbreak. For example, their respective governments have issued orders to temporarily shut down operating facilities or reduce operating hours, locked down risky areas, issued travel restrictions and border controls, extended delays, suspended business activities, imposed rules on quarantines and social distancing and/or suspended major events. This has significantly affected the Thai and Malaysian economies, production and supply chains and the business operations of companies operating in these countries, including CPRD. While progressive relaxations have recently been granted for movement of goods and people and cautious re-opening of businesses and offices, Thailand and Malaysia have experienced and continue to experience waves of COVID-19 infection, which have been exacerbated by the discovery of new variants of COVID-19. In Thailand, the impact of COVID-19 was initially less severe than in other countries. However, the most recent wave of COVID-19 infections has severely impacted Thailand since December 2020 and resulted in several regions where CPRD’s stores and malls are located implementing full or partial lockdowns during this period. These measures have disrupted normal business operations both in and outside of affected areas. CPRD’s management is closely monitoring the situation and cooperating with the relevant governments to ensure the sufficient distribution of food and to minimise the impact on its business to the extent possible.

These restrictions and disruptions in Thailand, and to some extent in Malaysia, are one of the factors which have had a significant impact on CPRD’s business, including:

- a decrease in revenue from sale of goods in Thailand of THB 8,364 million, or 4.9%, from THB 171,326 million for the year ended 29 February 2020 to THB 162,962 million for the year ended 28 February 2021;
- a decrease in rental income and revenue from rendering of services in CPRD’s malls in Thailand and Malaysia, resulting from a combination of decreased occupancy rates and rental waivers, reductions and discounts, such that CPRD’s malls business in Thailand saw a 24.1% decrease in rental income and revenue from rendering of services from THB 12,739 million in the year ended 29 February 2020 to THB 9,670 million in the year ended 28 February 2021, and CPRD’s malls business in Malaysia saw a decrease in rental income and revenue from rendering of services of 26.4% from MYR 277 million (THB 2,066 million) in the year ended 29 February 2020 to MYR 204 million (THB 1,518 million) in the year ended 28 February 2021.

There can be no guarantee that CPRD’s results will improve in future periods. It is possible that there will be a recurrence of more virulent variants of COVID-19, including ones against which existing vaccines may not be as effective, which could lead to future lockdowns or other restrictive measures. Even if the COVID-19 virus were eventually brought under control and the impact of the COVID-19 pandemic subsides, CPRD will still need to capitalise on growth opportunities. In response to changing consumer behaviour to shopping at smaller neighbourhood shops and online, CPRD has committed significant resources to expanding to smaller format stores, growing its online sales and upgrading its IT infrastructure, such as its website and mobile application, among other initiatives. Any failure by CPRD to capture such opportunities and may result in declining revenue, and its future operating results may fall below expectations.

Despite CPRD’s efforts, the most recent waves of COVID-19 infections had a significant impact on its operations, as there were infection clusters at its distribution centres, including the Bang Bua Thong distribution centre for CPRD’s retail business in Thailand which CPRD closed down for two weeks, and near many stores and increased risk of infections among its employees, customers and in its stores, malls and other facilities, which led to government orders to close or decrease operating hours for certain of its stores

and malls, which in turn led to decreases in sales and income. Although we believe that CPRD has so far responded rapidly and in accordance with government mandates, the perception of an inadequate response in the future could cause reputational harm to CPRD's brand and subject it to lost sales and claims from employees, customers, suppliers, regulators or other parties. If the measures taken by CPRD ultimately turn out to be ineffective, or if its customers do not participate in social distancing and other safety measures, the well-being of its employees and customers could be at risk. Any future outbreak of confirmed COVID-19 cases in CPRD's stores or malls could result in temporary or sustained workforce shortages, limitations on operating hours and/or closures, which would negatively impact CPRD's business and results of operations. In particular, any potential negative impact on the health of CPRD's executive management team or key employees or the executive management team or key employees of its suppliers and distributors, particularly if a significant number of its or their executive management team or key employees are impacted, could adversely affect its or their ability to promote business continuity amidst disruptive events. In addition, any belief by customers that they have contracted COVID-19 in one of CPRD's stores or malls, or that CPRD has not taken appropriate precautionary measures to prevent the spread of COVID-19 in its stores or malls, could result in costly and time consuming litigation and/or negatively impact CPRD's reputation.

Other factors and uncertainties related to the ongoing COVID-19 pandemic include, but are not limited to:

- the severity and duration of the COVID-19 pandemic, including any additional waves of infections in locations where CPRD operates or affecting its employees caused by additional periods of increases or spikes in the number of COVID-19 cases, future variants or related strains of the virus or other factors;
- additional government restrictions that may impact CPRD's business;
- evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures;
- unknown consequences on CPRD's business performance, initiatives and expansion plans stemming from the substantial diversion of time and other resources to its pandemic response;
- the pace of recovery when the COVID-19 pandemic subsides;
- the impact of the COVID-19 pandemic on the business and results of operations of tenants in CPRD's malls;
- the impact of the COVID-19 pandemic on the supply, cost and inventory of products that CPRD sells in its stores; and
- the long-term impact of the COVID-19 pandemic on CPRD's business, including consumer behaviors. For example, CPRD has observed changing customer behaviour during the pandemic, in particular a shift away from its larger stores to smaller neighbourhood shops and significant growth in online sales. CPRD may not be able to respond or adapt in a timely manner if such changes in consumer behaviour become more permanent, or occur more rapidly or in a manner different from its expectations.

The extent to which the COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious disease, affects CPRD's business, results of operations and financial condition will depend on future developments, which are highly uncertain, including the scope, severity and duration of such pandemic, the actions taken to contain the pandemic or mitigate its impact, including the adoption of available COVID-19 vaccines, the impact of relaxing or revoking such existing restrictions too quickly, and the direct and indirect economic effects of the pandemic and containment measures, among others. The continuing impacts of the COVID-19 pandemic are highly unpredictable and volatile, may materially adversely affect CPRD's business, financial condition and results of operations, and may have the effect of heightening many of the risks described in this "Risk Factors" section.

2 Major legal, regulatory and administrative proceedings may negatively affect CPRD's business.

CPRD is involved in legal, regulatory and administrative proceedings from time to time, and CPRD is exposed to the possibility of being involved in other legal, regulatory and administrative proceedings in future. The outcome of some of these proceedings or other contingencies could require CPRD to take, or refrain from taking, actions which could negatively affect our operations or could require CPRD to pay substantial amounts of money.

As of the date of this IM1, in particular, there are two on-going legal proceedings against the Thai Trade Competition Commission (the "TCC") and the Office of Thai Trade Competition Commission (the "OTCC") in relation to the merger control approval granted for the acquisition of Lotus TH by CPRD. On 9 March 2020, CPRD entered into an agreement with Tesco to purchase Lotus TH and Lotus MY. The completion of the acquisition required approval from the TCC in accordance with Thailand's Trade Competition Act B.E. 2560 (2017) ("TCA"). In November 2020, the TCC issued an order (the "TCC Order") approving the acquisition of Lotus TH. On the basis of this TCC Order, CPRD and Tesco proceeded with completion of the acquisition on 18 December 2020. However, in March 2021, a consumer interest group known as the Foundation for Consumers, together with other third-party groups and individuals, filed a legal action (the "TCC Claim") against the TCC and OTCC with the Central Administrative Court of Thailand (the "Court") claiming, in essence, that the TCC Order was issued unlawfully due to non-compliance with certain procedures prescribed by laws and the TCC exercised inappropriate and illegitimate discretion in granting the TCC Order. These claimants requested the Court to revoke the TCC Order or to prescribe the following additional conditions to the TCC Order:

- CPRD must sell part of its businesses or assets to mitigate the impact of its market-dominant power and must reduce its combined market share to not exceeding 50%;
- CPRD must be prohibited from opening new branches for a period of 10 years following completion of the merger; and
- the effective periods of the merger conditions specified in the TCC Order must be extended, from the original 5 years set out in condition 216 to 10 years, and from the original 2 years set out in conditions 4¹⁷ to 5 years.

Although neither CPRD nor Lotus TH were named as defendants in the TCC Claim, the Court's view was that its ruling on the TCC Claim is relevant to CPRD and Lotus TH. Therefore, the court summoned CPRD and Lotus TH as third-party interpleaders to the proceedings in order for it to properly understand the information and facts relevant to the issues alleged by the claimants.

The claimants also submitted a petition to the Court requesting a temporary suspension of enforcement of the TCC Order during the Court proceedings (the "Claimants Petition"). In May 2021, the Court issued an order dismissing the Claimants Petition because at this stage, the Court found that the TCC Order had been duly issued in accordance with procedures and regulation prescribed under the TCA. Therefore, the Court further determined that there was no reason to believe that the TCC Order had been issued unlawfully. Such order dismissing the Claimants Petition is final and cannot be appealed.

¹⁶ CPALL and Ek-Chai shall increase their sales proportion of products of small and medium sized enterprises (SMEs) comprising agricultural products, community farming products, community goods, products of small and micro community enterprises (SMCE) or local products (OTOP) and other categories of products, in respect of 7-Eleven and Tesco Stores in aggregate of all store formats; such increase must grow by at least 10 percent per annum from the previous year, for a period of 5 years. In this regard, the criteria on small and medium sized enterprises (SMEs) pursuant to the provisions of law governing the prescription of characteristics of small and medium sized enterprises shall apply.

¹⁷ Ek-Chai shall maintain the conditions of contracts and agreements with its original suppliers of goods or raw materials which have been already executed, for a period of 2 years, except for any change of conditions of contract which benefits or is in favour of the original suppliers of goods or raw materials and it must obtain consent from such original suppliers of goods or raw materials of such change as well.

In relation to the TCC Claim, the TCC, OTCC, CPRD and Lotus TH filed a motion of defence in which the TCC, OTCC, CPRD and Lotus TH argued, among other points, that the TCC Order was in fact lawful because it was issued in compliance with all procedures prescribed by laws and the exercise of discretion by the TCC was prudent, appropriate and legitimate.

In addition to the TCC Claim which was filed by a consumer interest group, an individual who is an owner of a local convenience store also filed a legal action challenging the TCC Order on similar grounds as the TCC Claim. Therefore, in June 2021, the Court combined this case with the earlier TCC Claim into one case. As at the date hereof, the Court is currently considering the TCC Claim and is in the process of fact-finding. It is possible that the Court may render its judgment before the end of 2021 as it deemed the TCC Claim to be an urgent court proceeding. The parties may appeal the Court's judgment to the Supreme Administrative Court within 30 days from receipt of such judgment. This 30-day period cannot be extended. Any appellate judgment of the Supreme Administrative Court would be final.

We believe that the TCC Order was lawful because the TCC is the authority with the power to approve the acquisition of Lotus TH by CPRD and the submission of the application and all relevant information by CPRD for the TCC consideration was in compliance with all required procedures prescribed by laws. We also believe that the TCC considered all information and issued the TCC Order in compliance with all procedures prescribed by laws. Therefore, we believe that the Court is unlikely to order the revocation of the TCC Order. However, we cannot guarantee the outcome of the Court's decision, or that such ruling will be favourable to us.

In addition, even if the Court were to revoke the original TCC Order, we believe that the Court in this case and TCC will not have any legal justification to require CPRD to unwind or invalidate the acquisition of Lotus TH or impose any administrative fine under the TCA on CPRD because the acquisition of Lotus TH by CPRD was completed in accordance with the laws and in good faith following CPRD's receipt of the TCC Order which, in fact, was legally binding and effective at the time of the acquisition. However, if the TCC Order is revoked by the Court, the TCC may request CPRD to resubmit its application to approve the acquisition of Lotus TH. We cannot guarantee that the new TCC order will be issued or will be issued without new conditions supplementing the existing conditions under the existing TCC Order or CPRD will be able to fully comply with the additional conditions imposed by the new TCC order. In any case, if CPRD does not agree with TCC's decision or its new order, it has the right to appeal with the Court within the period prescribed under the laws.

While we do not believe the outcome of the TCC Claim will affect the validity of the recent acquisition by our Company of CPRD, if the TCC imposes additional conditions for CPRD, compliance with such conditions may impact its existing business operations and thus result in significant costs and expenses. The TCC Claim may also require significant time commitments by certain members of management and key personnel which could have an adverse effect on the management of our business and growth plans.

- B. Responsibilities of Board of Directors with respect to information disclosure
Board of Directors of CPF have carefully reviewed this information memorandum and hereby certify that this information memorandum contains accurate, complete and non-misleading information, without lacking any material information.
- C. Opinion of an Independent Expert (e.g. Appraiser of Assets)
-None-
- D. Financial projection in the present year (if any)
-None-
- E. Pending Material Lawsuits or claims
The Company and its subsidiaries are involved only in routine litigation arising from normal business practices. The Company and its subsidiaries are not parties to any litigation cases, which the Company and its subsidiaries are defendants, with the amount of claim exceeding 5% of shareholders' equity as of 31 December 2020 or which materially affect business operations of the Company and its subsidiaries but for which the amount of the loss cannot reasonably be determined, and that are not arising from normal business practices of the Company and its subsidiaries.

F. Related Party Transactions

1. **Related Transactions which are ordinary course of business or supporting transaction** occurred during 2020 and the first 6 months of 2021, which have normal terms and conditions and conducted according to the principle of the processes of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E.(No. 4) 2008 approved by the Board of Directors of CPF in 2008.

Unit : THB million

Related Person	Relationship ^{/18}	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
1. C.P. Tower Growth Leasehold Property Fund	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses Accounts receivable Lease liabilities Purchase of right-of-use assets	148 - - 178	2 1 149 -	73 - - 2	2 2 114 -
2. Kabinburi Agriculture Co., Ltd	<ul style="list-style-type: none"> Watcharapatr Co., Ltd., the major shareholder, is the related person of Mrs. Arunee Watcharananan (director of CPF) and child of Mr. Adirek Sripratak (director of CPF) Child of Mrs. Arunee Watcharananan (director of CPF) are directors 	Other expenses Lease liabilities	1 -	- 47	- -	- 39
3. Bangkok Vet Drug Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses Sale of goods and other income	63 14	4 4	30 9	6 2
4. Kasetphand Industry Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Other income Construction costs and other equipment Advance payments for purchase of goods	1 928 -	2 124 20	- 237 -	1 77 -
5. Gosoft (Thailand) Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL Plc. ("CPALL") 	Other expenses	22	29	16	-
6. Khao C.P. Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods	133	1	46	1
7. K.S.P. Equipment Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income Construction costs and other equipment Gain on sale of assets	1 499 2	5 25 -	- 209 -	- 36 -
8. Charoen Pokphand Group Co., Ltd. ("CPG")	<ul style="list-style-type: none"> Major shareholder of CPF (CPG directly holds 25.02% in CPF) Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Chingchai Lohawatanakul (resigned from CPF directorship effective from August 30, 2021) and Mr. Phongthep Chiaravanont are the common directors 	Sale of goods and other income Purchase of goods and other expenses Technical service fees Trademark license fees	3 9,526 58 4,030	1 353 1 997	1 5,015 48 2,137	1 511 3 1,086
9. Counter Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Bill payment services and cash in remittance process	-	300	-	122
10. Charoen Pokphand Produce Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	1 68	- 1	1 60	- 2
11. Charoen Pokphand Engineering Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Construction costs and other equipment	74	11	45	-

^{/18} "Related person" in this topic means the person defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 re: the definitions in the notifications relating to issue and offer of securities

Attachment

Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
12. Charoen Pokphand Enterprise Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Other income	1	-	1	-
		Purchase of goods and other expenses	187	18	70	10
13. Chef Cares Project Co., Ltd.	<ul style="list-style-type: none"> Spouse of Mr. Soopakij Chearavanont (director of CPF) is shareholder and director 	Sale of goods and other income	-	-	52	56
14. C.P. Consumer Products Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income	267	81	102	38
		Purchase of goods and other expenses	84	9	45	18
15. C.P. Trading Group Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sales of goods	50	6	49	14
16. C.P. Food Store Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income	21	5	10	5
		Purchase of goods and other expenses	290	26	127	21
17. C.P. Poly-Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	598	54	284	50
18. C.P. Intertrade Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is a major shareholder Mr. Chingchai Lohawatanakul (resigned from CPF directorship effective from August 30, 2021) and Mr. Phongthep Chiaravanont are the common directors 	Sale of goods and other income	7	10	1	5
		Purchase of goods and other expenses	344	38	189	45
19. C.P. Interfood (Thailand) Co., Ltd.	<ul style="list-style-type: none"> CPG is the major shareholders 	Other income	1	-	-	-
		Purchase of goods and other expenses	289	36	163	27
20. C.P. Packaging Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	137	12	84	10
21. C.P. Retailink Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Sale of goods and other income	9	4	2	2
		Purchase of goods and other expenses	51	5	30	6
		Purchase of equipment	20	-	39	-
22. CP ALL Plc. ("CPALL")	<ul style="list-style-type: none"> Associate of CPF Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont, and Pol.Gen. Phatcharavat Wongsuwan are the common directors 	Sale of goods and other income	9,009	1,800	4,741	1,882
		Other expenses	28	9	9	5
23. CP-Meiji Co., Ltd.	<ul style="list-style-type: none"> Joint venture of CPF Mr. Phongthep Chiaravanont, Mr. Adirek Sripratak, Mr. Prasit Boondoungprasert and Mr. Paisan Chirakitchareern are the common directors 	Sale of goods and other income	351	17	225	18
		Purchase of goods and other expenses	701	60	386	78
24. CP Match Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	30	-	98	23
25. CPRAM Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CPALL 	Sale of goods and other income	1,710	263	950	255
		Purchase of goods and other expenses	214	7	45	3
26. Natchayakorn Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses	2	-	-	-
		Lease liabilities	-	65	-	56

Attachment

Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
27. Dynamic Transport Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income	1	-	-	-
		Purchase of goods and other expenses	992	79	547	78
28. Dynamic Intertransport Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	108	6	42	3
29. Sapsamutr Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other income	1	-	1	-
		Other expenses	37	1	19	1
		Lease liabilities	-	41	-	26
		Purchase of right-of-use assets	22	-	2	-
30. Triple P Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses	2	-	-	-
		Lease liabilities	-	35	-	24
31. True Corporation Plc.	<ul style="list-style-type: none"> CPG is the major shareholder Mr. Suphachai Chearavanont is the common director 	Sale of goods and other income	2	1	1	-
		Other expenses	3	-	1	-
		Dividend income	66	-	52	-
32. True Move H Universal Communication Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE Mr. Suphachai Chearavanont is the common director 	Other expenses	44	4	24	4
		Sale of goods and other income	15	7	2	3
33. True Internet Corporation Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of TRUE 	Other expenses	54	4	27	4
34. True Leasing Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	184	52	50	50
		Lease liabilities	-	1,000	-	996
		Purchase of right-of-use assets	497	-	221	-
35. True Internet Data Center Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	52	6	40	2
36. Tacharm Agricultural - Industry Co., Ltd.	<ul style="list-style-type: none"> Chearavanont family is the major shareholder 	Sale of goods and other income	136	9	75	12
		Purchase of goods	256	16	123	24
37. Taksawan Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses	61	4	32	3
		Lease liabilities	-	6	-	6
38. Ayutthaya Port & ICD Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	127	12	28	4
39. T.K.P. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Other expenses	6	-	-	-
		Lease liabilities	-	201	-	187
40. Thanakorn Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses	1	-	-	-
		Lease liabilities	-	45	-	42
41. Pratak Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Lease liabilities	-	24	-	21
42. Patcharapak Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Other expenses	2	-	-	-
		Lease liabilities	-	79	-	70
43. Patcharapoom Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors 	Other expenses	3	-	-	-
		Lease liabilities	-	118	-	121
		Purchase of right-of-use assets	-	-	10	-

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
44. Leadership Development Charoen Pokphand Group Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Training and seminar fees	28 526	7 -	5 118	3 3
45. P.N.S. Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors 	Other expenses Lease liabilities	9 -	- 304	- -	- 286
46. Perfect Companion Group Co., Ltd.	<ul style="list-style-type: none"> CPG is a major shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods and other income Purchase of goods and other expenses	1,196 75	144 5	584 39	119 24
47. Freewill Solutions Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Suphachai Chearavanont is the common director 	Software application fees	34	-	15	-
48. Tak Charoen Farm Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are shareholders and child of Mr. Adirek Sripratak (director of CPF) are directors 	Other expenses Lease liabilities	2 -	- 82	- -	- 74
49. Farn Factory World Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the related person of Mr. Voravit Janthanakul (director of CPF's subsidiary) 	Sale of goods and other income Purchase of equipment Purchase of trademark	2 12 28	- 13 30	- 1 -	- - -
50. Ross Breeders Siam Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr. Soopakij Chearavanont, Mr. Adirek Sripratak, Mr. Suphachai Chearavanont are the common directors 	Sale of goods and other income Purchase of goods	242 1	28 -	71 -	7 -
51. Watcharapatr Co., Ltd.	<ul style="list-style-type: none"> Child of Mrs. Arunee Watcharananan (director of CPF) are major shareholders and directors 	Other expenses Lease liabilities	3 -	- 81	- -	- 74
52. Watcharaphat (Kabin) Co., Ltd.	<ul style="list-style-type: none"> Watcharapatr Co., Ltd., the major shareholder, is the related person of Mrs. Arunee Watcharananan (director of CPF) Child of Mrs. Arunee Watcharananan (director of CPF) are directors 	Lease liabilities	-	30	-	22
53. VLS Farm Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses Lease liabilities	4 -	- 93	- -	- 84
54. Star Marketing Co., Ltd.	<ul style="list-style-type: none"> CPG is the major shareholder 	Account receivables Trademark license fees Purchase of trademark	- 8 349	2 - -	- - -	2 - -
55. Siam Food Service Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of MAKRO 	Sale of goods Purchase of goods	16 45	3 5	18 20	11 4
56. Siam Makro Plc. ("MAKRO")	<ul style="list-style-type: none"> Subsidiary of CPALL Mr. Adirek Sripratak and Mr. Suphachai Chearavanont are the common directors 	Sale of goods and other income Purchase of goods and other expenses	13,819 408	2,095 40	7,275 216	1,965 47
57. Siam Rivea Co., Ltd.	<ul style="list-style-type: none"> Associate of CPF Mr. Prasit Boondoungprasert is the common director Mr. Sathit Sangkanarubordee, CPF executive, is the director 	Loans and interest income	1	49	1	49
58. Sinsanti Co., Ltd.	<ul style="list-style-type: none"> Spouse and child of Mr. Adirek Sripratak (director of CPF) are directors and child of Mr. Adirek Sripratak (director of CPF) are shareholders 	Other expenses	38	3	17	2
59. Sirilux Pattana Co., Ltd.	<ul style="list-style-type: none"> Child of Mr. Adirek Sripratak (director of CPF) are shareholders and directors 	Other expenses Lease liabilities	3 -	- 84	- -	- 70

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
60. ALL NOW Logistics Co., Ltd.	• Subsidiary of CPALL	Other expenses	-	-	68	49
61. Alpha Farm Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	10	2	6	1
		Purchase of goods	25	-	19	-
62. Arbor Acres Thailand Co., Ltd.	• Associate of CPF • Mr.Soopakij Chearavanont, Mr.Adirek Sripratak, Mr.Suphachai Chearavanont and Mr. Paisan Chirakitchareern are the common directors	Sale of goods and other income	114	10	84	10
		Purchase of goods	12	-	43	7
63. Ek-Chai Distribution System Co., Ltd.	• Associate of CPF, associate of Charoen Pokphand Holding Co., Ltd., which have CPG as a major shareholder, and associate of CPALL	Sale of goods and other income	-	-	818	551
		Other expenses	-	-	23	-
64. Egg Digital Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	23	4	11	4
65. A.P.S. Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses	25	4	2	-
		Purchase of right-of-use assets	342	-	-	-
		Lease liabilities	-	335	-	319
66. SLS Farm Co., Ltd.	• Child of Mr. Adirek Sripratak (director of CPF) are major shareholders and directors	Other expenses	3	-	-	-
		Lease liabilities	-	209	-	193
67. Advance Transport Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Other expenses	20	1	10	2
68. Advance Pharma Co., Ltd.	• CPG is a major shareholder • Mr. Phongthep Chiaravanont is the common director	Sale of goods and other income	217	35	127	46
		Purchase of goods and other expenses	246	20	86	33
		Purchase of right-of-use assets	1	-	-	-
		Lease liabilities	-	1	-	1
69. A.P.P. Enterprise Inc.	• Associate of CPF	Interest income	3	-	-	-
		Purchase of right-of-use assets	54	-	-	-
		Lease liabilities	-	553	-	572
70. Advance Pharma Vietnam Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	-	-	43	19
71. Andhra Pradesh Broodstock Multiplicationcentre Private Ltd.	• Associate of CPF	Advance payments for purchase of goods	-	41	-	43
72. Anhui C.P. Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	121	4	5	2
73. Beijing C.P. Egg Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	52	-	1	-
		Purchase of goods	54	4	8	3
74. Beijing Chia Tai Breeding Science & Technology Development Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,147	566	-	5
		Purchase of goods	681	673	-	262
		Advance payments for purchase of goods	-	19	-	13
75. Beijing Chia Tai Feedmill Co., Ltd.	• Associate of CTI	Sale of goods	423	1	1	-
		Purchase of goods	530	-	-	-
		Borrowings and interest expense	14	414	13	794

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
76. Beijing Chia Tai Livestock Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Borrowings	-	-	-	55
77. Beijing Chia Tai Poultry Tech Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	28	-	-	-
78. Beijing Dafa Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	79 2	1 -	1 4	2 -
79. Beijing Poultry Breeding Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Advance payments for purchase of goods	4 113 -	12 1 15	- 48 -	- - 1
80. BHJ Kalino Food AB	• Associate of CPF	Sale of goods Accounts payable	654 -	87 5	347 -	101 -
81. C.P. Aquaculture (India) Private Ltd.	Before April 2, 2021, CPA was associate of CPF. However, on April 2, 2021 and June 24, 2021, CPF and its subsidiaries acquired additional 43.30% of CPA shares. Therefore, CPF's shareholding in CPA increased from 31.70% to 75.00% and CPA becomes a subsidiary of CPF.	Sale of goods and other income Purchase of goods and other expenses	76 438	4 85	10 117	1 35
82. C.P. Aquaculture (Yangjiang) Co., Ltd.	• Subsidiary of CTI	Account payables	-	20	-	9
83. C.P. Bangladesh Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	- -	- -	4 28	- -
84. C.P. Egg Products (Shandong) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	- -	- -	20 3	2 2
85. C.P. Packaging (Vietnam) Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	197	18	136	20
86. C.P. Premix (Tianjin) Co., Ltd.	• Subsidiary of CTI	Sale of goods	-	-	28	13
87. C.P. Seed (Vietnam) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	121	3	-	-
88. C.P. Trading Co., Ltd.	• Chearavanont family is a major shareholder	Other income Purchase of goods Advance payments for purchase of goods	8 24,517 -	- 2,133 -	1 15,272 -	- 1,752 45
89. C.P. Trading (China) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	1,351	7	-	8
90. Chia Tai Food Suining Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	- -	- -	5 51	4 12
91. Chai Tai Swine Business Minquan Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	21 39	27 10	2 37	66 59
92. Changsha Chulian Supermarket Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	104	8	39	12
93. Charoen Plantation Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of Goods	35	34	-	-

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
94. Charoen Pokphand Import & Export Trading (Shanghai) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income	1,624	593	557	1,039
95. Charoen Pokphand Intertrade Singapore (Pte) Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Account payable	1,235 -	79 68	- -	1 -
96. Charoen Pokphand Trading (Hong Kong) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr.Soopakij Chearavanont is the common director	Purchase of goods	32	-	-	-
97. Charoen Pokphand Trading India Private Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	408	4	49	9
98. Charoen Pokphand Trading (Malaysia) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	-	-	29	-
99. Chengdu Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	2,057	4	30	17
100. Chengdu Chia Tai C.P. Trading Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	34	1	10	1
101. Chenzhou Chia Tai Agro-Industrial & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	56	1	2	-
102. Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Sale of goods and other income Purchase of goods Trademark license fees Interest income Borrowings and interest payment	14,919 21,478 56 3 -	644 93 - - -	11 271 124 - 3	7 38 - - 37
103. Chia Tai Animal Husbandry Technology (Kaifeng) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Advance payments for purchase of goods	82 - -	- 25 7	2 22 -	- - 55
104. Chia Tai Aquaculture (Xiamen) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	32	17	15	25
105. Chia Tai C.P. (Beijing) International Trading Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and equipments	2 582	- 147	- 152	- 101
106. Chia Tai Conti (Shekou) Ltd.	• Associate of CPP	Sale of goods	-	-	24	6
107. Chia Tai C.P.Trading Development Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	1,288	-	-	-
108. Chia Tai Electronic Commerce (Zhejiang) Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods and other expenses	3,013 -	112 -	232 2	185 1
109. Chia Tai Feedmill Pte. Ltd.	• CPG is a major shareholder	Purchase of goods and other expenses	58	13	65	9
110. Chia Tai Feed (Hengshui) Co., Ltd.	• Subsidiary of CTI	Purchase of goods	114	300	789	1,107
111. Chia Tai Feed (Yushu) Co., Ltd.	• Subsidiary of CTI	Purchase of goods Sale of goods	220 -	1,172 -	1,321 1	2,044 -

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
112. Chia Tai Feed (Zhanjiang) Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Purchase of goods	128	869	804	677
		Sale of goods	-	-	2	1
113. Chia Tai Food & Beverage (Beijing) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	78	8	26	15
		Sale of goods	22	3	18	17
		Advance payments for purchase of goods	-	4	-	3
114. Chia Tai Food Enterprise (Chengdu) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	29	-	1	-
		Purchase of goods	2	-	-	-
115. Chia Tai Food Enterprise (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income	7,722	1,185	3,746	1,534
		Purchase of goods and other expenses	622	47	294	143
		Interest income	-	-	4	-
116. Chia Tai Investment Co., Ltd. ("CTI")	<ul style="list-style-type: none"> Changed status from subsidiary of CPP to associate of CPP since December 1, 2020 onwards and its current major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Soopakij Chearavanont is the common director 	Purchase of goods	6	103	3	90
		Interest expenses	4	-	-	-
		Accrued dividend income	-	3,576	-	359
		Other income	-	-	13	-
117. Chia Tai Poultry Industry (Henan) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	113	-	-	-
118. Chia Tai Pufeng Trading Development (Suzhou) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	-	-	65	44
		Purchase of goods	-	-	2	2
119. Chia Tai Trading (Beijing) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods	-	-	30	21
120. Chia Tai (Zhanjiang) Poultry Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	22	-	12	-
121. Cixi C.P. Egg Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	347	-	-	-
		Purchase of goods	15	2	3	1
122. CP Food (Hubei) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	-	-	50	21
123. CP Fresh Mart (Beijing) Trading Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	65	11	93	90
124. CPPC Outdoor Wear (Vietnam) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Purchase of goods and other expenses	64	-	32	2
		Account receivables	-	3	-	-
		Advance payments for purchase of goods	-	19	-	-
125. CPQS Realty Development Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Soopakij Chearavanont is the common director 	Other expenses	43	-	-	-
126. Fujian C.P.Aquaculture Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	20	6	-	5
127. Fujian C.P.Livestock Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Sale of goods	23	1	3	1
128. Guangdong Chia Tai Conti Animal Health Co., Ltd.	<ul style="list-style-type: none"> Associate of CPP 	Sale of goods	-	-	27	31

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
129. Guangdong Chia Tai Ecological Agriculture Co., Ltd.	• Subsidiary of CTI	Sale of goods	41	1	2	2
130. Guangdong Zhanjiang Chia Tai Aquaculture Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	68 11	51 -	13 -	5 -
131. Guangdong Zhanjiang Chia Tai Poultry Industry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods Advance payments for purchase of goods	157 364 -	2 186 145	5 272 -	4 172 74
132. Guangdong Zhanjiang Chia Tai Swine Industry Co., Ltd.	• Subsidiary of CTI	Sale of goods	70	-	3	3
133. Guangxi C.P. Livestock Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	101 1	- -	2 -	1 -
134. Guangzhou Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	99	-	-	-
135. Guilin C.P.Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	43	-	2	-
136. Guizhou C.P. Egg Industry Co.,Ltd	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	102	-	-	-
137. Guizhou Chia Tai Agro-Industry & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	620	-	2	-
138. Handan Chia Tai Feed Co., Ltd.	• Joint venture of CTI	Sale of goods Interest expense	20 1	- -	- -	- -
139. Heilongjiang Chia Tai Enterprise Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of Goods and other expenses Sale of goods Purchase of equipments	107 40 53	17 26 -	45 23 -	27 37 -
140. Henan C.P. Livestock Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods and other income Purchase of goods	304 25	1 -	2 -	3 -
141. Henan East Chia Tai Co., Ltd.	• Joint venture of CTI	Sale of goods and other income Purchase of goods Interest income	547 194 7	- - -	2 - -	1 - -
142. Huai Lai Chia Tai Food Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	73 114	14 -	31 8	31 2
143. Huaian C.P.Livestock Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	120 158	- -	- -	- -
144. Hubei Chia Tai Livestock & Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses	3 706	1 402	3 200	4 -
145. Hunan C.T.Poultry Co., Ltd.	• Subsidiary of CTI	Sale of goods	23	-	1	-
146. Inner Mongolia Chia Tai Agriculture Co., Ltd.	• Subsidiary of CTI	Purchase of goods	811	-	47	33
147. Jiangsu Chia Tai Nongken Swine Business Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income Purchase of goods	34 308	- -	1 -	1 -

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
148. Jiangsu Huai Yin Chia Tai Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	1 117	- 549	- 702	- 537
149. Jiangxi Chia Tai Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income	24	1	2	1
150. Jilin Chia Tai Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods Advance payments for purchase of goods	8 1,118 -	18 - 57	36 286 -	169 - 84
151. Jilin Deda Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of Goods and other expenses Advance payments for purchase of goods	2,043 754 -	7 46 5	74 219 -	20 128 -
152. Kaifeng Chia Tai Co., Ltd	• Subsidiary of CTI	Purchase of goods Sale of goods	33 -	50 -	409 1	262 1
153. Kinghill Limited	• Major shareholder is the company having Chearavanont family as an ultimate shareholder • Mr. Soopakij Chearavanont is the common director	Dividend income	38	38	-	40
154. KSP Vietnam Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment	649	679	471	310
155. Kunming Chia Tai Co., Ltd.	• Subsidiary of CTI	Purchase of Goods	-	-	53	26
156. Kunming CP Swine Business Co., Ltd.	• Subsidiary of CTI	Sale of goods	136	-	6	3
157. Laibin Chia Tai Modern Agriculture Co., Ltd.	• Subsidiary of CTI	Sale of goods Other expenses	96 1	- -	4 -	1 -
158. Lanzhou Chia Tai Food Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income	75	-	1	1
159. Lianyungang Chia Tai Agro-Industry Development Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	11 121	1 571	2 367	- 346
160. Luoyang C.P. Food Co., Ltd.	• Subsidiary of CTI	Sale of goods	329	3	6	5
161. Minquan Chia Tai Agriculture & Animal Husbandry Development Co., Ltd.	• Subsidiary of CTI	Sale of goods	27	1	3	3
162. Myanmar C.P. Livestock Co., Ltd	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	-	-	40	39
163. Nantong Chia Tai Co., Ltd.	• Subsidiary of CTI	Purchase of goods Sale of goods	42 -	527 -	272 1	719 -
164. Nantong Chia Tai Agriculture Development Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income Purchase of goods	48 173	- -	1 -	1 -
165. Nantong Chia Tai Livestock & Poultry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods and other expenses Advance payments for purchase of goods	79 129 -	3 533 412	2 38 -	11 907 798
166. Ningxia Xiao Ming Animal Husbandry Co., Ltd.	• Associate of CTI	Sale of goods	23	-	-	-

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Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
167. Perfect Companion (China) Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Phongthep Chiaravanont is the common director 	Sale of goods	181	-	-	-
168. Pizhou Chia Tai Food Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Sale of goods and other income Purchase of goods and other expenses	643 1,204	1 -	3 -	3 -
169. PK Agro-Industrial Products (M) Sdn. Bhd. ("PK Agro")	<ul style="list-style-type: none"> Before July 31, 2020, Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ("CPHM") and its subsidiaries, including PK Agro, were associate of CPF. Then CPFI purchased the remaining stake or 50.25% in CPHM on July 31, 2020. When combined with CPFI existing stake of 49.75% in CPHM, CPFI become the sole shareholder of CPHM. Therefore, CPHM and its subsidiaries changed their status from associate to subsidiaries of CPF since then. 	Sale of goods and other income Purchase of Goods and other expenses	79 189	- -	- -	- -
170. Qingdao Chia Tai Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Purchase of Goods and other expenses	46 563	1 164	17 320	15 306
171. Qingdao Chia Tai Agro-Industry & Food Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods	2,627	-	-	-
172. Qingdao CP Swine Business Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Sale of goods and other income Purchase of goods	42 12	3 -	2 -	- -
173. Qingdao Lotus Supermarket Chain Store Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder Mr. Soopakij Chearavanont is the common director 	Sale of goods Purchase of goods Advance payments for purchase of goods	19 25 -	1 13 14	24 13 -	13 23 9
174. Qingdao Yi Bang Bio-Engineering Co., Ltd.	<ul style="list-style-type: none"> Associate of CTI 	Purchase of goods	72	36	33	52
175. Qinhuangdao Chia Tai Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Purchase of Goods and other expenses Advance payments for purchase of goods	504 870 -	21 168 -	42 290 -	31 89 214
176. Shandong C.P. Livestock Co., Ltd.	<ul style="list-style-type: none"> Subsidiary of CTI 	Sale of goods and other income	69	1	5	6
177. Shanghai Lotus Supermarket Chain Store Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Other expenses	73 1	- -	5 -	9 -
178. Shanghai Zhengcheng Machinical-Electrical Manufacturing Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Construction costs and other equipment Advance payments for purchase of goods	734 -	3 4	10 -	4 3
179. Shanghai Zhengyi Machinery Engineering Technology Manufacturing Co., Ltd	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Construction costs and other equipment Purchase of goods	84 111	- 2	26 11	4 -
180. Shanghai Zheng Yuan Computer Technology Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Other expenses	45	-	4	-
181. Sichuan C.P. Egg Industry Co., Ltd.	<ul style="list-style-type: none"> Major shareholder is the company having Chearavanont family as an ultimate shareholder 	Sale of goods and other income Other expenses	424 1	1 -	2 -	- -

Attachment

Related Person	Relationship ¹⁸	Transaction	2020		6M 2021	
			Transaction Amount	Outstanding Amount	Transaction Amount	Outstanding Amount
182. Sichuan Chia Tai Animal Husbandry Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	161	-	-	-
183. SuperDrob S.A.	• Associate of CPF	Purchase of goods and other expenses Other income	3,304 13	92 4	1,582 14	113 4
184. Lotuss Stores (Malaysia) Sdn. Bhd.	• Associate of CPF, associate of Charoen Pokphand Holding Co., Ltd., which have CPG as a major shareholder, and associate of CPALL	Sale of goods	-	-	123	50
185. Xiamen Chia Tai Agriculture Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	- -	- -	79 -	25 3
186. Xianghe Chia Tai Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods Purchase of goods	5 26	1 5	4 10	3 11
187. Xiangyang Chia Tai Agro-Industry & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods and other expenses	3,848 7,119	1 -	8 -	3 -
188. Xian Lotus Supermarket Chain Store Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	21	1	33	2
189. Xianning Chia Tai Agro-Industry&Food Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods	108 534	2 -	4 -	2 -
190. Xin Bai Qin Vehicle Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Construction costs and other equipment Advance payments for purchase of goods	29 -	- 4	20 -	5 9
191. Xinjiang Chia Tai Livestock Co., Ltd.	• Subsidiary of CTI	Sale of goods	25	1	1	-
192. Yichang Chia Tai Animal Husbandry Co., Ltd.	• Subsidiary of CTI	Sale of goods Purchase of goods and other expenses	118 540	1 -	4 -	1 -
193. Yueyang Chia Tai Agro-Industry & Food Co., Ltd.	• Subsidiary of CTI	Sale of goods and other income	22	-	1	-
194. Yunnan Chia Tai Agriculture Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Purchase of goods	720	-	-	-
195. Zhan Jiang Deni Carburetor Co., Ltd.	• Associate of CTEI	Accrued dividend income	-	153	-	164
196. Zhejiang C.P. Livestock & Aquaculture Co., Ltd.	• Major shareholder is the company having Chearavanont family as an ultimate shareholder	Sale of goods	109	-	70	71
197. Others		Sale of goods and other income to other 162 and 152 related companies for the year 2020 and 6-months period ended June 30, 2021, respectively; and had 116 and 119 debtors as of December 31, 2020 and June 30, 2021, respectively. Purchase of goods and other expenses from other 109 and 78 related companies for the year 2020 and 6-months period ended June 30, 2021, respectively, and had 80 and 58 creditors as of December 31, 2020 and June 30, 2021, respectively.	454 323	71 80	273 54	78 44

2. Related transaction which are not in the ordinary course of business or supporting transactions

During 2020 and the first 6 months of 2021, details of related transactions which were not in the ordinary course of business or supporting transaction conducted on the notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re. Transactions of Related Parties can be summarized as follows:

1. The Board of Directors convened on February 20, 2020 approved the subsidiaries to enter into the following transactions:
 - 1.1 CPF Restaurant and Food Chain Co., Ltd. (“CPFRF”), 99.99% indirect subsidiary of CPF, to acquire “Five Star” trademark from Star Marketing Co., Ltd. at the total consideration of Baht 349 million. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company since this will accommodate the growth of Five Star business whereas the basis used to determine total consideration of this transaction is appropriate.
 - 1.2 CPF Investment limited (“CPFI”), the wholly-owned subsidiary of CPF, to acquire all remaining ordinary shares of Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. (“CPHM”) or 50.25% of total issued and paid-up shares of CPHM for a total consideration of MYR 177 million from Standard Investment Pte. Ltd. in addition to 49.75% existing shareholding. As a result, CPF will hold 100.00% in CPHM. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company as the sole shareholder of CPHM post-transaction in enhancing flexibility and efficiency in managing the poultry integrated business in Malaysia whereas the basis used to determine total consideration of this transaction is appropriate.

Directors with the conflict of interest had no rights to vote and not attend the meeting and the Audit Committee had no different opinion from the Board of Directors.

2. The Extraordinary General Shareholders’ Meeting of CPF No. 1/2020 convened on October 27, 2020 approved Chia Tai Investment Co., Ltd. (“CTI”) (which is an indirect wholly-owned subsidiary of C.P. Pokphand Co. Ltd. (“CPP”), a subsidiary of the Company) to enter into an agreement with (i) CP China Investment Limited, (ii) CP Food Enterprise (Qinhuangdao) Co., Ltd. and (iii) Chia Tai Animal Husbandry Investment (Beijing) Co., Ltd. (“Vendor”) (which is an indirect wholly-owned subsidiary of Charoen Pokphand Group Company Limited (“CPG”), a major shareholder of the Company). Pursuant to the agreement, CTI has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the equity capital in 43 entities, established and operating the breeding, farming, slaughtering, food processing and sale of swine in the People’s Republic of China (“PRC”) (“Swine Business”) (“Targets”), held by the Vendor. CTI will issue new shares representing 65% of enlarged share capital to the Vendor as the consideration for the equity capital in the Targets (“Transaction”). The value of the Transaction is approximately RMB 28,140 million or equivalent to approximately THB 131,287 million or equivalent to approximately USD 4,109 million.

The Transaction is regarded as the acquisition or disposition of assets and connected transaction under the Notification of the Capital Market Supervisory Board and the Notification of the Board of Governors of the Stock Exchange of Thailand. CPF; therefore, appointed Asia Plus Advisory Co., Ltd. as an independent financial advisor to render opinion to shareholders on the appropriateness and benefit to the Company, including fairness and conditions of the Transaction.

The independent financial advisor has opined that entering into the Transaction will allow the Company to expand and enter into the swine business in the PRC and operates an integrated swine business. In addition, the Company will be able to achieve operating performance benefits from the Targets’ promising outlook, lower operational risks through the alignment of the business expansion plan between animal feed business and swine farm business, periodic financial liquidity management efficiency, and reduce potential conflict of interests with CPG on the grounds of business management under the supervision of independent directors without incurring additional financial cost by settling the Transaction with CTI’s newly issued shares.

3. The Board of Directors convened on March 12, 2021 approved CPF and its subsidiary to acquire 43.30% of total shares in C.P. Aquaculture (India) Private Limited (“CPA”), in addition to 31.70% existing shareholding, for a total consideration of RS 3,483 million from CPG and C.T. Progressive (Investment) Ltd. As a result, CPF will hold 75.00% in CPA. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company in enhancing flexibility and efficiency in managing the shrimp integrated business in India whereas the basis used to determine total consideration of this transaction is appropriate.

Directors with the conflict of interest had no rights to vote and not attend the meeting and the Audit Committee had no different opinion from the Board of Directors.

4. The Board of Directors convened on May 31, 2021 approved its subsidiary to dispose certain assets relating to meat and food product distribution to retail customers, small-sized restaurants and small-sized hotels to Ek-Chai Distribution System Co., Ltd. at the total consideration of approximately Baht 861.6 million. The Board of Directors considered and viewed that this transaction is reasonable and beneficial to the Company since the transaction will be carried out for the benefit of businesses operation based on the expertise of each party.

Directors with the conflict of interest had no rights to vote and not attend the meeting and the Audit Committee had no different opinion from the Board of Directors.

3. The Necessity and Rationality of the Related Transactions

The related transaction entered by the Company with person who have conflict of interest has been thoroughly reviewed by the Audit Committee. The Audit Committee opined that said transaction was reasonable and is reasonable and beneficial to the Company and shareholders.

4. Measure to Govern Related Transactions

To enter into the related transactions, the Company strictly adhere to relevant laws and regulations, including the rules stipulated by the Capital market Supervisory Board, to achieve highest benefit of the Company. In this regard, the Company establishes the guidance to engage into the related transactions. The transactions which are ordinary course of business or supporting an ordinary course of business must be in compliance with the principle approved by the Board of Directors. The transactions which are not the ordinary course of business or supporting an ordinary course of business must be considered and approved by the Board of Directors prior to the transaction engagement, upon the review by the Audit Committee to ensure the highest benefit of the Company and no conflict of interest. In this case, the Audit Committee may employ the independent appraiser or financial advisor to assess the value of such related transaction for comparative purpose, if necessary.

Sincerely yours,

Prasit Boondoungprasert

Paisan Chirakitcharern

(Mr. Prasit Boondoungprasert) (Mr. Paisan Chirakitcharern)

Directors

Charoen Pokphand Foods Public Company Limited