

# CENTRALRETAIL

Ref. CRC CS026/2020

15 July 2020

**Subject: Invitation to the 2020 Annual General Meeting of Shareholders**

**To: Shareholders,  
Central Retail Corporation Public Company Limited**

- Attachments: 1) 2020 Annual General Meeting of Shareholders' Notification of Meeting with QR Code and the 2019 Annual Report in QR Code  
2) Profiles of the Nominated Candidates for directors  
3) Profiles of the proposed Auditors for the year 2020  
4) Draft Articles of Association of the Company (Extract of the Amendment)  
5) Conditions, Rule and Procedures for Meeting Attendance, Proxy Appointment, Voting and Articles of Association Regarding the Shareholders' Meeting  
6) QR Code Downloading Procedures for the 2019 Annual Report  
7) Proxy  
8) 2019 Annual Report Requisition Form  
9) Map of the Meeting Venue

The Board of Directors meeting of Central Retail Corporation Public Company Limited (the “**Company**”) resolved to convene the 2020 Annual General Meeting of Shareholders on 26 August 2020 at 2.00 p.m. at the World Ballroom, 23<sup>rd</sup> floor, at Centara Grand & Bangkok Convention Centre at CentralWorld, No. 999/99 Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok with the agendas as follows:

**Agenda 1:** Acknowledgement of the Company's performance of 2019

Facts and Rationales: The Company has summarized the Company's performance in 2019 as provided in the 2019 Annual Report – Financial Highlight in Attachment 1.

Board of Directors' opinion: The Board proposed the Company's performance of 2019 to the Meeting for consideration and acknowledgement.

Vote required: Voting is not required as this agenda is for shareholders' acknowledgement.

**Agenda 2:** Approval of the audited financial statements for the year ended 31 December 2019

Facts and Rationales: To be in compliance with the Company's Articles of Association and the Public Limited Companies Act, B. E. 2535 (as amended) (the “**PLC Act**”), the Company shall prepare a statement of financial position at the end of fiscal year ended 31 December 2019 which has been audited by an external auditor as provided in the 2019 Financial Statements in Attachment 1 which summarized as follows:

## Statement of Financial Position and Profit and Loss

Unit: THB

Lists	Consolidated	The Company
Asset	187,021,916,221	78,056,676,008
Liabilities	146,062,593,322	58,476,731,574
Revenue from Sale	195,355,261,170	-
Total Revenue	222,737,246,903	34,575,653,626
Profit for the Year <sup>1</sup>	10,633,261,923	33,028,481,469
Profit per Share (THB/share) <sup>2</sup>	2.26	7.03

Notes: <sup>1</sup> means profit attribute to major shareholders<sup>2</sup> profit per share calculated from profit for the year attribute to major shareholdersBoard of Directors' opinion:

The Board recommends that the Meeting consider and approve the financial statements for the fiscal year ended 31 December 2019 which were reviewed by the Audit Committee and the Board of Directors and audited by the external auditor who expressed unqualified opinions as provided in the 2019 Financial Statements.

Vote required:

Simple majority of the shareholders present at the meeting and casting their votes.

**Agenda 3:** Approval of the omission of additional dividend payment for 2019 performance apart from the dividend which were paid as a part of the Company's restructuring before listing in the SET

Facts and Rationales:

The Company has a policy to distribute dividends at the rate of not less than 40 percent of its net profits as derived from the Company's consolidated financial statements after deducting tax and allocation of legal reserves as required by the law and specified by the Company each year and encumbrances according to the conditions of financial agreements (if any). The dividend payment shall not exceed the retained earnings of separate financial statements of the Company.

In 2019, the Company restructured before listing in the SET, therefore, the Board of Directors deemed appropriate to pay the interim dividend from 2019 performance which were paid in December.

Then, as a result of the outbreak of COVID-19, the Company had to temporarily close some of our branches for 2 months which significantly effect to the Company's revenue and cash flow. Thus, for the financial sustainability and liquidity and cash management to business continuity which consider the long-term benefit of all stakeholders, the Board of Directors deemed appropriate to omit the additional dividend payment for 2019 performance.

Board of Directors' opinion:

The Board recommends that the Meeting consider and approve the following:

1. Acknowledge the omission of legal reserve allocation as the Company has already set aside the legal reserve in full amount of THB 632,000,000 as at 31 December 2019.
2. Acknowledge the interim dividend payments in the past year which in line to the Company's dividend payment policy as follows:
  - 2.1 Acknowledge the first interim dividend payment at THB 5.96 per share, totaling THB 28,012,000,000, paid on 12 December 2019.
  - 2.2 Acknowledge the second interim dividend payment of THB 0.90 per share, totaling THB 4,230,000,000, paid on 18 December 2019
3. Approve the omission of additional dividend payment for 2019 performance apart from the dividend which were paid as a part of the Company's restructuring before listing in the SET

Vote required:

Simple majority of the shareholders present at the meeting and casting their votes.

**Agenda 4:** Approval of the appointment of director in place of those retired by rotation

Facts and Rationales:

According to the Company's Articles of Association, at every annual general meeting of shareholders, one-third of the directors shall retire. If the number of directors cannot be divided into three parts, the number of directors closest to one-third shall retire. The directors retiring from office in the first and second year after registration of the Company shall be determined by drawing lots. For subsequent years, the directors who have held office longest shall retire and the directors retiring may be re-elected. In 2020, there are 5 directors to be retired by rotation in this meeting as follows:

1. Dr. Prasarn Trairatvorakul Director
2. Mr. Suthichai Chirathivat Director
3. Mrs. Pratana Mongkolkul Independent Director
4. Mr. Sompong Tantapart Independent Director
5. Mr. Suthilaksh Chirathivat Director

The Nomination and Remuneration Committee had proceeded in accordance with the nomination procedure and were of the opinion that the aforementioned directors had the relevant knowledge, experience and expertise which benefited to conduct of the Company's business and that they were duly qualified under the Charter of the Board of Directors and did not possess any prohibited characteristics. Mrs. Pratana Mongkolkul and Mr. Sompong Tantapart are independent directors who fully qualify as the independent directors under the relevant law and able to give opinion independently (the Profiles of the Nominated Candidates for the Election as Directors of the Company in Attachment 2). The Nomination and Remuneration Committee, therefore, recommended that the Shareholder's Meeting re-appoint the aforementioned directors for another term.

Board of Directors' opinion:

The Board (excluding those with vested interests on this matter) considered the qualifications of each aforementioned director thoroughly and agreed with the proposal made by the Nomination and Remuneration Committee to recommend that the Shareholder's Meeting re-appoint all 5 retiring directors to retain office for another term as follows:

1. Dr. Prasarn Trairatvorakul Director
2. Mr. Suthichai Chirathivat Director
3. Mrs. Pratana Mongkolkul Independent Director
4. Mr. Sompong Tantapart Independent Director
5. Mr. Suthilaksh Chirathivat Director

Vote required:

Simple majority of the shareholders present at the meeting and casting their votes. The directors will be considered and appointed individually.

**Agenda 5:** Approval of the remuneration for the Board of Directors for the year 2020

Facts and Rationales:

According to the Company's Articles of Association, directors are eligible to receive remuneration in the forms of monetary, meeting allowance, gratuity, bonus or any other forms of remuneration as the shareholders' meeting considers to be appropriate for the duty of the Board of Directors. In this regard, the Nomination and Remuneration Committee had considered and determined the remuneration for the Board of Directors based on their performance and the Company's operating results and compared with the remuneration of other companies within the same industry and of similar size.

Board of Directors' opinion:

The Board considered and agreed with the proposal made by the Nomination and Remuneration Committee to recommend that the Meeting approve the remuneration for the Board and the sub-committees for the year 2020 in the amount of not exceeding THB 20 million, which is the same rate as the remuneration for the year 2019. The remunerations include quarterly remuneration, meeting allowance and bonus (if any).

1. Quarterly Remuneration and Meeting allowance

Position	Quarterly Remuneration (THB)	Meeting allowance (THB/Meeting/ Person)
Chairman	225,000	85,000
Director	85,000	42,000
Chairman of the Audit Committee	133,000	65,000
Member of the Audit Committee	103,000	50,000
Chairman of the Executive Committee	-	-
Member of the Executive Committee	-	-
Chairman of the Nomination and Remuneration Committee	-	35,000
Member of the Nomination and Remuneration Committee	-	30,000
Chairman of the Risk Policy Committee	-	35,000
Member of the Risk Policy Committee	-	30,000

**Remark:** Director who holds the position of executive or employee of the Company shall not receive quarterly remuneration or meeting allowance as member of the sub-committees.

2. Director's Bonus

The bonus may be allocated to directors by which the Board of Directors is authorized to determine the conditions, details, and rate of bonus payment as it deems appropriate based on the Company's performance for the year ended 31 December 2020. In addition, the amount of bonus being allocated to each director is dependent on the performance and the participation in meeting. Director who holds the position of executive or employee of the Company shall not receive director's bonus.

3. Other benefits

- None-

Vote required:

Not less than two-thirds of the total number of votes of the shareholders present at the meeting.

**Agenda 6** Approval of the appointment of the external auditors and determination of the audit fee for the year 2020

Facts and Rationales:

The PLC Act prescribes that the annual general meeting of shareholders shall consider and approve an appointment of an auditor and determine the remuneration of the auditor of the company every year. In this regard, the Audit Committee had considered and agreed to appoint an auditor, determined the audit fee which it deemed to be appropriate. Also, the proposed auditors have no relationship or conflict of interest with the Company, subsidiaries, major shareholders or person related to the said parties which independent in auditing and recommending the Company's

financial statements. Thus, it was recommended that the Board of Directors consider an appointment of an auditor and approve the audit fee for the year 2020.

For 2020, the audit fee of the Company will increase 10% from the year 2019 as a result from the new accounting standards – TFRS9 and TFRS16.

Board of Directors' opinion:

The Board considered and agreed with the proposal made by the Audit Committee and recommended the Shareholder's Meeting proceed as follows:

6.1 To consider and appoint KPMG Poomchai Audit Limited as the external auditor and appoint

1. Miss Pornthip Rimdusit Certified Public Accountant No. 5565 or
2. Mr. Watchara Pattarapitak Certified Public Accountant No. 6669 or
3. Mr. Banthit Tangpakorn Certified Public Accountant No. 8509

Any of the above officers from KPMG Poomchai Audit Limited as the auditor of the Company. Profiles of the proposed auditors are provided in the Attachment 3.

6.2 To consider and approve the audit fee for the audit of the 2020 financial statements and the review of the quarterly financial statements totaling THB 6.5 million, excluding non-audit fee, and to acknowledge the audit fee for the 2020 financial statements of subsidiaries which will be audited by KPMG Poomchai Audit Limited, KPMG Group of companies overseas and other overseas audit firm totaling THB 36.1 million.

Vote required:

Simple majority of the shareholders present at the meeting and casting their votes.

**Agenda 7** Approval of the amendment of the Articles of Association of the Company

Facts and Rationales:

As the Securities and Exchange Commission (the "SEC") had amended the regulation in relation to the offering of newly issued shares by companies engaging in business through the holding of shares in other companies (the "Holding Company Regulation") in December 2019, in order to align the format of the Articles of Association of the Company with the SEC's Holding Company Regulation and the Company's policy on investment and supervision of subsidiary and associate companies, the Company proposed to amend the Articles of Association of the Company – Section 10 - with regards to the supervision of subsidiary and associate companies which operate the core business with details as provided in the draft Articles of Association (extract of the amendment). Including, approved to authorized the person deemed appropriate by the Board of Directors to register the Company's Articles of Association to the Department of Business Development, Ministry of Commerce and able to revised and add clauses determined by the registrar officer.

Board of Directors' opinion:

The Board recommended the Shareholder's Meeting to consider and approve the amendment of the format of the Articles of Association of the Company – Section 10 - to be in line with the SEC's new regulation and the Company's policy on supervision of subsidiary and associate companies regarding the supervision of subsidiary and associate companies which operating the core business.

Vote required:

Not less than three-fourths of the total number of votes of the shareholders present at the meeting and eligible to vote.

**Agenda 8** Other matters (if any)

Therefore, the Company hereby invites all shareholders to attend the 2020 Annual General Meeting of Shareholders per the above date, time and venue. The shareholders or proxies may register at the meeting from 12:00 p.m. onwards where the details of the venue are provided in the Map of the Meeting Venue in Attachment 9.

It is recommended that the shareholders study the list of documents or evidence verifying the identity of shareholder or its proxy entitled to attend the meeting which shall be presented on the date of the shareholder's meeting as specified in the Conditions, Rule and Procedures for Meeting Attendance, Proxy Appointment, Voting and Articles of Association Regarding the Shareholders' Meeting in Attachment 5.

Please be informed accordingly,

Yours sincerely,

*-Signed-*

(Dr. Prasarn Trairatvorakul)

Chairman

Central Retail Corporation Public Company Limited