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**INFORMATION MEMORANDUM ON THE ACQUISITION OF THE BUSINESS OF
COL PUBLIC COMPANY LIMITED BY MEANS OF A TENDER OFFER FOR ALL OF ITS SECURITIES
TO DELIST SUCH SECURITIES FROM THE STOCK EXCHANGE OF THAILAND (LIST 2)**

14 September 2020

The Board of Directors' Meeting of Central Retail Corporation Public Company Limited (the "**Company**") No. 8/2020 held on 14 September 2020 resolved to approve the acquisition of the business of COL Public Company Limited ("**COL**"), which engages in the retail business of stationaries, office equipment, books, entertainment media, and lifestyle products under its retail banners, such as "Office Mate" and "B2S", by PBHD Limited (the "**Tender Offeror**"), which is a subsidiary of the Company, by means of a tender offer for all securities of COL to delist such securities from the Stock Exchange of Thailand (the "**SET**") pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the "**Takeover Notification**") (the "**Tender Offer**") at an offering price of THB 19.00 per share.

If all shareholders of COL accept the Tender Offer, the Tender Offeror must purchase 640,000,000 ordinary shares of COL, totaling THB 12,160 million. However, the offering price may be reduced subject to the conditions prescribed in the tender offer for securities (the "**Tender Offer Document**"), i.e. (1) a reduction is made by the amount equivalent to the dividend paid per share in the event that COL announces its dividend payment before the end of the offer period or (2) there is any event or action that has or may have a material adverse effect on the status or assets of COL where such event or action is not caused by the Tender Offeror's action or any action for which the Tender Offeror must be responsible and must be approved by the Takeover Panel through the Office of the Securities and Exchange Commission (the "**SEC Office**") pursuant to the Takeover Notification.

In this regard, the Tender Offer will commence after the completion of certain conditions precedent, i.e. (1) the shareholders' meeting of COL approves the delisting of COL's securities from the SET with the votes of not less than three-fourths of the total issued shares of COL where the shares held by the shareholders of COL who object to the delisting must not exceed 10 percent of the total issued shares of COL and (2) the SET approves such delisting (the "**Conditions Precedent**").

Nevertheless, the Tender Offeror may cancel the Tender Offer upon the occurrence of any of the following events: (1) any event or action has occurred after the submission of the Tender Offer Document to the SEC Office, but before the end of the offer period that has or may have a material adverse effect on the status or assets of COL where such event or action is not caused by the Tender Offeror's action or any action for which the Tender Offeror must be responsible or (2) any event that causes the application for delisting of COL's shares from the SET to terminate.

In addition, in order to increase the chance of success for the Tender Offer, the Board of Directors' Meeting of the Company No. 8/2020 held on 14 September 2020 resolved to approve the entry into the Memorandum of Understanding for the Acquisition of the Business of COL Public Company Limited (the "**MOU**") with (1) HOLD COL Co., Ltd. ("**Hold COL**") and (2) Mr. Worawoot Ounjai where such parties have agreed to accept the Tender Offer by selling their respective shares in COL as of the date of the MOU as well as any future shares they may acquire after the date of the MOU (if any) (As of the date of the MOU, Hold COL held 225,704,000 shares or equivalent to 35.27% and Mr. Worawoot Ounjai held 57,577,600 shares or equivalent to 9.00% where Mr. Worawoot Ounjai further agreed to arrange for other shareholders to sell their 12,000,000 shares or equivalent to 1.87% as well as any future shares they may acquire after the date of the MOU (if any) in the Tender Offer.) and to facilitate and undertake any actions necessary for the completion of the Tender Offer and the delisting of COL's shares from the SET as detailed in item 3.1 of this Information Memorandum.

In this respect, the calculated transaction size of the Tender Offer by the Tender Offeror based on the reviewed financial statements for the six months ended 30 June 2020 of the Company and COL and the Net Tangible Asset (NTA) criterion, which gives the highest transaction value, is equivalent to 14.2%. Additionally, the Company has had other acquisition transactions within the past six months, whose transaction size calculated based on the Net Tangible Asset (NTA) criterion is equivalent to 0.3%, which, after computation with the transaction size of the Tender Offer, will amount to 14.5%, which does not result in the Tender Offer being deemed an acquisition of assets that requires the Company to disclose information pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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) (as amended) (the “**Acquisition and Disposition Notifications**”). However, having viewed that the Tender Offer is a material transaction and it would be appropriate to disclose the details on such transaction to the shareholders of the Company, the Company has deemed it appropriate to disclose information on the Tender Offer as if such transaction were a Class 2 transaction, i.e. a transaction with a transaction size of more than 15%, but not exceeding 50%. As such, the Company will disclose information on the Tender Offer to the SET and send a circular to all shareholders within 21 days after the date of information disclosure to the SET.

In addition, although certain shareholders of COL who may accept the Tender Offer are the directors, executives or related persons¹ of the Company as detailed in item 2 of this Information Memorandum and the total value of the proposed purchase of COL’s ordinary shares from such persons in the Tender Offer is equivalent to 26.6 percent of the Net Tangible Asset (NTA) of the Company, which has been calculated based on the relevant criterion on connected transactions, the Tender Offer is a tender offer under the Takeover Notification where the Tender Offeror will make an offer to purchase shares from all shareholders of COL who wish to sell their shares, the offering price for the shares is in line with the relevant rules under the Takeover Notification pertaining to tender offers for delisting of securities, and the Tender Offer contains the same terms and conditions. As such, this transaction is deemed as a transaction whose commercial terms are acceptable to any ordinary person who would agree on such terms with his or her unrelated counterparty under the same circumstances on the basis of commercial negotiation without any influence as a director, executive or related person, as the case may be. Thus, the Tender Offer is a transaction under Section 89/12(1) of the SEC Act where the Company is exempted from obtaining approval from the shareholders’ meeting before commencing the Tender Offer.

Therefore, the Company would like to disclose information on the Tender Offer to the SET in accordance with the Acquisition and Disposition Notifications as follows:

1. Transaction Date

After the completion of the Conditions Precedent, the Tender Offeror will commence the Tender Offer pursuant to the rules and within the given period under the Takeover Notification. In this regard, the Company expects that the process of the Tender Offer and the delisting of COL’s securities from the SET will be completed within the first quarter of 2021.

2. Contractual Parties and Relationship with the Company

Purchaser: Tender Offeror

Seller: All shareholders of COL who accept the Tender Offer

¹ The term “related persons” has the same meaning as “related persons” under Section 89/1 of the Securities and Exchange Act B.E. 2535 (as amended) (the “**SEC Act**”).

In this regard, certain shareholders of COL are the directors, executives or related persons of the Company as detailed below:

No.	Names	Shareholdings in COL		Relationship
		Number of shares	Percent	
1	Hold COL	225,704,000	35.27	Three directors of the Company are the major shareholders of COL as follows: 1. Mr. Tos Chirathivat, holding 18.40%; 2. Mr. Suthilaksh Chirathivat, holding 14.58%; and 3. Mr. Pichai Chirathivat, holding 14.10%.
2	Mr. Sudhisak Chirathivat	4,654,000	0.73	Director of the Company
3	Mr. Prin Chirathivat	4,355,000	0.68	Director of the Company
4	Mr. Tos Chirathivat	4,210,000	0.66	Director of the Company
5	Mr. Pichai Chirathivat	3,056,300	0.48	Director of the Company
6	Mr. Suthilaksh Chirathivat	2,556,000	0.40	Director of the Company
7	Mr. Suthikiati Chirathivat	2,262,000	0.35	Deputy Chairman of the Board of Directors of the Company
8	Mrs. Yuwadee Chirathivat	982,200	0.15	Director of the Company
9	Mr. Suthichai Chirathivat	331,000	0.05	Deputy Chairman of the Board of Directors of the Company
10	Mr. Piya Nguiakaramahawongse	20,000	0.00	Chief Executive Officer of the Company
11	Related persons of the directors and executives in items 1-10 above	3,056,300	0.48	Related persons of the directors and executives in items 1-10 above

Remark: Information from the list of shareholders of COL as of the latest book closure date of 31 August 2020.

Although certain shareholders of COL who may accept the Tender Offer are the directors, executives or related persons of the Company as detailed in item 2 of this Information Memorandum and the total value of the proposed purchase of COL's ordinary shares from such persons in the Tender Offer is equivalent to 26.6 percent of the Net Tangible Asset (NTA) of the Company, which has been calculated based on the relevant criterion on connected transactions, the Tender Offer is a tender offer under the Takeover Notification where the Tender Offeror will make an offer to purchase shares from all shareholders of COL who wish to sell their shares, the offering price for the shares is in line with the relevant rules under the Takeover Notification pertaining to tender offers for delisting of securities, and the Tender Offer contains the same terms and conditions. As such, this transaction is deemed as a transaction whose commercial terms are acceptable to any ordinary person who would agree on such terms with his or her unrelated counterparty under the same circumstances on the basis of commercial negotiation without any influence as a director, executive or related person, as the case may be. Thus, the Tender Offer is a transaction under Section 89/12(1) of the SEC Act where the Company is exempted from obtaining approval from the shareholders' meeting before commencing the Tender Offer.

3. General Characteristics and Transaction Size

3.1 General Characteristics

The Tender Offeror will make a tender offer to all shareholders of COL in accordance with the rules and conditions as prescribed in the Takeover Notification and at the offering price of THB 19.00 per share, totaling THB 12,160 million if all shareholders of COL accept the Tender Offer. However, the offering price may be reduced subject to the conditions prescribed in the Tender Offer Document, i.e. (1) a reduction is made by the amount equivalent to the dividend paid per share in the event that COL announces its dividend payment before the end of the offer period or (2) there is any event or action that has or may have a material adverse effect on the status or assets of COL where such event or action is not caused by the Tender Offeror's action or any action for which the Tender Offeror must be responsible and must be approved by the Takeover Panel through the SEC Office.

If all shareholders of COL accept the Tender Offer, the Company will indirectly acquire 640,000,000 ordinary shares of COL or equivalent to 100% of the total issued shares of COL through the Tender Offeror and COL will become a subsidiary of the Company.

In addition, in order to increase the chance of success for the Tender Offer, the Board of Directors' Meeting of the Company No. 8/2020 held on 14 September 2020 resolved to approve the entry into the MOU with (1) Hold COL and (2) Mr. Worawoot Ounjai where such parties have agreed to accept the Tender Offer by selling their respective shares in COL as of the date of the MOU as well as any future shares they may acquire after the date of the MOU (if any) (As of the date of the MOU, Hold COL held 225,704,000 shares or equivalent to 35.27% and Mr. Worawoot Ounjai held 57,577,600 shares or equivalent to 9.00% where Mr. Worawoot Ounjai further agreed to arrange for other shareholders to sell their 12,000,000 shares or equivalent to 1.87% as well as any future shares they may acquire after the date of the MOU (if any) in the Tender Offer.) and to facilitate and undertake any actions necessary for the completion of the Tender Offer and the delisting of COL's shares from the SET. In this regard, the MOU is subject to termination in the event that (1) both parties agree to terminate the MOU by written agreement, (2) any party is in breach of the terms under the MOU and the other party gives a written notice to terminate the MOU, (3) the shareholders' meeting of COL does not resolve to approve the delisting of the securities of COL from the SET or the SET does not approve such delisting or (4) the Tender Offer is cancelled.

3.2 Transaction Size

The Company has calculated the transaction size according to the Acquisition and Disposition Notifications based on the reviewed financial statements for the six months ended 30 June 2020 of the Company and COL under the assumption that all shareholders of COL accept the Tender Offer. The details on the calculation of the transaction size are as follows:

- (1) Calculation under the Net Tangible Asset (NTA) value criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{NTA of COL} \times 100\%) \times 100}{\text{NTA of the Company}} \\ &= \frac{(\text{THB } 3,447 \text{ million} \times 100\%) \times 100}{\text{THB } 24,329 \text{ million}} \\ &= 14.2\% \end{aligned}$$

(2) Calculation under the net profit from operating results criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{Net profit of COL} \times 100\%) \times 100}{\text{Net profit of the Company}} \\ &= \frac{(\text{THB } 532 \text{ million} \times 100\%) \times 100}{\text{THB } 6,528 \text{ million}} \\ &= 8.1\% \end{aligned}$$

(3) Calculation under the total value of consideration criterion:

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total assets of the Company}} \\ &= \frac{\text{THB } 12,160 \text{ million} \times 100}{\text{THB } 245,279 \text{ million}} \\ &= 5.0\% \end{aligned}$$

(4) Calculation under the value of equity issued as consideration for the assets criterion:

This criterion is not applicable as no new share of the Company will be issued as consideration.

Transaction Size Calculation Summary

Calculation Criteria	Transaction Sizes (%)
1. Net Tangible Asset (NTA) value	14.2
2. Net profit from operating results	8.1
3. Total value of consideration	5.0
4. Value of equity issued as consideration for the assets	Not applicable

Although the calculated transaction size of the Tender Offer based on the Net Tangible Asset (NTA) criterion, which gives the highest transaction value, is equivalent to 14.2%, and the transaction size of the Company's other acquisition transactions within the past six months calculated based on the Net Tangible Asset (NTA) criterion is equivalent to 0.3%, giving a total transaction size of 14.5%, which does not result in the Tender Offer being deemed an acquisition of assets that requires the Company to disclose information pursuant to the Acquisition and Disposition Notifications, the Company, having viewed that the Tender Offer is a material transaction and it would be appropriate to disclose the details on such transaction to the shareholders of the Company, has deemed it appropriate to disclose information on the Tender Offer as if such transaction were a Class 2 transaction, i.e. a transaction with a transaction size of more than 15%, but not exceeding 50%. As such, the Company will disclose information on the Tender Offer to the SET and send a circular to all shareholders within 21 days after the date of information disclosure to the SET.

4. Details of Assets Acquired

If all shareholders of COL accept the Tender Offer, the Company will indirectly acquire 640,000,000 ordinary shares of COL or equivalent to 100% of the total issued shares of COL through the Tender Offeror.

4.1 COL's Business

Name	COL Public Company Limited
Type of Business	Engaging in retail business of stationaries, office equipment, books, entertainment media, and lifestyle products under its retail brands, i.e. "Office Mate" and "B2S", as well as distributing and providing advisory services in connection with e-books.
Registration No.	0107551000134
Address	No. 24 Soi On-Nut 66/1, On-Nut Road, On-Nut Sub-District, Suan Luang District, Bangkok
Telephone No.	0-2015-5555 and 1281
Fax No.	0-2056-0376
Registered Capital	THB 320,000,000
Paid-up Capital	THB 320,000,000

4.2 COL's Key Financial Information

Operating Results (THB millions)				
	Six months ended 30 June 2020	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2017
Revenue from sales	4,136	10,313	10,073	11,207
Revenue from rental and services	156	222	252	310
Other income	220	785	754	697
Total revenues	4,512	11,320	11,079	12,214
Total expenses	4,307	10,367	10,180	11,507
Profit (Loss) for the period or year ended	152	775	728	498
Profit (Loss) for the period or year ended attributable to shareholders' equity	134	762	733	502
Financial Position (THB millions)				
	As of 30 June 2020	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
Total assets	11,026	9,797	9,239	8,862
Total liabilities	4,331	3,137	2,983	3,066
Registered capital	320	320	320	320
Issued and paid-up capital	320	320	320	320
Shareholders' equity	6,695	6,660	6,256	5,796

Per Share Information (THB)				
	Six months ended 30 June 2020	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2017
Basic earnings (loss) per share	0.21	1.19	1.15	0.78
Book value per share	10.46	10.41	9.78	9.06
Par value	0.50	0.50	0.50	0.50
Financial Ratios				
	Six months ended 30 June 2020	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2017
Gross profit margin (percent)	33.4	33.8	33.3	27.8
Net profit margin (percent)	3.4	6.8	6.6	4.1
Return on assets ⁽¹⁾ (percent)	4.8 ⁽³⁾	7.9	7.9	5.6
Return on equity ⁽²⁾ (percent)	7.9 ⁽³⁾	11.6	11.6	8.6
Liabilities to equity ratio (time)	0.65	0.47	0.48	0.53

Remark:

(1) Return on total assets is calculated as net profit divided by total assets.

(2) Return on equity is calculated as net profit divided by shareholders' equity.

(3) The figures are annualized by inclusion of the operations in the past 12 months starting from the end of the period.

4.3 Board of Directors and Shareholders of COL

Board of Directors as of 14 September 2020

No.	Names	Position
1.	Mr. Sahas Treetipbut	Chairman of the Board, Independent Director, and Audit Committee Member
2.	Ms. Angkarat Priebjrivat	Independent Director and Chairperson of the Audit Committee
3.	Ms. Chuleeporn Piemsomboon	Independent Director and Audit Committee Member
4.	Ms. Supatra Chirathivat	Director
5.	Ms. Jariya Chirathivat	Director
6.	Mr. Pandit Mongkolkul	Director
7.	Mr. Piya Nguiakaramahawongse	Director
8.	Mr. Worawoot Ounjai	Director
9.	Mr. Laurent Pauze	Director and Chief Executive Director

Top 10 shareholders as of the latest book closure date of 31 August 2020

No.	Name	No. of Shares	Percent
1.	Hold COL	225,704,000	35.27
2.	Mr. Worawoot Ounjai	57,577,600	9.00
3.	Ms. Natira Boonsri	27,665,300	4.32
4.	Ms. Nateanong Chirathivat	26,724,900	4.18
5.	Ms. Sukulaya Uahwatanasakul	25,792,700	4.03
6.	DBS Bank Ltd. (For Client Account)	19,662,100	3.07
7.	Thai NVDR Co., Ltd.	12,909,475	2.02
8.	EFG Bank AG, Hong Kong Branch	12,029,200	1.88
9.	Ms. Malinee Ounjai	8,000,000	1.25
10.	Mr. Sudhisak Chirathivat	4,654,000	0.73

5. Total Value of Consideration and Payment Terms

The Tender Offeror will make a tender offer for all 640,000,000 shares of COL at the offering price of THB 19.00 per share. If all shareholders of COL accept the Tender Offer, the Tender Offeror will pay a total amount of THB 12,160 million in cash to the shareholders of COL as consideration for the tendered shares. The offering price may be reduced as detailed in item 3.1 where further details shall be indicated in the rules and procedures specified in the Tender Offer Document.

6. Value of Assets Acquired

If all shareholders of COL accept the Tender Offer, the Tender Offeror will acquire 640,000,000 ordinary shares of COL or equivalent to 100% of the total issued shares of COL, totaling THB 12,160 million.

7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Tender Offer included various methods that were used to determine the valuation of COL, such as the use of the discounted cash flow method on the recent market price of COL and comparison of premiums/discounts offered in connection with the offering price to the market price in case of a tender offer for delisting of securities from the SET. In this regard, the Board of Directors' Meeting No. 8/2020 held on 14 September 2020 resolved to approve the value of consideration at the offering price of THB 19.00 per share, which is not lower than the highest price calculated in accordance with the rules under the Takeover Notification in relation to tender offers for delisting of securities as follows:

(1) The highest price that (a) the Tender Offeror, (b) any person under Section 258 of the Tender Offeror, (c) any concert party of the Tender Offeror or (d) any person under Section 258 of (c) has acquired any share during 90 days prior to the date on which the Tender Offer Document is submitted to the SEC Office. In this regard, the aforementioned persons did not acquire any share of COL prior to the Board of Directors' Meeting No. 8/2020 held on 14 September 2020;

(2) The weighted average market price of COL's shares during five business days prior to the date on which the meeting of the Board of Directors of COL resolves to propose the delisting of shares from the SET for consideration by the shareholders' meeting;

(3) The net asset value of COL calculated based on the book value which has been adjusted to reflect the latest market value of the assets and liabilities of COL; and

(4) The fair value of the ordinary shares of COL as appraised by an independent financial advisor.

8. Expected Benefits for the Company

It is expected that the Tender Offer will allow the Company to obtain the following benefits:

1. The proposed transaction will allow the Company's retail business to be more comprehensive, which is in line with the Company's strategy to be the leading multi-format, multi-category retailing platform in Thailand and overseas through inorganic growth. The acquisition of COL's business will enable the Company to extend its retail business and merchandise offerings to include specialty stores that offer stationeries, office equipment, books, entertainment media, and lifestyle products, which currently may comprise a small portion in comparison to the Company's total offerings, but also have potential for growth in the future, under the retail banners "Office Mate" and "B2S" and enjoy the leadership position in such business immediately on account of COL's various retailing platforms, including its off-line and online stores as well as its strong sales through its call center.

2. Office Mate's reach to its main business to business (B2B) customer base through call center and online B2B sales channels allows further synergy with the Company's retail banners, such as Thai Watsadu and Power Buy, through such sales channels.

3. The proposed transaction will increase the Company's growth opportunities in the e-book business and online content in the online marketplace under the banner "MEB", a business that has high growth potential and is popular with customers, where the Company may also benefit from analysing MEB's customer data in the future.

4. The proposed transaction will bring in a new customer base, especially B2B and the new generations that form the customer base of Office Mate, B2S and MEB, such as students and SMEs.

5. The Company will be able to build upon the success of its retail store network in Thailand and Vietnam as well as the Company's omni-channel platform to better respond to the customer's demands through consolidation of COL's retail business.

6. The proposed transaction will enable the Company to increase its revenues and profit given COL's strong profit margin and financial position. Moreover, the Company and COL will have an opportunity to manage their business operations more efficiently through economies of scale, SKU rationalization, joint procurement, and elimination of future related-party transactions between the Company's group of companies and COL if COL becomes a subsidiary of the Company without any director, executive or related person of the Company as a major shareholder in COL.

9. Sources of Funds

The sources of funds for the Tender Offer may include the Tender Offeror's working capital and/or loans from the Company's group of companies and/or financial institutions to accommodate the Tender Offer in the total amount of THB 12,160 million. In case a loan is obtained and any term under such loan affects the rights of the shareholders of the Company, the Company will proceed to disclose information on such terms and conditions to the SET in due course.

10. Conditions for the Transaction

The Tender Offer will commence after the completion of the Conditions Precedent, i.e. (1) the shareholders' meeting of COL approves the delisting of COL's securities from the SET with the votes of not less than three-fourths of the total issued shares of COL where the shares held by the shareholders of COL who object to the delisting must not exceed 10 percent of the total issued shares of COL and (2) the SET approves such delisting.

Nevertheless, the Tender Offeror may cancel the Tender Offer upon the occurrence of any of the following events: (1) any event or action has occurred after the submission of the Tender Offer Document to the SEC Office, but before the end of the offer period that has or may have a material adverse effect on the status or assets of COL where such event or action is not caused by the Tender Offeror's action or any action for which the Tender Offeror must be responsible or (2) any event that causes the application for delisting of COL's shares from the SET to terminate.

11. The Company's Connected Persons' Shareholdings in the Business and Prevention of Conflicts of Interest

Even though certain shareholders of COL are the directors, executives or related persons of the Company as detailed in item 2 above, the Tender Offer is a tender offer under the Takeover Notification where the Tender Offeror will make an offer to purchase shares from all shareholders of COL who wish to sell their shares, the offering price for the shares is in line with the relevant rules under the Takeover Notification pertaining to tender offers for delisting of securities, and the Tender Offer contains the same terms and conditions. As such, this transaction is deemed as a transaction whose commercial terms are acceptable to any ordinary person who would agree on such terms with his or her unrelated counterparty under the same circumstances on the basis of commercial negotiation without any influence as a director, executive or related person, as the case may be. If all shareholders of COL, including the directors, executives or related persons of the Company, accept the Tender Offer, the Company will indirectly acquire 640,000,000 ordinary shares of COL or equivalent to 100% of the total issued shares of COL through the Tender Offeror and COL will become a subsidiary of the Company. Accordingly, such directors, executives or related persons of the Company will cease to be the shareholders COL upon completion of the Tender Offer, which will prevent potential conflicts of interest in the future.

Nevertheless, the acceptance of the Tender Offer by the Company's connected persons is subject to their own discretion and independent decision making. Therefore, it is possible that certain directors, executives or related persons of the Company may still hold more than 10 percent of the total voting shares of COL after the Tender Offer is completed, in which case, COL, as a subsidiary of the Company after the Tender Offer is completed, will be subject to the Company's policies on entry into connected transactions and purchases or leases of land for business purposes from connected persons, which will effectively prevent potential conflicts of interest in the future and ensure that transactions between COL and the Company's connected persons are appropriate and fair.

12. Opinion of the Board of Directors

The Board of Directors (by disinterested directors) unanimously resolved to approve the Tender Offer since the Board of Director has considered and viewed that this transaction was appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in item 8 above.

13. Opinion of the Audit Committee and/or the Board of Directors which are different from the opinion of the Board of Directors in item 12

The Audit Committee did not have any different opinion from that of the Board of Directors as mentioned in item 12 above.

14. Board of Directors' Responsibility on the Information Disclosed to the Shareholders

The Board of Directors has reviewed the information provided to it with due care and was responsible for the information disclosure as stated in this document. In this regard, the Board of Directors affirms that the information contained in this document is correct and complete without any material misstatements or concealment of material facts required to be disclosed pursuant to Section 89/20 of the SEC Act.

15. Financial Projection for the Present Year (if any)

-None-

16. Pending Material Legal Actions or Disputes

As at 14 September 2020, the Company had no pending material legal action or dispute that may affect its operations other than the following cases (all references to “we”, “our”, “ourselves” and “us” in this item 16 refer to the Company and, as context requires, may refer to the Company’s subsidiaries and affiliates):

16.1 Store renovation proceedings in Italy

Our department store location in Rome at Via del Tritone (the “**Tritone Branch**”), which is a historical building that is leased from Rina Estate Italia S.r.l. (“**REI**”), an affiliate of the Central Group, is the subject of ongoing litigation in Italy. REI (upon our request) carried out some rebuilding and reconversion works (the “**Works**”) on the building following the receipt of permits and authorization (the “**Original Building Permits**”) from the local administration, the Municipality of Rome, and the Heritage Office. In 2012, the owners of the neighboring buildings (the “**Claimants**”) challenged the lawfulness of the Original Building Permits. Through its decision No. 405/2018 issued on January 2018, the Council of State annulled the Original Building Permits. In February 2018, the Claimants petitioned the Council of State to order the demolition of the Works covering a space in the building of approximately 4,000 sqm, representing approximately 32.4% of the store’s net selling space. The Tritone Branch contributed approximately THB 4,758 million and THB 5,194 million, or 2.2% and 2.3% of the total gross revenue from sales of goods of the Company, for the years ended 31 December 2018 and 2019, respectively.

In April 2018, the Municipality of Rome granted new building permits for the Works intending to cure the irregularities found in the Original Building Permits, following a favorable opinion from the heritage office (the “**New Building Permits**”). The Claimants challenged both the heritage office opinion and the New Building Permits themselves before the Administrative Court of Rome, asking for the New Building Permits to be annulled, for the Works to be demolished or, in the alternative, to require the payment of a curing fine of at least EUR 40.0 million (or approximately THB 1,495 million) according to the Claimants’ evaluation. The Claimants also asked for payment of damages in an amount of approximately EUR 5.0 million (or approximately THB 187 million). The Claimants also filed with the President of the Italian Republic for such claims, which were joined with the proceedings before the Administrative Court of Rome. Through its decision No. 6580 issued on 2 October 2019, the Council of State annulled the New Building Permits (such decision superseding and ending the Claimants’ petition in February 2018 in connection with the Old Building Permits). Consequently, the Claimants have petitioned the Council of State once more to order the demolition of the Works covering a space in the building of approximately 4,000 sqm, to forbid access to the entire store, to forbid the commercial use of an old building inside the store (“**Palazzetto C**”) and to appoint an ad-hoc officer to enforce the above decrees in lieu of the Municipality of Rome, in case the latter is unwilling to comply with the order.

According to Italian law, where a building permit is annulled and the situation cannot be cured through the issuance of an amnesty building permit, the competent authority (i.e. the Municipality of Rome), pursuant to Section 38 of the Presidential Decree dated 6 June 2001 No. 380 (“**Decree 380**”), may order the demolition of unlawful works or, if the demolition cannot be carried out, such as due to safety or technical reasons, the competent authority may apply a curing fine in an amount equal to the market value of the unlawful works.

On 12 December 2019, the Municipality of Rome issued an “amnesty” building permit (the “**Amnesty Building Permit**”) curing the irregularities found in the Original Building Permits and the New Building Permits. However, the Amnesty Building Permit is also subject to a possible challenge by the Claimants, and a successful challenge (also in the pending litigation), or the discovery of other defects in the course of prosecuting any such challenge, may render the Amnesty Building Permits voidable or null and void. In such a case, it is possible that the Municipality of Rome or the ad-hoc officer may (i) order that the Works be demolished in whole or in part (up to approximately 4,000 sqm) and/or temporarily forbid access to the entire store or to Palazzetto C, or (ii) if demolition is not possible, impose a curing fine with respect to the Works. A demolition order could reduce the effective net selling space of the store or result in the temporary closure of the store, and adversely impact our results of operations in Italy. Such an order may also damage our relationships with the brands to whom the affected spaces have been assigned, or give rise to claims against us for breach of contract, thus having a material adverse effect on our business, cash flows, results of operations, financial conditions and prospects. With respect to a curing fine, REI, as owner of the property, would be primarily liable for the payment of any such fine. However, to the extent that REI did not fulfill its obligations to pay such a fine, certain principles under Italian law exist pursuant to which La Rinascente S.p.A., our subsidiary, could be held liable for the payment, provided that it was involved in the planning and execution of the renovations in question, and subject to La Rinascente S.p.A.’s rights to contest such a decision in court and seek recovery of any amounts paid from, for example, REI or any relevant administrative agencies involved.

Thereafter, the Claimants raised an objection to the Council of State, arguing that the Municipality of Rome had no authority to grant the Amnesty Building Permit, where proceedings and witness examination took place on 18 June 2020. On 9 September 2020, the Council of State ordered that we won the case since the Amnesty Building Permit had been lawfully issued and had full legal effect within the authority of the Municipality of Rome. Nevertheless, the Claimants also filed a petition with the Regional Administrative Court to contest on the legitimacy of the Amnesty Building Permit and claim for damages, which would entail further proceedings in the future.

16.2 Tax proceedings in Italy

In November 2018, the local tax authority issued a notice of assessment concerning the tax qualification of some services provided during 2013 by our Italian subsidiary to Global Blue Italia S.r.l., a tourism shopping tax refund company, where we are still providing such services at present. Our Italian subsidiary had qualified such services as “intermediary services” not subject to VAT, while the local Italian tax authority had qualified the services as “advertising and promotional services” subject to VAT. In January 2019, we appealed the notice of assessment before the Milan Provincial Tax Commission. On 19 September 2019, the Milan Provincial Tax Commission issued its sentence rejecting the local tax authority’s qualification as groundless and fully acknowledging our qualification of the services as “intermediary services” not subject to VAT, and also ordered the local tax authority to compensate us for our legal fees. Separately, the central Italian tax authority, upon Global Blue Italia S.r.l.’s request, recently issued a tax ruling confirming that Global Blue Italia S.r.l.’s approach (which is consistent with our approach) is grounded and correct.

Despite the favorable outcomes before the Milan Provincial Tax Commission and the central Italian tax authorities, the local tax authorities already appealed the ruling before the Milan Regional Tax Commission in 2020, and we cannot rule out the possibility that the decision of the Milan Provincial Tax Commission will be overturned. In such case, we would be liable for fines of approximately EUR 2.5 million (or approximately THB 94 million). As of 30 June 2020, we have not made a provision for this contingency.

In addition, we may be exposed to additional fines if similar assessments are made for years subsequent to 2013. For example, in November 2019, the local tax authority issued an additional notice of assessment concerning the tax qualification of the same services provided during 2014 by our Italian subsidiary. In such case, we would be liable for fines of approximately EUR 2.5 million (or approximately THB 95 million). Our subsidiary already appealed such notice of assessment on 24 January 2020.

In addition, as a result of the tax amount exceeding the EUR 150,000 threshold amount provided by tax criminal law, the public criminal prosecutor had to be informed and consequently opened and disclosed an investigation file against one of the directors of La Rinascente S.p.A., who, in his former capacity of Rinascente's Chief Executive Officer, signed the VAT tax returns that are subject to this proceeding. The public criminal prosecutor and the relevant judge have been informed about the favorable decision of the Milan Provincial Tax Commission.

16.3 Central Chidlom parking lot proceedings

A plot of land which we used to lease for use as a parking lot adjacent to our Central Department Store location in Chidlom, is currently the subject of an ongoing litigation in Thailand. The owners of the land have served us and an affiliate of Harg Central Department Store Company Limited ("HCDS") with a complaint amounting to THB 3,815 million, claiming that we have breached the lease agreement by failing to hand over the land in its entirety upon the expiration of the lease, which occurred on 31 December 2018, and as a result there has been no meaningful response to the owner's solicitation for bids to re-lease the land. At issue are the proper boundaries of the land to be turned over, and whether certain structures that have been built during the lease term encroach on such boundaries. In this regard, the owners have asked the court to order that we either hand over the leased land according to the boundaries claimed by the owners (or, in the alternative, that we purchase the area under dispute from the owners), that we remove the structures alleged to encroach on the land, that we pay a fine of THB 22.6 million, as well as a daily fine of THB 200,000, until the land is handed over and the structures are removed, and that the Group of Company and the HCDS affiliate jointly and severally pay a further THB 3,581.2 million in damages.

As of 14 September 2020, the case was still pending before the South Bangkok Civil Court where the plaintiff's witnesses were already examined on 14 and 15 July 2020 and would be further examined on 2 November 2020. The said Court had scheduled our witness examination on 9 and 23 November 2020 and our team of attorneys has already made preparations for such witness examination. However, we believe that we have complied with our obligations under the lease agreement and that the claims are groundless and unlikely to succeed, and that a provision for future payments is not necessary.

The translations between EUR and THB used in this item 16 were calculated by using the exchange rate announced by the Bank of Thailand on 31 August 2020, which was EUR 1 to THB 37.3762.

17. Benefits or Related Party Transactions between the Company and the Directors, Executives, and Shareholders with a Direct or Indirect Shareholding of 10% or More

The Company has entered into certain transactions, which have been concluded on commercial terms and agreed upon in the ordinary course of business, with its related parties, which can be classified into three groups as follows:

1. HCDS, the major shareholder of the Company directly holding 35.06% shares in the Company whose six members of the board of directors are the same as those of the Company, i.e. (1) Mr. Suthichai Chirathivat, (2) Mr. Suthikiati Chirathivat, (3) Mr. Sudhisak Chirathivat, (4) Mr. Suthilaksh Chirathivat, (5) Mr. Prin Chirathivat, and (6) Mr. Tos Chirathivat, including companies that HCDS directly and indirectly holds more than 10% shares in such companies (hereinafter collectively referred to as the “**HCDS Group**”).

2. COL, (a) in which eight directors of the Company, including his/her related persons, directly hold shares as detailed in item 2.1, (b) in which three directors of the Company indirectly hold 35.27% shares through Hold COL, i.e. (1) Mr. Suthilaksh Chirathivat, (2) Mr. Tos Chirathivat, (3) Mr. Pichai Chirathivat, and (c) of which an executive of the Company is a director, i.e. Mr. Piya Nguiakaramahawongse, including companies that COL directly and indirectly holds more than 10% shares in such companies (hereinafter collectively referred to as the “**COL Group**”).

3. Juristic persons of which the directors of the Company, including their related persons, are major shareholders and/or controlling persons, i.e. (1) Sala Phuket Company Limited, (2) Sala Rattanakosin Company Limited, (3) Sapasimanee Company Limited, (4) Brothers Holding Company Limited, (5) Jindatawee Company Limited, (6) Osodtong Company Limited, (7) Terra Cottage Company Limited, (8) Bangkok Post-Bauer Media Company Limited, (9) Food Passion Company Limited, (10) Stork (Thailand) Company Limited, (11) Pingsuwan Company Limited, (12) Spicy Disc Company Limited, (13) Post International Media Company Limited, (14) Five Senses Company Limited, (15) Plaengpakthammachart Company Limited, (16) The Little Kitchen Company Limited RIS Company Limited, of which the director of certain subsidiaries of the Company is a major shareholder (hereinafter collectively referred to as the “**Other Group**”).

In this regard, the details of such transactions for the year ended 31 December 2019 and the six months period ended 30 June 2020 can be summarized as follows:

Types of Transaction	Related Parties	Description	Transaction Value (Unit: THB millions)	
			Year ended December 31, 2019	Six months ended June 30, 2020
1 Rental of land, building, and space in building				
1.1 Rental and service expenses	HCDS Group	Lease and/or sublease of land, building, and space in building to locate branches, offices or warehouses	2,395.70	1,133.33
	COL Group	Lease of building to use as warehouses or rental of space in building to arrange events occasionally	9.85	6.67
	Other Group	Lease of building and land to locate branches	4.03	0.99

Types of Transaction	Related Parties	Description	Transaction Value (Unit: THB millions)	
			Year ended December 31, 2019	Six months ended June 30, 2020
1.2 Rental and service income	HCDS Group	Lease of space in building for offices and restaurant business	81.14	31.58
	COL Group	Lease of space to locate stores in department stores and in the space of the Company's group of companies	267.65	94.42
	Other Group	Lease of space to locate branches	18.99	7.45
2 Trading				
2.1 Revenue from sales of goods	HCDS Group	Sales of goods such as consumer goods, fashion goods, sporting goods, and building construction supplies	114.99	67.98
	COL Group	Sale of goods such as electronics and building construction supplies	182.59	47.39
	Other Group	Sale of goods such as alcoholic beverages	7.47	6.05
2.2 Purchase of goods	HCDS Group	Purchase of mobile phones and computer equipment	3.39	-
	COL Group	Purchase of office equipment	39.08	17.28
	Other Group	Purchase of vegetables and fruit	3.48	1.88
3 Management fee				
3.1 Management fee expenses	HCDS Group	Management fee expenses	436.71	150.00
		Management fee expenses – Accounting and finance	255.76	123.14
		Management fee expenses – Human resources	105.41	49.46
		Management fee expenses – Legal and tax	90.59	26.28
		Management fee expenses – Other services	9.98	4.98
	COL Group	Service fees for employee outsourcing	-	0.29
	Other Group	Service fees for maintenance of hardware and peripheral device and technical consultancy services	-	75.69

Types of Transaction	Related Parties	Description	Transaction Value (Unit: THB millions)	
			Year ended December 31, 2019	Six months ended June 30, 2020
3.2 Training expenses	HCDS Group	Training expenses	112.55	18.48
3.3 Management fee income	HCDS Group	Service fees for internal audit and human resources services	31.19	14.09
	COL Group	Service fees for warehouse management, goods distribution, loss prevention and omnichannel management services	161.04	67.45
4 Other transactions				
4.1 Trading of The1 point after business restructuring	HCDS Group	The1 point expenses (point-earned)	928.92	307.95
		The1 point income (point redemption)	1,323.44	446.55
		The1 management fees	194.36	66.72
		Sales promotion expenses	69.34	11.00
4.2 Other expenses	HCDS Group	Principally comprising rental expenses for EDC and payment system; operating expenses for advertising bargaining services; service fees for licenses, software, and computer system; and expenses paid in advance	127.84	76.52
	COL Group	Principally comprising compensation for damage, miscellaneous expenses, services fees for IT support services, logistic services, and advertising services, and expenses for goods sold in marketplace	8.32	3.43
	Other Group	Principally comprising compensation damage, cash coupon expenses, advertising expenses, service fees for computer programming services and online sales promotion services, and equipment rental fees	4.44	134.41

Types of Transaction	Related Parties	Description	Transaction Value (Unit: THB millions)	
			Year ended December 31, 2019	Six months ended June 30, 2020
4.3 Other income	HCDS Group	Principally comprising income from fees and allocation of income from bill payment agency services, income from online platform development services, income from marketing fees, and media production fees	86.29	30.59
	COL Group	Principally comprising income from licensing the “B2S” trademark; income from money exchange, cash pick up, and financial services; compensation for damage; income from website and system maintenance and E-commerce platform development; income from sales of goods in marketplace, and income from logistic services and Magento E-Commerce Platform services	42.31	68.39
