

**Overview of the operating result for the fourth quarter of 2019**

The company's total revenue for the fourth quarter of 2019 was THB 63,405 million, increased by THB 9,912 million over the same period last year. The company's profit from continuing operations was THB 6,500 million, increased by THB 4,161 million, and the profit margin for the fourth quarter of 2019 was 10.3%, increased from 4.4% comparing with the same period of last year. The main reasons for the increase in profit from continuing operations were mainly due to an increased income from our consolidation with Nguyen Kim since June 2019, Insurance compensation from Fire incident at Zen Department Store 3,283 THB million, the increased revenue from rental service from Robinson Lifestyle Center in Chaiyaphum, Chonburi and Ladkrabang and the decrease in selling expense proportion to total revenue.

**Financial Summary for the three-month period ended December 31, 2019 and 2018**

	Three-month period ended		Three-month period ended		Increase (Decrease)	
	December 31, 2019		December 31, 2018			
	THB	%	THB	%	THB	%
	millions		millions		millions	
Revenue from sales of goods	52,986	83.6%	47,171	88.2%	5,815	12.3%
- Revenue from sales from fashion segment	18,092	28.5%	17,324	32.4%	768	4.4%
- Revenue from sales from hardline segment	14,716	23.2%	10,545	19.7%	4,172	39.6%
- Revenue from sales from food segment	20,178	31.8%	19,302	36.1%	875	4.5%
Revenue from rental services	1,767	2.8%	1,630	3.0%	137	8.4%
Revenue from rendering of services	475	0.7%	293	0.5%	182	62.3%
Investment income	38	0.1%	63	0.1%	(24)	(38.9%)
Gain on disposal of assets	-	-	18	0.0%	(18)	(100.0%)
Gain on disposal of entities under common control	-	-	19	0.0%	(19)	(100.0%)
Insurance compensation	3,283	5.2%	-	-	3,283	100.0%
Other income <sup>(1)</sup>	4,855	7.7%	4,299	8.0%	556	12.9%
<b>Total revenue</b>	<b>63,405</b>	<b>100.0%</b>	<b>53,493</b>	<b>100.0%</b>	<b>9,912</b>	<b>18.5%</b>
Cost of sales of goods	38,713	61.1%	33,212	62.1%	5,501	16.6%
Gross profit from sales <sup>(2)</sup>	14,273	26.9%	13,959	29.6%	314	2.2%
Cost of rental and rendering of services	370	0.6%	389	0.7%	(19)	(4.9%)
Gross profit from rental and rendering of services <sup>(3)</sup>	1,872	83.5%	1,534	79.8%	338	22.0%
Gross profit <sup>(4)</sup>	16,145	29.2%	15,492	31.6%	652	4.2%
Selling expense	11,890	18.8%	12,285	23.0%	(395)	(3.2%)
Administrative expense	4,911	7.7%	4,043	7.6%	868	21.5%
Share of profit of associates and joint ventures	79	0.1%	28	0.1%	51	185.5%
<b>Profit from continuing operations before finance costs and tax expense</b>	<b>7,598</b>	<b>12.0%</b>	<b>3,590</b>	<b>6.7%</b>	<b>4,008</b>	<b>111.6%</b>
Finance costs	292	0.5%	249	0.5%	43	17.3%
<b>Profit from continuing operations before tax expense</b>	<b>7,306</b>	<b>11.5%</b>	<b>3,341</b>	<b>6.2%</b>	<b>3,965</b>	<b>118.7%</b>
Tax expense	806	1.3%	1,003	1.9%	(196)	(19.6%)
<b>Profit from continuing operations</b>	<b>6,500</b>	<b>10.3%</b>	<b>2,338</b>	<b>4.4%</b>	<b>4,161</b>	<b>180.8%</b>
<b>Profit for the period</b>	<b>6,500</b>	<b>10.3%</b>	<b>2,338</b>	<b>4.4%</b>	<b>4,161</b>	<b>177.9%</b>

	Three-month period ended		Three-month period ended		Increase (Decrease)	
	December 31, 2019		December 31, 2018			
	THB	%	THB	%	THB	%
	millions		millions		millions	
<b>Operating Information</b>						
EBITDA	10,233	16.1%	6,334	11.8%	3,900	61.6%
Normalized EBITDA <sup>(5)</sup>	6,608	10.4%	6,608	12.4%	0	0.0%
Normalized Net Income <sup>(5)(6)</sup>	2,943	4.6%	2,558	4.8%	386	15.1%
SSSG of Fashion segment		-2.5%		0.3%		
SSSG of Hardline segment		-4.5%		-2.6%		
SSSG of Food segment		1.5%		1.0%		

<sup>(1)</sup> Other income comprises revenue earned primarily from promotional, advertising income and logistics and distribution income, income earned from one-off events, etc.

<sup>(2)</sup> Percentage margin is calculated by dividing Gross profit from sales by Revenue from sales

<sup>(3)</sup> Percentage margin is calculated by dividing Gross profit from rental and rendering of services by Revenue from rental and rendering of services

<sup>(4)</sup> Percentage margin is calculated by dividing Gross profit from sales and rental and rendering of services by Revenue from sales and rental and rendering of services

<sup>(5)</sup> Adjustment to earnings are Net gain(loss) on foreign exchange, Impairment gain(loss), Gain(loss) on disposal of assets, Gain(loss) on disposal of entities under common control, Gain on disposal of investment, and Employee benefits

<sup>(6)</sup> Adjustment to earnings, net of tax

#### The operating result for three-month period ended December 31, 2019

The company's profit from continuing operations for the fourth quarter of 2019 was THB 6,500 million or equivalent to a profit margin of 10.3%, increased by THB 4,161 million over the same period last year which had a profit from continuing operations of THB 2,338 million or equivalent to a net profit margin of 4.4%. The main reasons for the increase are as follows:

1. **Revenue from sales** was THB 52,986 million, increased by THB 5,816 million or equivalent to 12.3% over the same period last year. Revenue from sales can be categorized as follows:
  - I. **Revenue from sales from fashion segment** was THB 18,092 million, increase of THB 768 million or equivalent to 4.4% over the same period last year, primarily due to the opening of new Robinson Lifestyle Center locations in Chaiyaphum, Chonburi, and Ladkrabang, Thailand specialty retail category expansion and growth of online and omnichannel sales, partially offset by a slight decrease in sales of goods our Italian department store category, attributable to the closure of one stores and a depreciation of the Euro against the Thai Baht during the period, and a decrease in SSSG in our Thailand department store category.
  - II. **Revenue from sales from hardline segment** was THB 14,716 million, increased by THB 4,171 million or equivalent to 39.6% over the same period last year, due primarily to the consolidation of our Nguyen Kim business and continual growth of Thaiwatsadu business.
  - III. **Revenue from sales from food segment** was THB 20,178 million, increase of THB 876 million or equivalent to 4.5% over the same period last year, due primarily to the growth of Vietnam business offset by depreciation of the Vietnamese Dong against the Thai Baht and the closure of stores under FamilyMart and SuperKoom brand.
2. **Revenue from rental services** was THB 1,767 million, increased by THB 137 million or equivalent to 8.4% over the same period last year. Increase in revenue from rental services led by our fashion segment, followed by our food segment and our hardline

segment respectively, primarily due to the opening of new Robinson Lifestyle Center locations in Chaoyaphum, Chonburi and Ladkrabang and increase in average rental rates as compared to the same period last year.

3. **Revenue from rendering of services** was THB 475 million, increased by THB 182 million or equivalent to 62.3% over the same period last year, primarily driven by an increased income from the Fashion segment and consolidation of our Nguyen Kim business.
4. **Gross profit** was THB 16,145 million, increased by THB 652 million over the same period last year from the gross profit of THB 15,492 million. A gross profit margin of 29.2%, decreased from a gross profit margin of 31.6% from the same quarter in 2018. The gross profit margin decrease was primarily driven (1) the increase in contribution from hardline segment, which have lower gross margins than others (2) the increase in sales discounts given to customers in connection with promotion.
5. **Selling expense** was THB 11,890 million, decreased by THB 395 million or equivalent to 3.2% over the same period last year, due primarily to decrease of rental and service expenses and saving from closed stores in Food segment during the year.
6. **Administrative expense** was THB 4,911 million, an increase of THB 868 million or equivalent to 21.5% over the same period last year, due primarily to the increase of employee benefits, rental and services expenses and Depreciation
7. **Finance costs** was THB 292 million, increased by THB 43 million or equivalent to 17.3% over the same period last year, due primarily to loans drawn down to fund business operation, our consolidation of Nguyen Kim and dividend payment.
8. **Share of profit of associates and joint ventures** was THB 79 million, an increase of THB 51 million or equivalent to 185.4% over the same period last year, due primarily to the share of loss of Nguyen Kim last year before consolidation in June 2019 and increase in profits from Gucci joint venture.
9. **Tax expense** was THB 806 million, decreased by THB 196 million or equivalent to 19.6% over the same period last year, due primarily to disposal The 1 Business in 2018, effect to Deferred tax assets decrease and higher tax in 2018.
10. **Total adjustment to Earnings, pre-tax** was THB 3,625 million in for three-month ended December 31, 2019, attributable to total adjustment to income of THB 3,641 million which was due to Insurance compensation and net Gain (loss) on foreign exchange and attributable to total adjustment to expense of THB 16 million which was due to impairment loss and loss on disposal of assets.

**Overview of the operating result for the year ended December 31, 2019**

The company's total revenue for the year ended December 31, 2019 was THB 222,737 million, increased by THB 16,117 million from the same period last year. The company's profit from continuing operations was THB 12,359 million, increased by THB 1,254 million from the same period last year, and the profit margin for the year ended December 31, 2019 was 5.5% which increased from 5.4% for the same period last year. The main reasons for the increase in profit from continuing operations were mainly due to an increased income from our consolidation with Nguyen Kim since June 2019, Insurance compensation from Fire incident at Zen Department store, and the growth of Hardline segment, Food in Vietnam and Fashion in Thailand.

**Financial Summary for the year ended December 31, 2019 and December 31, 2018**

	Year Ended December 31, 2019		Year Ended December 31, 2018		Increase (Decrease)	
	THB millions	%	THB millions	%	THB millions	%
Revenue from sales	195,355	87.7%	180,614	87.4%	14,741	8.2%
- Revenue from sales from fashion segment	64,280	28.9%	62,766	30.4%	1,514	2.4%
- Revenue from sales from hardline segment	50,583	22.7%	39,550	19.1%	11,033	27.9%
- Revenue from sales from food segment	80,492	36.1%	78,299	37.9%	2,193	2.8%
Revenue from rental services	6,979	3.1%	6,415	3.1%	565	8.8%
Revenue from rendering of services	1,674	0.8%	1,413	0.7%	262	18.5%
Investment income	251	0.1%	739	0.4%	(487)	(66.0%)
Gain on disposal of assets	-	-	1,915	0.9%	(1,915)	(100.0%)
Gain on disposal of entities under common control	-	-	496	0.2%	(496)	(100.0%)
Insurance compensation	3,283	1.5%	-	-	3,283	n.m.
Other income <sup>(1)</sup>	15,194	6.8%	15,028	7.3%	166	1.1%
<b>Total revenue</b>	<b>222,737</b>	<b>100.0%</b>	<b>206,620</b>	<b>100.0%</b>	<b>16,117</b>	<b>7.8%</b>
Cost of sales of goods	142,352	63.9%	129,937	62.9%	12,415	9.6%
Gross profit from sales <sup>(2)</sup>	53,004	27.1%	50,678	28.1%	2,326	4.6%
Cost of rental and rendering of services	2,184	1.0%	1,931	0.9%	253	13.1%
Gross profit from rental and rendering of services <sup>(3)</sup>	6,469	74.8%	5,897	75.3%	573	9.7%
Gross profit <sup>(4)</sup>	59,473	29.2%	56,574	30.0%	2,899	5.1%
Selling expense	46,185	20.7%	44,613	21.6%	1,572	3.5%
Administrative expense	16,467	7.4%	15,547	7.5%	919	5.9%
Share of profit of associates and joint ventures	391	0.2%	287	0.1%	103	35.9%
<b>Profit from continuing operations before finance costs and tax expense</b>	<b>15,940</b>	<b>7.2%</b>	<b>14,879</b>	<b>7.2%</b>	<b>1,061</b>	<b>7.1%</b>
Finance costs	1,085	0.5%	1,186	0.6%	(101)	(8.5%)
<b>Profit from continuing operations before tax expense</b>	<b>14,855</b>	<b>6.7%</b>	<b>13,693</b>	<b>6.6%</b>	<b>1,162</b>	<b>8.5%</b>
Tax expense	2,495	1.1%	2,588	1.3%	(93)	(3.6%)
<b>Profit from continuing operations</b>	<b>12,359</b>	<b>5.5%</b>	<b>11,105</b>	<b>5.4%</b>	<b>1,254</b>	<b>11.3%</b>
Loss for the period from discontinued operations, net of tax <sup>(5)</sup>			(1,073)	(0.5%)	1,073	(100.0%)
<b>Profit for the period</b>	<b>12,359</b>	<b>5.5%</b>	<b>10,033</b>	<b>4.9%</b>	<b>2,327</b>	<b>23.2%</b>
<b>Profit (loss) attributable to Owners of the parent</b>	<b>10,633</b>	<b>4.8%</b>	<b>10,931</b>	<b>5.3%</b>	<b>(298)</b>	<b>(2.7%)</b>

	Year Ended		Year Ended		Increase (Decrease)	
	December 31, 2019		December 31, 2018			
	THB millions	%	THB millions	%	THB millions	%
<b>Operating information</b>						
EBITDA	25,814	11.6%	25,123	12.2%	691	2.7%
Normalized EBITDA <sup>(6)</sup>	22,455	10.1%	22,052	10.7%	403	1.8%
Normalized Net Income <sup>(6)(7)</sup>	9,016	4.0%	8,648	4.2%	368	4.3%
SSSG of Fashion segment		-2.5%		1.1%		
SSSG of Hardline segment		-2.3%		-0.2%		
SSSG Food segment		2.4%		2.2%		

<sup>(1)</sup> Other income comprises revenue earned primarily from promotional, advertising income and logistics and distribution income, income earned from one-off events, etc.

<sup>(2)</sup> Percentage margin is calculated by dividing Gross profit from sales by Revenue from sales

<sup>(3)</sup> Percentage margin is calculated by dividing Gross profit from rental and rendering of services by Revenue from rental and rendering of services

<sup>(4)</sup> Percentage margin is calculated by dividing Gross profit from sales and rental and rendering of services by Revenue from sales and rental and rendering of services

<sup>(5)</sup> We sold certain of our subsidiaries in 2017 and 2018 in connection with the Restructuring, including subsidiaries in five foreign countries and subsidiaries engaged in businesses such as hotels and property management. We present the result of operation for such subsidiaries as discontinued operations for the years prior to the year in which these subsidiaries were sold.

<sup>(6)</sup> Adjustment to earnings are Net gain(loss) on foreign exchange, Impairment gain(loss), Gain(loss) on disposal of assets, Gain(loss) on disposal of entities under common control, Gain on disposal of investment, and Employee benefits

<sup>(7)</sup> Adjustments to earnings, net of tax

#### The operating result for the year ended December 31, 2019

The company's profit from continuing operations for the year ended December 31, 2019 was THB 12,359 million, or equivalent to a net profit margin of 5.5%, increased by THB 1,254 million from the same period last year profit from continuing operations of THB 11,105 million, or equivalent to a net profit margin of 5.4%. The main reasons for the increase are as follows:

1. **Revenue from sales of goods** was THB 195,355 million, increased by THB 14,741 million, or 8.2% over the same period last year.

Revenue from sales can be categorized as follows:

- IV. **Revenue from sales from fashion segment** was THB 64,280 million, increased by THB 1,514 million or 2.4% over the same period last year, which was driven by store expansions in our Thailand department stores category and Thailand specialty retail category and SSSG of 2.3% in our Italian department stores category, partially offset by a slight decrease in sales of goods our Italian department store category, attributable to the closure of one store and depreciation of the Euro against the Thai Baht during the period, and decrease in SSSG in our Thailand department store category.
- V. **Revenue from sales from hardline segment** was THB 50,583 million, increased by THB 11,033 million or 27.9% over the same period last year, which was driven by increases in net selling space under our hardline retailing in Thailand category as well as the consolidation of our Nguyen Kim business in Vietnam. Overall SSSG in hardline segment decreased, primarily due to declines in overall customer spending in Thailand, particularly product in categories liked home entertainment, where Power Buy is traditionally strong, and where sales were unusually strong in the prior period in connection with the World Cup Soccer tournament, and due to seasonally heavy rains and floods in the northeast depressing demand for DIY home improvement categories where Thai Watsadu is traditionally strong.

- III. **Revenue from sales from food segment** was THB 80,492 million, increased by THB 2,193 million or 2.8% over the same period last year, which was driven by SSSG of 8.3% compared to 6.1% in the prior period in our food retailing in Vietnam category. We attribute growth in SSSG in our food retailing in Vietnam category to our ongoing turnaround efforts with respect to Big C, which have resulted in improved quality and freshness of goods. Also, we attribute our growth in Thailand to improve merchandise mix and increases in our average net selling space per location.
2. **Revenue from rental services** was THB 6,979 million, increased by THB 565 million or 8.8% over the same period last year. Revenue from rental services increased in all segments, led by our fashion segment, and followed by our food segment and our hardline segment respectively. The increase is primarily due to the opening of three Robinson Lifestyle Center at Chaiyaphum, Chonburi and Ladkrabang and one new large-format Central Department Store location in Phuket under our Thailand department store category, and the higher average rental rates as compared to the prior period.
3. **Revenue from rendering of services** was THB 1,674 million, increased by THB 262 million or 18.5% over the same period last year, primarily due to increased income from Robinson Public Company Limited and the consolidation of our Nguyen Kim business.
4. **Gross profit** was THB 59,473 million, increased by THB 2,899 million over the same period last year of THB 56,754 million, a gross profit margin of 29.2% which slightly decreased from 30.0% in the prior year, which was driven by (1) the increase in contribution from hardline segment, which have lower gross margins than others (2) sales discounts given to the customers in connection with promotion (3) the increase in proportion of luxury products sold, which have lower gross margins in Italian department store (4) the decrease in the gross profit margin from rental and rendering services.
5. **Selling expense** was THB 46,185 million, increased by THB 1,572 million or 3.5% over the same period last year, which was driven by consolidation of Nguyen Kim business and increases in employee benefit expense, rental and service expense, and marketing and promotion expenses. Increased in rental and services expenses were primarily attributable to new rental costs paid for properties which we divested in connection with the restructuring, but which we still occupy as tenant.
6. **Administrative expense** was THB 16,467 million, increased by THB 919 million or 5.9%, which was driven by an increase in employee benefit expenses was attributable to an increase in headcount in connection with the restructuring, including senior positions moving from other Central Group businesses, and an increase in severance pay obligations pursuant to the provisions of a new Labor Protection Act which came into effect in 2019. The increase was partially offset by a decrease in provisions of shrinkage and obsolescence and bad debt by THB 109 million and THB 310 million, respectively, which we attribute to improve inventory management.
7. **Finance costs** were THB 1,085 million for the year ended December 31, 2019 decrease by THB 101 million or 8.5% compare to the prior year, driven by the repayment of loans to financial institutions and related parties, pursuant to the winding down of the Restructuring.
8. **Share of profit of associates and joint ventures** was THB 391 million, an increase of THB 103 million or 35.9% over the same period last year which was due primarily to an increase in profits from Gucci Joint venture and other Joint ventures and associates and the disposal of Joint venture which have operating loss since restructuring.
9. **Tax expense** was THB 2,495 million, decrease by THB 93 million or 3.6% over the same period last year, which was driven by tax exemption for Insurance compensation, partially offset with the recognition of previously unrecognized tax.
10. **Total adjustment to earnings, pre-tax** was THB 3,359 million for the year ended December 31, 2019, attributable to total adjustment to income of THB 3,825 million which was due to Insurance compensation and attributable to total adjustment to expense of THB 466 million which was mainly due to Employee benefit obligation.

**Financial Position**

1. **Total assets** as of December 31, 2019 and December 31, 2018 were THB 187,022 million and THB 177,357 million, respectively, which is equivalent to an increase by 5.4%, primarily due to the consolidation of our Nguyen Kim business.
2. **Total liabilities** as of December 31, 2019 and December 31, 2018 were THB 146,063 million and THB 110,030 million, respectively, which is equivalent to an increase by 32.7%, primarily due to bank overdrafts and short-term loans from financial institutions for dividend payment.
3. **Total equity** as of December 31, 2019 and December 31, 2018 was THB 40,959 million and THB 67,327 million, respectively, which is equivalent to a decrease by 39.2% mainly due to dividend payment.