

Illum Østergade 52 ApS

Østergade 52
1100 København K

CVR no. 27 35 69 82

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

31 March 2023

Tobias Vieth
Chairman of the annual general meeting

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Illum Østergade 52 ApS
Annual report 2022
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Illum Østergade 52 ApS for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 March 2023
Executive Board:

Sean Christopher Hill

Board of Directors:

Sudhitham Chirathivat
Chairman

Prin Chirathivat

Tos Chirathivat

Independent auditor's report

To the shareholder of Illum Østergade 52 ApS

Opinion

We have audited the financial statements of Illum Østergade 52 ApS for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 March 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Carsten Nielsen
State Authorised
Public Accountant
mne30212

Illum Østergade 52 ApS
Annual report 2022
CVR no. 27 35 69 82

Management's review

Company details

Illum Østergade 52 ApS
Østergade 52
1100 København K

| | |
|--------------------|-------------------------|
| CVR no.: | 27 35 69 82 |
| Established: | 24 September 2003 |
| Registered office: | Copenhagen |
| Financial year: | 1 January – 31 December |

Board of Directors

Sudhitham Chirathivat, Chairman
Prin Chirathivat
Tos Chirathivat

Executive Board

Sean Christopher Hill,

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Financial highlights

| DKK'000 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------|-----------|-----------|-----------|-----------|
| Key figures | | | | | |
| Gross profit | 121,560 | 121,396 | 121,743 | 118,337 | 119,374 |
| Operating profit | 121,560 | 121,396 | 121,743 | 129,642 | 119,373 |
| Loss from financial income and expenses | -13,332 | -15,054 | -16,310 | -17,456 | -19,812 |
| Profit for the year | 89,875 | 89,005 | 87,291 | 88,572 | 77,296 |
| Assets | | | | | |
| Total assets | 3,252,491 | 3,206,836 | 3,227,007 | 3,156,821 | 3,164,400 |
| Equity | 2,274,185 | 2,184,310 | 2,095,305 | 2,008,014 | 1,919,442 |
| Investment in property, plant and equipment | 0 | 0 | 0 | 506 | 1,111 |
| Ratios | | | | | |
| Return on invested capital | 3.8% | 4.3% | 4.0% | 4.1% | 3.8% |
| Return on equity | 4.0% | 5.3% | 4.3% | 5.3% | 4.1% |
| Solvency ratio | 69.9% | 68.9% | 64.9% | 63.6% | 60.7% |

The financial ratios have been calculated as follows:

Return on invested capital
$$\frac{\text{Operating profit/loss} * 100}{\text{Average invested capital}}$$

Return on equity
$$\frac{\text{Profit/loss from ordinary activities after tax} * 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year-end} * 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

Principal activities

The objective of the Company is to acquire, own and manage real estate.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 89,875 thousand as against DKK 89,005 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 2,274,185 thousand as against DKK 2,184,310 thousand at 31 December 2021.

The results for the year are considered to be in accordance with expectations.

Uncertainty relating to recognition and measurement

The Company uses independent third-party experts and in some instances the Board of Directors to assess the fair value of its investment property. The best evidence of fair value is current prices in an active market for properties with similar leases and other contracts. In the absence of such information, the Company, with the help of the Board of Directors and independent third-party experts, determines the amounts within a range of reasonable fair value estimates. In making its judgement, the Company, the Board of Directors and its independent third-party experts consider information from a variety of sources, including

- current prices in an active market for properties of a different nature, condition, location or subject to different leases or other contracts, adjusted to reflect those differences.
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any lease and other contracts and, where possible, from external evidence such as current market rent payments for similar properties in the same location and uncertainty in the amount and timing of the cash flows.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Ownership

ILLUM Østergade 52 ApS is 100% owned by CRC Luxembourg S.á.r.l., which is owned by Harnq Central Department Stores Limited in Thailand.

Outlook

It is expected that the Company's activities in 2023 will match the level of 2022.

Financial statements 1 January – 31 December

Income statement

| DKK'000 | Note | 2022 | 2021 |
|--|------|---------|---------|
| Gross profit | | 121,560 | 121,396 |
| Profit before financial income and expenses | | 121,560 | 121,396 |
| Fair value adjustment of investment properties | | 6,461 | 6,461 |
| Other financial expenses | 2 | -13,332 | -15,054 |
| Profit before tax | | 114,689 | 112,803 |
| Tax on profit for the year | 3 | -24,814 | -23,798 |
| Profit for the year | 4 | 89,875 | 89,005 |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 31/12 2022 | 31/12 2021 |
|--------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Property, plant and equipment | 5 | | |
| Investment properties | | <u>2,970,122</u> | <u>2,963,659</u> |
| Total fixed assets | | <u>2,970,122</u> | <u>2,963,659</u> |
| Current assets | | | |
| Receivables | | | |
| Trade receivables | | 145,324 | 100,096 |
| Other receivables | | 129,878 | 136,339 |
| Prepayments | 6 | <u>2,652</u> | <u>1,689</u> |
| | | <u>277,854</u> | <u>238,124</u> |
| Cash at bank and in hand | | <u>4,515</u> | <u>5,053</u> |
| Total current assets | | <u>282,369</u> | <u>243,177</u> |
| TOTAL ASSETS | | <u><u>3,252,491</u></u> | <u><u>3,206,836</u></u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | <u>31/12 2022</u> | <u>31/12 2021</u> |
|-------------------------------|------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | 7 | 52,500 | 52,500 |
| Retained earnings | | <u>2,221,685</u> | <u>2,131,810</u> |
| Total equity | | <u>2,274,185</u> | <u>2,184,310</u> |
| Provisions | | | |
| Provisions for deferred tax | 8 | <u>423,623</u> | <u>418,423</u> |
| Total provisions | | <u>423,623</u> | <u>418,423</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | <u>31/12 2022</u> | <u>31/12 2021</u> |
|---|------|-------------------------|-------------------------|
| Liabilities other than provisions | | | |
| Current liabilities other than provisions | | | |
| Trade payables | | 1,366 | 4,654 |
| Payables to group entities | | 529,073 | 575,418 |
| Corporation tax | | 20,032 | 21,331 |
| Other payables | | <u>4,212</u> | <u>2,700</u> |
| | | <u>554,683</u> | <u>604,103</u> |
| Total liabilities other than provisions | | <u>554,683</u> | <u>604,103</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>3,252,491</u></u> | <u><u>3,206,836</u></u> |
| Contractual obligations, contingencies, etc. | 9 | | |
| Related party disclosures | 10 | | |
| Staff Costs | 11 | | |

Financial statements 1 January – 31 December

Statement of changes in equity

| DKK'000 | Contributed capital | Retained earnings | Total |
|-----------------------------------|------------------------|----------------------|------------------|
| Equity at 1 January 2022 | 52,500 | 2,131,810 | 2,184,310 |
| Profit for the year | 0 | 89,875 | 89,875 |
| Equity at 31 December 2022 | 52,500 | 2,221,685 | 2,274,185 |

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Illum Østergade 52 ApS for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of CRC Luxembourg S.à.r.l.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Rental revenue from operating leases is recognised as income on a straight-line basis over the lease term. When the Company provides rental incentives to its customers, the cost of incentives is recognised over the rental period on a straight-line basis as a reduction of rental income.

Other external costs

Other external costs comprise expenses for premises as well as office expenses, etc.

Fair value adjustment of investment properties

Fair value adjustment of investment properties comprises the year's changes in the fair value of investment properties.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investment properties

On acquisition, investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of self-constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition.

After initial recognition, investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Accrued rent discounts are recognised as Other receivables and are amortised on a straight line basis over the life time of the lease contract.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

| DKK'000 | <u>2022</u> | <u>2021</u> |
|--|---------------|--------------------------|
| 2 Other financial expenses | | |
| Interest expense to group entities | 13,294 | 15,007 |
| Other financial costs | <u>38</u> | <u>47</u> |
| | <u>13,332</u> | <u>15,054</u> |
| 3 Tax on profit/loss for the year | | |
| Current tax for the year | 19,614 | 21,331 |
| Deferred tax for the year | 5,200 | 3,485 |
| Adjustment of deferred tax concerning previous years | <u>0</u> | <u>-1,018</u> |
| | <u>24,814</u> | <u>23,798</u> |
| 4 Proposed profit appropriation | | |
| Retained earnings | <u>89,875</u> | <u>89,005</u> |
| | <u>89,875</u> | <u>89,005</u> |
| 5 Property, plant and equipment | | |
| DKK'000 | | Investment properties |
| Cost at 1 January 2022 | | <u>1,801,187</u> |
| Cost at 31 December 2022 | | <u>1,801,187</u> |
| Revaluations at 1 January 2022 | | 1,162,474 |
| Revaluations for the year | | <u>6,461</u> |
| Revaluations at 31 December 2022 | | <u>1,168,935</u> |
| Carrying amount at 31 December 2022 | | <u>2,970,122</u> |

The valuation according to external valuation report at 31 December 2022 amounts to DKK 3,100,000 thousand, of which accrued rental incentives amount to DKK 129,878 thousand, which are reclassified to other receivables.

Assumptions:

The property (40,298 sqm) and parking space (4,102 sqm) are located in Copenhagen and are used for commercial purpose. In the valuation of the property, a yield of 4.1% (2021: 4.0%) has been applied for the property and parking space. There is no vacancy in the property or parking space at the balance sheet date.

For the whole investment property, which is measured at fair value, the actual use of the investment property is assessed as the highest and best use.

Sensitivity analysis:

A yield increase of 0.5 percentage points would reduce the investment property value by DKK 340,000 thousand and a decrease in the yield of 0.5 percentage points would increase the investment property value by DKK 440,000 thousand at the balance sheet date.

Financial statements 1 January – 31 December

Notes

6 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

7 Equity

The contributed capital consists of 52,500 shares of a nominal value of DKK 1 each.

All shares rank equally.

8 Deferred tax

DKK'000

| | <u>31/12 2022</u> | <u>31/12 2021</u> |
|--|-------------------|-------------------|
| Deferred tax at 1 January | 418,423 | 415,545 |
| Deferred tax adjustment for the year in the income statement | 5,200 | 3,485 |
| Adjustment of deferred tax concerning previous years | <u>0</u> | <u>-607</u> |
| | <u>423,623</u> | <u>418,423</u> |

9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

10 Related party disclosures

Illum Østergade 52 ApS related parties comprise the following:

Control

CRC Luxembourg S.á.r.l.
43, Avenue J. F. Kennedy
L-1855 Luxembourg

CRC Luxembourg S.á.r.l. holds the majority of the contributed capital in the Company.

Illum Østergade 52 ApS is part of the consolidated financial statements of CRC Luxembourg S.á.r.l., which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of CRC Luxembourg S.á.r.l. can be obtained by contacting the Company at the address above.

Related party transactions

Sales of services to group entities, DKK 125.3 million.

Intercompany balance to group entities is disclosed in the balance sheet, and interest expenses are disclosed in note 2.

Financial statements 1 January – 31 December

Notes

11 Staff costs

The Company has no employees during the financial year.