



CP Axtra Public Company Limited

**Information Memorandum Regarding the Amalgamation between
CP Axtra Public Company Limited and Ek-Chai Distribution System Company
Limited**

**Presented to
Shareholders of CP Axtra Public Company Limited**

Information as of 6 March 2024

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1 Overview of the Amalgamation

The Board of Directors Meeting of CP Aextra Public Company Limited (the “**Company**”) No. 2/2024 held on 14 February 2024 resolved to approve the Group Internal Business Restructuring Plan and to propose to the shareholders meeting to consider and approve such plan. The key details of the Group Internal Business Restructuring Plan are as follows:

Step 1: The Company will accept the transfer of entire business (EBT) of Lotus’s Stores (Thailand) Co., Ltd. (“**Lotus’s Thailand**”) (which is the Company’s indirect subsidiary) including assets, liabilities, rights, duties and responsibilities of Lotus’s Thailand existing at present and will occur in the future as of the EBT date. The main assets of Lotus’s Thailand are shares in Ek-Chai Distribution System Company Limited (“**Ek-Chai**”) (which is the Company’s indirect subsidiary) currently held by Lotus’s Thailand, with the total consideration of not more than THB 7,680 million (“**EBT Transaction**”). After completion of the EBT Transaction, Lotus’s Thailand will further proceed with the dissolution and liquidation in accordance with the rules, procedures and conditions of the Entire Business Transfer (EBT) under the Notification of the Director-General of the Revenue Department Re: Rules, Procedures and Conditions on Amalgamation or Entire Business Transfer of Public Limited Company or a Limited Company for the Purpose of Tax Exemption, as well as other relevant laws.

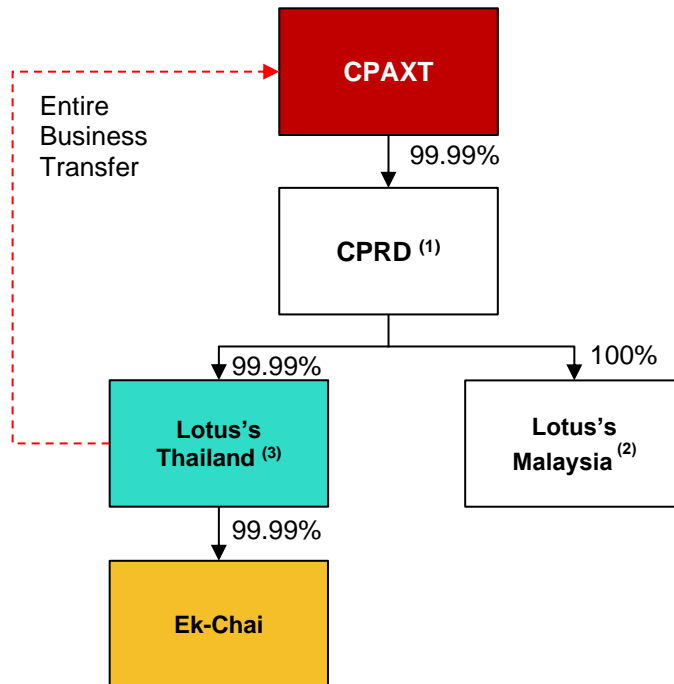
Step 2: After the EBT Transaction has been completed, the Company will proceed with the amalgamation between the Company and Ek-Chai under the provisions specified in the Public Limited Company Act B.E. 2535, as amended (“**PLCA**”), in which the two companies will cease their status as juristic persons and a new company will be formed (“**NewCo**”) as a result of the amalgamation (“**Amalgamation**”). NewCo will assume all assets, liabilities, rights, duties and responsibilities of the Company and Ek-Chai after the Amalgamation is completed by operation of law under the PLCA.

Once the shareholders meeting of the Company and Ek-Chai resolves to approve the Amalgamation, the Company and Ek-Chai will carry out necessary actions for the Amalgamation under the PLCA and other relevant laws, which includes the notification to creditors in writing of the shareholders meeting’s resolution which approves the Amalgamation, and arrangement of a person to purchase shares from the shareholders who attend the shareholders meeting and vote against the Amalgamation (the “**Dissenting Shareholders**”).

Upon the completion of the above steps, the Company and Ek-Chai will jointly hold a joint meeting of the Company’s shareholders and Ek-Chai’s shareholders to consider various matters necessary for the Amalgamation as required under the PLCA. After the joint shareholders’ meeting, the Board of Directors’ of NewCo will proceed with the registration of the Amalgamation and, upon the completion of the registration, NewCo will assume all assets, liabilities, rights, duties and responsibilities of the Company and Ek-Chai by the operation of law. Then, NewCo will submit a listing application for listing of its securities to the Stock Exchange of Thailand (“**SET**”) pursuant to the SET regulations Re: Listing of Securities of the Company Formed by Amalgamation of Companies B.E. 2542 (1999). The Amalgamation is expected to be completed by the fourth quarter of the year 2024.

The shareholding structure of the Group Company before and after the EBT Transaction and the shareholding structure of NewCo after the Amalgamation, based on the latest list of shareholders of the Company as of 29 February 2024, are shown below:

Pre-EBT Transaction Shareholding Structure



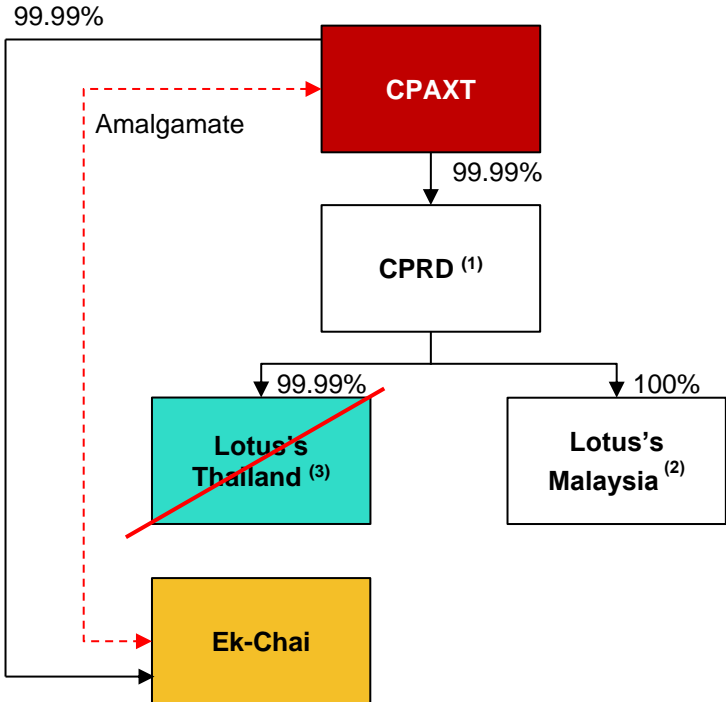
Note: Shareholding structure related to CPAXT Group Internal Business Restructuring Plan only

(1) CPRD means C.P. Retail Development Co., Ltd.

(2) Lotus's Malaysia means Lotuss Stores (Malaysia) Sdn. Bhd.

(3) After completion of EBT Transaction, Lotus's Thailand will be further dissolved and liquidated

Post-EBT Transaction Shareholding Structure



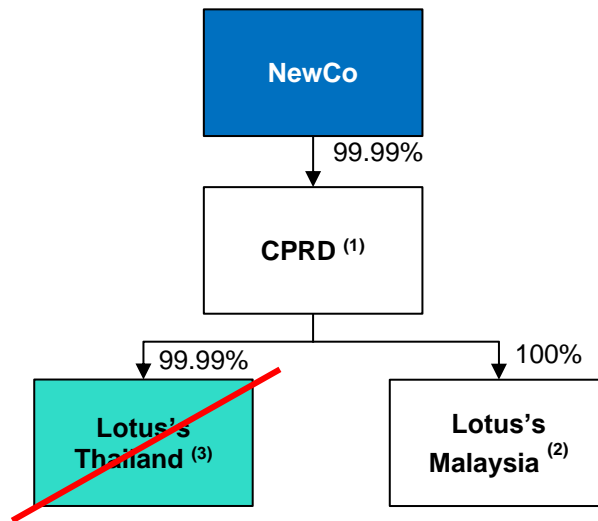
Note: Shareholding structure related to CPAXT Group Internal Business Restructuring Plan only

(1) *CPRD means C.P. Retail Development Co., Ltd.*

(2) *Lotus's Malaysia means Lotuss Stores (Malaysia) Sdn. Bhd.*

(3) *After completion of EBT Transaction, Lotus's Thailand will be further dissolved and liquidated*

Post-Amalgamation Shareholding Structure



Note: Shareholding structure related to CPAXT Group Internal Business Restructuring Plan only

(1) CPRD means C.P. Retail Development Co., Ltd.

(2) Lotus's Malaysia means Lotuss Stores (Malaysia) Sdn. Bhd.

(3) After completion of EBT Transaction, Lotus's Thailand will be further dissolved and liquidated

Please see further details on the procedures and timeframe of the Amalgamation below.

2 Name of the Amalgamating Companies and Brief Business Information

2.1 CP Aextra Public Company Limited

2.1.1 General information of the Company

Company Name: CP Aextra Public Company Limited

Type of Business: Retail and wholesale business and mall management

Head Office: No. 1468, Phatthanakan Road, Phatthanakan Sub-district, Suan Luang District, Bangkok

Registration Number: 0107537000521

Website: www.cpaxtra.com

2.1.2 Background and business overview

The Company was established in 1988 under the name 'Siam Makro Company Limited' and was registered as a public limited company under the name "Siam Makro Public Company Limited" and was listed on the SET in 1994 under the security symbol "MAKRO". The Company's name was changed to "CP Aextra Public Company Limited" and the security symbol was changed to "CPAXT" in June 2023.

At present, the Company has a registered capital of THB 5,586,161,750 divided into 11,172,323,500 ordinary shares with a par value of THB 0.50 per share and a paid-up capital of THB 5,290,161,750 divided into 10,580,323,500 ordinary shares with a par value of THB 0.50 per share.

The core businesses of the Company consist of:

- **Wholesale Business Group:** divided into 2 sub business units:
 - A wholesale distribution center business under the brand name “Makro” in Thailand and overseas, which the Company licenses from CP All Public Company Limited – the Company’s majority shareholder. The wholesale distribution center business focuses on selling general consumer goods, comprising fresh and dried food products and non-food products both under third party brands and the Company’s private label trademarks, to primarily three types of customers which are independent retailers, HoReCa business operators (i.e. hotels, restaurants and catering business operators) and service business operators.
 - A food service business which focuses on import, export and distribution of premium food products, with catering and delivery services. Most of the food service products are primarily imported premium products. The business’ targeted customers include 4- 5- star hotels, fine dining restaurants, high-end restaurants, airlines, retail outlets and E-commerce companies.
- **Retail Business Group** which is operated by Lotus’s in Thailand and Malaysia. The Company operates retail business and mall rental space management business in Thailand through by Ek-Chai whose shares are held by Lotus’s Thailand. Lotus’s is Thailand’s leading, multi-format distribution and retail operator in terms of store space and market share. The Company also operates retail and mall rental space management business in Malaysia through Lotuss Stores (Malaysia) Sdn. Bhd.

For further information of the Company, please see the annual reports and the audited and reviewed financial statements of the Company available at websites of the Office of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).

2.2 Ek-Chai Distribution System Company Limited

2.2.1 General information of the Company

| | |
|----------------------|---|
| Company Name: | Ek-Chai Distribution System Company Limited |
| Type of Business: | Consumer products retail business and mall rental space management business |
| Head Office: | 629/1 Nawamin Road, Nuan Chan Sub-district, Bueng Kum District, Bangkok |
| Registration Number: | 0105536092641 |
| Website: | www.corporate.lotuss.com |

2.2.2 Background and business overview

Ek-Chai was established as a private limited company in 1993. On 25 October 2021, the Company indirectly held 99.99 percent shares in Ek-Chai through C.P. Retail

Development Co., Ltd. as a result of the entire business transfer of C.P. Retail Holdings Co., Ltd. to the Company.

At present, Ek-Chai has a registered capital of THB 5,137,500,050 divided into 513,750,005 ordinary shares with a par value of THB 10 per share and a paid-up capital of THB 5,137,500,050 divided into 513,750,005 ordinary shares with a par value of THB 10 per share.

Ek-Chai operates retail business and mall rental space management business in Thailand under the brand name “Lotus’s” by operating three types of brick-and-mortar or offline stores, namely, hypermarkets, “Go Fresh” supermarkets and “Go Fresh” mini-supermarkets. In addition to its offline retail business, Ek-Chai also serves customers in Thailand through its online channels as well.

Ek-Chai’s mall rental space management business in Thailand consists of managing and operating its own malls and retail stores as well as acting as property manager for the malls invested by Lotus’s Retail Growth Freehold and Leasehold Property Fund, in which Ek-Chai holds a 25 percent equity interest.

2.3 Shareholding Structure of the Company and Ek-Chai

As of 31 December 2023, the shareholding structure of the Company and Ek-Chai are as follows:



3 Name of NewCo

The name of NewCo will be proposed at a joint shareholders’ meeting of the Company’s shareholders and Ek-Chai’s shareholders for approval as part of the process of the Amalgamation pursuant to the requirements under the PLCA.

4 Objective and Prospective Benefits of the Amalgamation

4.1 Objective of the Amalgamation

The Amalgamation primarily aims to restructure the group's internal business by leveraging the synergy of the wholesale and retail business in Thailand under NewCo and enhance flexibility to its business management and remove the complexity of shareholding structure and organisation structure of the Group. This will increase performance of the management of business and resources and generate added value from resulting business synergy as well as attracting quality personnel and creating opportunities for the group's business growth in the future.

4.2 Benefits of the Amalgamation

- (a) To boost its competitiveness in Thailand and region, including increase the ability to fulfill client's needs with a variety and price worthwhile of products and services by using in-depth data-analytic technology within the legal framework to better understand customers, which leads to the presentation of products and services that serves customer's needs in both national and regional level.
- (b) To increase efficiency and flexibility of the group companies' operations from the management of resources which includes:
 - The use of jointly existing assets in full potential including reducing the duplication of an investment which would occurs in the future. For examples, stores, warehouses, distribution systems and etc. which would efficiently develop the organisation structure and create opportunities to obtain long-term return for Newco.
 - The combining of personnel's expertise in wholesale and retail businesses, including enhancing the ability to efficiently use human resources which will help the Company to be able to maintain leadership status in the retail and wholesale business as well as to continuously expand the scope of business operation in the regional level.
- (c) To create value enhancement from the business synergy in both products and services, marketing activities and customer's benefits which would increase NewCo's opportunity to develop business in several aspects such as customer relationship management and promotional marketing, the expressing of corporate image with group of customers and etc.
- (d) To improve financial management efficiency in terms of both cash flow management, planning and investment procurement under NewCo.
- (e) To support local agriculturist, small producers and SMEs business operators with an aim to become the business partner, in both distribution channels and the development of knowledge in relation to products and business management, in order for local entrepreneurs to have sustainable growth and being the important driving force of the country's economy.

5 Process and Timeframe for Implementation of the Amalgamation

5.1 Key procedures of the Amalgamation to be undertaken by the Company and Ek-Chai pursuant to the Provisions of PLCA

5.1.1 Shareholders meeting of each amalgamating company to consider and approve the Amalgamation and other acts relating to the Amalgamation

The Company and Ek-Chai will propose to its shareholders meeting to consider and approve the Amalgamation and other acts relating to the Amalgamation, which includes a reduction of registered capital by cancelling the unissued shares and an amendment to the memorandum of association. The Amalgamation shall be approved by each of the meeting of shareholders of the Company and Ek-Chai by the votes of at least three-fourths of total number of votes of shareholders attending the meeting and entitled to vote in accordance with the provisions of the PLCA.

5.1.2 Notification by the Company and Ek-Chai to their creditors regarding the resolution of the shareholders' meeting approving the Amalgamation

The Company and Ek-Chai will be required to notify their creditors in writing of the shareholders meeting's resolution approving the Amalgamation within 14 days from the date on which the shareholders meeting passes the resolution approving the Amalgamation and allow the creditors to object to the Amalgamation within the period of 2 months from the date of receipt of the notification. The Company and Ek-Chai will also be required to publish the shareholders meeting's resolution in a newspaper or via electronic means within such 14-day period. In case if there is an objection to the Amalgamation made by any creditors, the PLCA stipulates that the amalgamating company shall pay debt or give security over such debt in order to further proceed with the Amalgamation.

5.1.3 Arrangement by the Company and Ek-Chai of the purchaser of shares from Dissenting Shareholders

If the shareholders meeting of the Company and Ek-Chai resolves to approve the Amalgamation, but there are the Dissenting Shareholders, the Company and Ek-Chai shall arrange for a purchaser to purchase shares from the Dissenting Shareholders (the "Purchaser"). In case the Dissenting Shareholder is the Company's shareholder, the Purchaser shall purchase the shares at the last traded price on the SET immediately prior to the date on which the shareholders' meeting of the Company resolves to approve the Amalgamation, which in this case is the closing price of shares of the Company traded on the SET on 28 March 2024. In case the Dissenting Shareholder is Ek-Chai's shareholder, the Purchaser shall purchase the shares at the price determined by an independent appraiser appointed by both parties pursuant to the requirements under Section 146 Paragraph 2 of the PLCA. However, at present, as Ek-Chai has 3 shareholders, namely, Lotus's Thailand (which is the Company's indirect subsidiary) and two directors of the Company (where the Company will become a shareholder of Ek-Chai in place of Lotus's Thailand after the completion of the EBT Transaction). Therefore, there is no need for Ek-Chai to arrange a purchaser to purchase shares from the Dissenting Shareholders of Ek-Chai since all shareholders of Ek-Chai will vote in accordance with the resolution of the Company's shareholders meeting at which the shareholders resolve to approve the Amalgamation. In such case, there will be no Ek-Chai's shareholders who vote against the Amalgamation.

If the Dissenting Shareholders do not sell their shares to the Purchaser within 14 days from receipt of the offer of the Purchaser, the Company and Ek-Chai will be able to proceed with the Amalgamation where such Dissenting Shareholders will become the shareholders of NewCo upon the completion of the registration of the Amalgamation pursuant to the PLCA.

In this regard, CP All Public Company Limited (“**CPALL**”) has expressed its intention to be the person to purchase the shares from the Dissenting Shareholders of the Company pursuant to the requirement under Section 146, Paragraph 2 of the PLCA under the terms and conditions set out by CPALL. Please see details of the terms and conditions on the Purchase of Shares from the Dissenting Shareholders in Enclosure No. 7

CPALL shall have no duty to make a mandatory tender offer of all securities of the Company despite its purchase of shares from the Dissenting Shareholders would make the shareholding proportion in the Company of CPALL and its related persons reach or exceed the trigger point for a mandatory tender offer of all securities of the Company pursuant to the rules stipulated under the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated 13 May 2011, as amended since CPALL has already obtained a waiver in respect of the obligation to make the mandatory tender offer by the Office of the Securities and Exchange Commission on 21 February 2024.

Furthermore, CPALL is deemed as the Company’s strategic shareholder pursuant to the Regulation of the SET Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015) (“**Ordinary Shares Listing Regulation**”). As of 29 February 2024, the Company’s distribution of minority shareholding (free float) is at 15.26 percent of the total issued and paid-up shares of the Company. Therefore, if CPALL purchases significant amount of shares from the Dissenting Shareholders who are minority shareholders of the Company, this may result in the Company’s distribution of minority shareholding (free float) to be lower than 15 percent of the total issued and paid-up shares of the Company which is against the requirements for maintaining the status of listed company in the SET under Section 6 of the Ordinary Shares Listing Regulation. In this regard, the Company will further use its best efforts to take action by taking into account the relevant conditions and circumstances at that time, to ensure that the Company fully meets with the free float requirements under the SET regulations.

5.1.4 Joint shareholders Meeting of the Company and Ek-Chai

Upon completion of the procedures above by the Company and Ek-Chai, Section 148 of the PLCA stipulates that the Chairman of the Board of Directors of the Company and Ek-Chai shall call a joint shareholders meeting of the Company and Ek-Chai to consider the following matters:

- (a) allotment of shares in NewCo to the shareholders;
- (b) name of NewCo, for which a new name or the former name of any one of the amalgamating companies may be used;
- (c) objectives of NewCo;

- (d) capital of NewCo, of which the amount shall not be less than the aggregate amount of the paid-up capital of both of the amalgamating companies, and if the amalgamating companies have already issued and sold all of their registered shares, the joint shareholders meeting may also approve an increase of the capital at the same meeting;
- (e) memorandum of association of NewCo;
- (f) articles of association of NewCo;
- (g) election of the directors of NewCo;
- (h) election of the auditor of NewCo; and
- (i) other matters necessary for the Amalgamation, if any.

In this regard, such joint shareholders meeting of the Company and Ek-Chai must be held within 6 months from the date on which the Amalgamation is approved by the Company's shareholders meeting or by Ek-Chai's shareholders meeting, whichever is later, unless such a joint shareholders meeting has passed a resolution to extend such period, but the total period shall not exceed one year.

The PLCA also stipulates that at the joint shareholders meeting, the provisions of the PLCA concerning such matters shall apply *mutatis mutandis*, except for the following matters:

- (1) the venue of the meeting shall be in the locality in which the head office of any one of the amalgamating companies is located or in a nearby province;
- (2) there shall be shareholders holding shares in aggregate not less than one-half of the total number of issued shares of each of the amalgamating companies attending the meeting to constitute a quorum;
- (3) the shareholders attending the meeting shall elect one shareholder to be the chairman of the meeting; and
- (4) the decision of the meeting shall be made by a majority vote of the shareholders attending the meeting under (2).

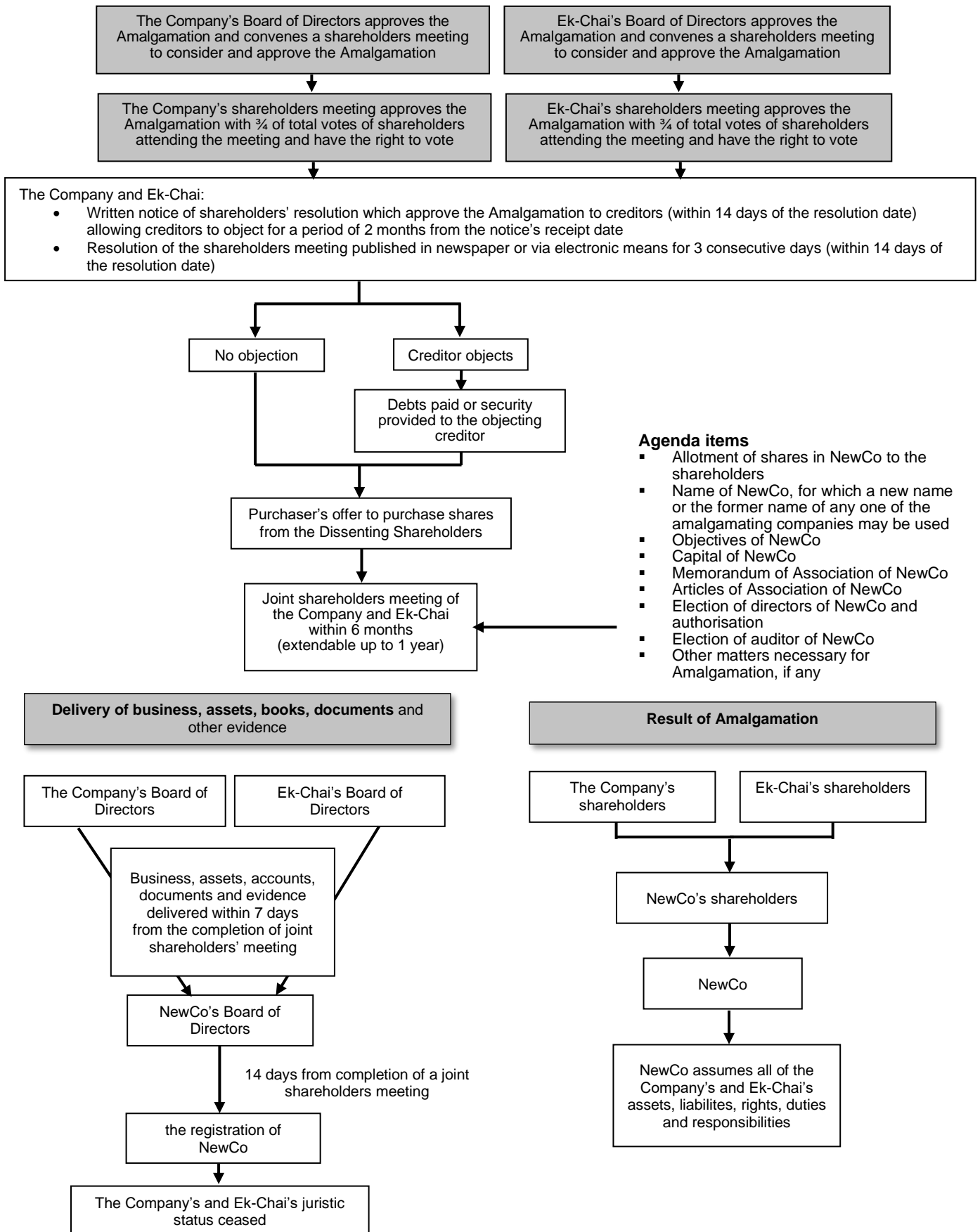
5.1.5 Delivery of business

The PLCA stipulates that the Board of Directors of the Company and Ek-Chai shall deliver all the businesses, assets, accounts, documents and evidence of the companies to the Board of Directors of NewCo within 7 days as from the date of completion of the joint shareholders meeting.

5.1.6 Registration of the Amalgamation and its consequence

The Board of Directors of NewCo shall apply to register the Amalgamation as well as submit to the public companies registrar the memorandum of association and the articles of association approved at the joint shareholders meeting, within 14 days from the date of completion of the joint shareholders meeting. Once the public companies registrar accepts the registration of the Amalgamation, the Company and Ek-Chai shall cease their status as juristic persons, and the public companies registrar shall make a note thereof in the register. NewCo shall assume all assets, liabilities, rights, duties, and responsibilities of the Company and Ek-Chai.

The summary of key Amalgamation procedures under the PLCA



5.2 Key actions with relevant authorities in relation to the Amalgamation

In order to implement the process of the Amalgamation, the Company and Ek-Chai will need to coordinate, consult with, and seek for approval, authorisation, waiver, amendment, modification, transfer and consent from, certain government agencies, organisations, authorities, and officials, as the case may be. Below is a summary of the significant actions required.

5.2.1 Actions in relation to debentures

- Submission of the new terms and conditions for debentures, and other relevant documents, such as an agreement to appoint a debenture registrar and a debenture holder representative, with the conditions that are substantially the same as those in the existing agreements, except for the name of the company, and other material terms that must be amended in accordance with the Amalgamation, the surrender of old debenture certificates, the issuance of new debenture certificates, the credit rating and any acts in relation to the debentures, including the holding of a debenture holders meeting as necessary or appropriate.

5.2.2 Actions in relation to the public disclosure and the listing of shares of NewCo on the SET

- Disclosure of information of the Company and Ek-Chai which relates to the Amalgamation and other relevant matters, including the notifications of resolutions of the Board of Directors' meetings and shareholders' meetings.
- Submission of the listing application to the SET requesting the SET to accept NewCo's shares as listed securities on the SET.
- Other relevant actions (if any).

5.2.3 Actions in relation to the shares of the Company and Ek-Chai

- Determination of the record date to determine the shareholders who are entitled to attend the shareholders' meeting and the book closing date to determine rights to receive shares in NewCo from the allocation process.
- Allocation of shares in NewCo to its former shareholders according to their entitlement, the rounding of share fractions, and payment of compensation for the disregarded fractions of shares (if any).
- Preparation of a list of shareholders of NewCo (BorMorJor. 006) as a supporting document for the registration of the amalgamation with the Ministry of Commerce.

5.2.4 Actions in relation to tax matters

- Notification to the Revenue Department of the EBT between Lotus's Thailand and the Company to apply for tax exemptions as specified in the relevant Revenue Code.
- Registration for the dissolution of Lotus's Thailand within the financial year on which the EBT occurs, pursuant to the conditions to apply for tax exemptions specified in the relevant Revenue Code.

- Notification of the Amalgamation between the Company and Ek-Chai within the period required by law to apply for tax exemptions, as specified in the Revenue Code.
- Obtaining Tax ID of NewCo once the registration of Amalgamation with the Ministry of Commerce is completed.
- VAT registration and other registration in relation to the amalgamation between the Company and Ek-Chai as well as NewCo within the tax submission period required by the law, payment or refund of relevant taxes within the periods required by law for all relevant companies.
- Other matters (if any).

5.2.5 Actions in relation to the business operations and licences to operate businesses

- Submission of Amalgamation documents, amendments to the registration particulars of the licences, documents, evidence of rights and the transfer of licences to NewCo to the relevant regulatory authorities.

5.2.6 Actions in relation to corporate filings

- Registration for the reduction of registered capital of the Company with respect to unissued shares and an amendment to the memorandum of association.
- Registration of the amalgamation after the joint shareholders meeting of the Company and Ek-Chai approves the matters relating to the Amalgamation.

5.3 The key procedures and tentative timeframes of the Amalgamation are summarised in the table below:

| No. | Key Procedures | Tentative Timeframe ⁽¹⁾ |
|-----|--|------------------------------------|
| 1 | Each of the Company and Ek-Chai holds its Board of Directors' meeting to consider and approve the Amalgamation and proposes the Amalgamation matter to the shareholders meeting of each company for consideration and approval. | 14 February 2024 |
| 2 | The Company and Ek-Chai coordinate, consult with, and seek for approval, authorisation, waiver, amendment, modification, transfer and/or consent from the relevant government agencies, organisations, authorities and officials in order to implement the Amalgamation and maintain the rights and benefits of the Company and Ek-Chai, and to obtain, amend, modify and transfer the benefits under business operation licences, documents, evidence of rights and registers to NewCo in order for the shares of NewCo to be listed securities on the SET. | From 15 February 2024 |

| No. | Key Procedures | Tentative Timeframe ⁽¹⁾ |
|-----|--|---|
| 3 | The Company and Ek-Chai negotiate with, and seek approval, consent and waiver from the relevant financial institutions, other creditors, employees and contractual parties, in the event that a default or a breach of an agreement or the use of termination right under the agreement, as a result of the Amalgamation or other acts relating to the Amalgamation, or in the event that approval of the Amalgamation or other acts relating to the Amalgamation is required. | From 15 February 2024 |
| 4 | The Company and Ek-Chai hold the shareholders meetings to consider and approve the Amalgamation and other acts relating to the Amalgamation. | 29 March 2024 |
| 5 | The Company completes the transfer of entire business of Lotus's Thailand | Early-April 2024 |
| 6 | The Company proceeds with the registration of reduction of registered and unpaid capital by cancelling 592,000,000 unissued shares with the Ministry of Commerce and amendment to the memorandum of association | Within 14 days from the date of the Company's shareholders meeting resolve to approve the capital reduction |
| 7 | The Company and Ek-Chai notify their creditors in writing of the resolutions of its shareholders meetings approving the Amalgamation and allow the creditors to object to the Amalgamation for a period of 2 months from the date of receipt of the notification. | Early-April 2024 to mid-June 2024 (The Company and Ek-Chai must send the notification to their creditors within 14 days from the date that the shareholders meeting of each of the Company and Ek-Chai approves the Amalgamation.) |
| 8 | The Purchaser, namely CPALL, purchases the Company's shares from the Dissenting Shareholders | Late-June 2024 to early-July 2024 |
| 9 | Trading suspension period of the Company shares for preparation of the allocation of NewCo shares | Late-September 2024 to early-October 2024 |
| 10 | The Company and Ek-Chai jointly hold a joint shareholder meeting to consider various matters necessary for the Amalgamation including name, capital, allocation of shares, objectives, memorandum of association and articles of association, directors and auditor of NewCo, etc. | Late-September 2024 |

| No. | Key Procedures | Tentative Timeframe ⁽¹⁾ |
|-----|---|--|
| 11 | The Company and Ek-Chai will proceed with the registration of NewCo with the Ministry of Commerce. Once the registration of NewCo is completed, the Company and Ek-Chai will cease to have the status of juristic persons and NewCo will be formed and assume all of the assets, liabilities, rights, duties, and responsibilities of both companies by operation of law. | Fourth Quarter of the Year 2024 (within 14 days from the date of the joint shareholders' meeting of the Company and Ek-Chai) |
| 12 | After the registration of NewCo, NewCo will submit a request for the acceptance of NewCo shares as a listed securities in the SET and other required documents to the SET. Once the SET approves the listing, the shares of NewCo will become listed securities and the shares of the Company will be delisted from the SET on the same day. | Fourth Quarter of the Year 2024 |

Remark

The above timeframes are tentative and may be subject to change, as appropriate.

5.4 Capital of NewCo

NewCo's registered and paid-up capital will be THB 10,427,661,800, divided into 10,427,661,800 ordinary shares, with a par value of THB 1 each, which is equivalent to the combined total amount of the Company's and Ek-Chai's registered and paid-up capital after the completion of the reduction of the Company registered capital and the Amalgamation.

5.5 Details of the allocation of shares in NewCo to its shareholders and share capital of NewCo

As part of the Amalgamation process, the shares in NewCo will be allocated to the shareholders of the Company and Ek-Chai whose names appear in each company's shareholders register books, at the time, and on the book closing date to compile the name list of shareholders entitled to allocation of shares in NewCo to be further determined by the Board of Directors of the Company and Ek-Chai, in the following ratios ("**Exchange Ratio**"):

- 1 existing share in the Company to 0.50 shares in the NewCo; and
- 1 existing share in Ek-Chai to 10.00 shares in the NewCo.

The above Exchange Ratio have been considered based on NewCo's registered and paid-up capital of THB 10,427,661,800, divided into 10,427,661,800 ordinary shares, with a par value of THB 1.

The allocation of shares in NewCo to the shareholders of the Company and Ek-Chai is summarised as follows:

- (a) Shares in NewCo will be allocated to the Company's shareholders based on the number of shares held in the Company by each shareholder of the Company, at the above allocation ratio. The Company's shareholders who will receive the allocation of shares in NewCo must be the shareholders whose names are listed in the share

register book of CPAXT as at the book closing date for compilation of list of shareholders who are entitled to allocation of shares in NewCo (Book Closing Date), whereas the book closing date will be further determined by the board of directors of the Company.

- (b) Shares in NewCo will be allocated to Ek-Chai shareholders based on the number of shares held in Ek-Chai by each Ek-Chai shareholder at the above allocation ratio. The Ek-chai shareholders who will receive the allocation of shares in NewCo must be the shareholders whose names are listed in the share register book of Ek-Chai as at the book closing date for compilation of list of shareholders who are entitled to allocation of shares in NewCo (Book Closing Date), whereas the book closing date will be further determined by the board of directors of Ek-Chai.

In this regard, the Company will be entitled to allocation of shares in NewCo based on the above procedures as the shareholder of Ek-Chai. However, since the Company will cease its status as juristic persons after completion of the Amalgamation, the shares in NewCo to be allocated to CPAXT, as Ek-Chai shareholder, will be directly allocated to the Company's shareholders in proportion to the shareholding in the Company of each shareholder. The Company's shareholders who will receive the allocation of shares in NewCo must be the shareholders whose names are listed in the share register book of the Company as at the book closing date for compilation of list of shareholders who are entitled to allocation of shares in NewCo according to (a).

If there is a fraction of share which is greater than or equal to 0.5 share as a result of the calculation in accordance with to the foregoing ratios, such fraction will be rounded up to 1 share but if a fraction of share is less than 0.5 share, such fraction will be disregarded. NewCo will pay cash compensation for the lesser share to the relevant shareholders which will be calculated proportionately with respect to the disregarded fraction of share. The Company and Ek-Chai will determine the amount of compensation and details of payment and may consider the details and rules on share fraction rounding as deemed appropriate.

In order to ensure that the registered and paid-up capital of NewCo consists of 10,427,661,800 ordinary shares with a par value of THB 1 per share, CP All Public Company Limited ("**CPALL**") have agreed to be a balancer (the "**Balancer**") for the purpose of the share rounding-off and shall pay to, or receive compensation from, NewCo for such balancing shares. Therefore, if the total number of issued shares in NewCo to be allocated to the shareholders, which is calculated according to the foregoing ratios, is more than 10,427,661,800 shares immediately after the Amalgamation, NewCo will allocate fewer shares to the Balancer so that the total number of issued shares in NewCo allocated to its shareholders will be equal to 10,427,661,800 shares. NewCo will compensate the Balancer in cash for such fewer number of shares allocated to it in an amount equivalent to the compensation per 1 share in NewCo, which is payable to shareholders for the disregarded fractions of shares, multiplied by the number of such fewer shares in NewCo being allocated to the Balancer. In the event that the total number of issued shares in NewCo, calculated according to the foregoing proportions, is less than 10,427,661,800 shares immediately after the Amalgamation, NewCo will allocate additional shares to the Balancer so that the total number of issued shares in NewCo allocated to its shareholders will be equal to 10,427,661,800 shares. In this case the Balancer will pay for the additional shares in NewCo at the ratio equivalent to the compensation per share in the NewCo, which is payable to shareholders for the disregarded fractions of shares, multiplied by the number of the additional number of shares in NewCo allocated to the Balancer.

Please see details of the allocation of shares in NewCo to the shareholders in the Opinion of the Independent Financial Adviser in relation to the Amalgamation between CP Axta Public Company Limited and Ek-Chai Distribution System Company Limited in Enclosure No. 8.

6 Conditions of the EBT Transaction and the Amalgamation

The completion of the EBT Transaction and the Amalgamation is subject to the satisfaction or termination of the conditions which are necessary for, or relating to, the EBT Transaction and the Amalgamation, including without limitation to the followings:

- 6.1** the meeting of the board of directors and shareholders of the Company and Ek-Chai, as the case may be, having resolved to approve the EBT Transaction and the Amalgamation between of the Company and Ek-Chai, as the case may be;
- 6.2** the approvals, consents, authorisation or waivers relating to or necessary for the EBT Transaction and the Amalgamation having been obtained from, and not withdrawn by, the competent authorities or officials, by the Company and Ek-Chai, as the case may be, and in each case on terms acceptable to the Company and related parties;
- 6.3** the approvals, consents or waivers relating to or necessary for the EBT Transaction and the Amalgamation having been obtained from financial institution creditors and any other finance parties by the Company and Ek-Chai, as the case may be, as set out in the relevant agreements or documents as well as amendment to relevant financial agreements, or where the Company and Ek-Chai having not obtained such approvals, consents or waivers, the Company and Ek-Chai being able to deal with such debts as the board of directors or its persons designated deems appropriate;
- 6.4** the approvals, consents or waivers relating to or necessary for the EBT Transaction and the Amalgamation having been obtained from other contractual parties by the Company and Ek-Chai, as the case may be, as set out in the relevant agreements or documents as well as amendment to relevant agreements where such agreements contain any term and condition which may hinder the EBT Transaction and the Amalgamation, or where the Company and Ek-Chai having not obtained such approvals, consents or waivers, the Company and Ek-Chai being able to deal with such agreements as the board of directors or its persons designated deems appropriate;
- 6.5** the Company having completed the EBT Transaction from Lotus's Thailand;
- 6.6** in case of creditor's objection to the Amalgamation, the Company and Ek-Chai, as the case may be, being able to reasonably deal with such debts of the objected creditor under the rules of law;
- 6.7** the Company being able to arrange for a purchaser of shares of the Company's shareholders voting against the Amalgamation at its meeting of shareholders; in the regard, the Company acknowledging that CPALL will act as the Purchaser of shares from the Dissenting Shareholders under the terms and conditions determined by CPALL;
- 6.8** the Purchaser having completed the purchase of shares in the Company from the Dissenting Shareholders pursuant to the rules stipulated by virtue of Section 146 of the PLCA;
- 6.9** the joint shareholders meeting of the Company and Ek-Chai having resolved to approve the matters necessary for the Amalgamation according to the meeting's agenda and within the period required by the law;

- 6.10** the public companies registrar having registered the Amalgamation; and
- 6.11** no events or changes which have or may have material adverse effects on the success of the Amalgamation or the business operations, financial conditions or assets of the Company or Ek-Chai having occurred.

7 General information of NewCo

NewCo which is a new entity to be formed by the Amalgamation between the Company and Ek-Chai in accordance with the PLCA, would assume all assets, liabilities, rights, duties, and responsibilities of both companies. Any creditors and debtors of the Company and Ek-Chai will become creditors and debtors of NewCo. All obligations under contracts between both companies and contractual counterparties, including other obligations, will also be assumed by NewCo. After the shareholders meeting of each of the Company and Ek-Chai having approved the Amalgamation, each of the Company and Ek-Chai will coordinate with the relevant government agencies to, among others, obtain approval, waiver, or make filing, for a transfer and issue of relevant licences with respect to the business operations of NewCo in order that the transfer and issue of licences with respect to the business operations of NewCo will be completed upon the registration of the Amalgamation with the Ministry of Commerce or as soon as possible thereafter.

Moreover, NewCo will assume the existing rights and obligations of each of the Company and Ek-Chai as a shareholder of its subsidiaries, affiliated companies and other companies in which each of the Company and Ek-Chai has invested.

As part of the Amalgamation process, the Company and Ek-Chai will arrange for a submission of a listing application with the SET for the shares in NewCo to be listed on the SET in accordance with the relevant regulations of the SET.

Based on the assumptions set out below, the top ten shareholders of NewCo, immediately after the registration of the Amalgamation with the Ministry of Commerce, will be as follows:

| No. | Shareholders | Shareholding (%) |
|------------|---|-------------------------|
| 1 | CP All Public Company Limited | 34.91 |
| 2 | Siam Makro Holding (Thailand) Company Limited | 25.01 |
| 3 | Charoenpokphand Holdings Co., Ltd. | 15.96 |
| 4 | C.P. Merchandising Company Limited | 8.85 |
| 5 | Thai NVDR Co., Ltd. | 3.43 |
| 6 | South East Asia UK (Type C) Nominees Limited | 0.52 |
| 7 | State Street Europe Limited | 0.44 |
| 8 | Mr. Parinya Thienvorn | 0.25 |
| 9 | Krungsri Dividend Stock LTF | 0.16 |
| 10 | UOB Kay Hian (Hong Kong) Limited - Client Account | 0.15 |

Remark:

The above list of top ten shareholders of NewCo is prepared on the following assumptions:

- (1) after the Amalgamation, total issued shares of NewCo will be 10,427,661,800 shares at par value per share of THB 1, which results from a combination of the paid-up registered share capital of the Company and Ek-Chai as of 31 December 2023;
- (2) allocation of shares in NewCo to its shareholders will be made according to paragraph 5.5 of this Information Memorandum;
- (3) no Dissenting Shareholders of the Company sell their shares to the Purchaser in its purchase of shares from the Dissenting Shareholders of the Company;
- (4) the existing shareholders of the Company and their shareholding in the Company are as of 29 February 2024, which is the latest Record Date of the Company;
- (5) the existing shareholders of Ek-Chai and their shareholding in Ek-Chai are as of 31 December 2023.

8 Pro forma financial highlights of NewCo

For the purpose of the Amalgamation, the Company has prepared the pro forma consolidated financial information including pro forma consolidated financial statement of financial position as of 31 December 2023 and 2022 and pro forma consolidated financial statement of income for the year ended 31 December 2023 and 2022 based on the following assumptions:

- (a) The pro forma consolidated financial information for the years ended 31 December 2023 and 2022 is prepared assuming that the EBT Transaction and the Amalgamation (collectively called the “**Internal Business Restructuring Transaction**”), the Financing Transaction and Transaction Costs relating to the Internal Business Restructuring Transaction had occurred on 1 January 2022.
- (b) The Internal Business Restructuring Transaction has been presented in the pro forma consolidated financial information using the business combination under common control pursuant to the provisions of Guideline on Business Combinations Involving Entities under Common Control. Therefore, the pro forma consolidated financial information has been prepared using the book value of the assets and liabilities of each entity and no goodwill is recognized from the Transactions.
- (c) The Company enters into an intraday overdraft agreement with a financial institution up to Baht 8,000 million in order to pay Lotus’s Thailand for the EBT Transaction amounting to Baht 7,680 million incurring a fixed transaction fee. The Company expects to repay the entire loan balance within the same business day (the “**Financing Transaction**”).
- (d) The Group incurred the transaction costs relating to the Internal Business Restructuring Transaction amounting to Baht 6.0 million and an adjustment on income tax expense, which incurs from the transaction costs, of Baht 1.2 million during the year ended 31 December 2023, which is included in the administrative expenses of the historical consolidated statement of income for the year ended 31 December 2023.

8.1 Pro forma financial highlights

Highlights of pro forma consolidated statement of financial position of NewCo (based on pro forma consolidated financial information) as of 31 December 2023 and 2022 are as follows:

| | As of 31 December | |
|--|--------------------------|----------------|
| Unit: Baht million | 2022 | 2023 |
| Cash and cash equivalents | 40,103 | 31,707 |
| Inventories | 37,820 | 35,884 |
| Investment properties | 43,910 | 44,314 |
| Property, plant and equipment | 118,115 | 115,574 |
| Goodwill | 234,736 | 234,736 |
| Other assets | 73,959 | 78,156 |
| Total assets | 548,643 | 540,371 |
| Trade accounts payable to other parties | 55,867 | 60,193 |
| Debentures | 23,466 | 69,919 |
| Long-term borrowings from financial institutions | 86,559 | 23,884 |
| Lease liabilities | 48,879 | 51,740 |
| Other liabilities | 42,941 | 41,158 |
| Total liabilities | 257,712 | 246,894 |
| Issued and paid-up share capital (10,428 million ordinary shares, par value at THB 1 per share) | 10,428 | 10,428 |
| Premium on ordinary shares | 263,881 | 263,881 |
| Deficit from changes in ownership interests in subsidiary | (20) | (20) |
| Deficit from acquisition of interests under common control | (6,714) | (6,714) |
| Deficit from business combination under common control | (5,651) | (5,651) |
| Retained earnings | | |
| - Appropriated - Legal reserve | 1,072 | 1,072 |
| - Unappropriated | 27,627 | 30,857 |
| Other components of equity | (275) | (930) |
| Total equity^{/1} | 290,931 | 293,477 |
| Equity attributable to equity holders of NewCo^{/2} | 290,348 | 292,923 |

Notes: /1 Including equity attributable to equity holders of the NewCo and non-controlling interests.

/2 Equity attributable to equity holders of the NewCo excluding non-controlling interests.

Highlights of pro forma consolidated statement of income of NewCo (based on pro forma consolidated financial information) for the year ended 31 December 2023 and 2022 are as follows:

| Unit: Baht million | For the year ended 31 December | |
|--|--------------------------------|---------|
| | 2022 | 2023 |
| Total revenues ^{/1} | 469,131 | 489,949 |
| Gross profit from sales | 63,577 | 64,341 |
| EBITDA ^{/2} | 35,084 | 35,071 |
| EBIT ^{/3} | 17,533 | 17,459 |
| Profit for the year ^{/4} | 7,682 | 8,604 |
| Profit attributable to equity holders of NewCo ^{/5} | 7,697 | 8,645 |
| Earnings per share (THB) ^{/6} | 0.74 | 0.83 |

Notes: /1 Total revenues comprises revenue from sale of goods, revenue from rendering of services, and revenue from rental and rendering of retail services.

/2 Profit (loss) before finance costs, income tax expense, depreciation, and amortization.

/3 Profit (loss) before finance costs and income tax expense.

/4 Including equity attributable to equity holders of the NewCo and non-controlling interests.

/5 Equity attributable to equity holders of the NewCo excluding non-controlling interests.

/6 Based on the number of registered and paid-up capital of NewCo of 10,427,661,800 shares.

8.2 Key pro forma financial ratios

Key pro forma financial ratios of NewCo (based on pro forma consolidated financial information) for the year ended 31 December 2023 and 2022, with details as follows:

| | For the year ended 31 December | |
|---|--------------------------------|-------|
| | 2022 | 2023 |
| Current Ratio (times) | 1.0 | 0.6 |
| Debt to Equity ratio (times) | 0.9 | 0.8 |
| Interest-bearing Debt to Equity ratio (times) ^{/1} | 0.6 | 0.5 |
| Interest-bearing Debt to EBITDA ratio (times) ^{/1} | 4.6 | 4.2 |
| Gross Profit Margin (percent) | 14.2 | 13.8 |
| Net Profit Margin (percent) | 1.6 | 1.8 |
| Return on Equity (percent) | 2.7 | 3.0 |
| Return on Assets (percent) | 1.4 | 1.6 |
| Book Value per share (Baht) ^{/2} | 27.84 | 28.09 |

Notes: /1 Interest-bearing Debt = short term loan from financial institution + debenture with is due within 1 year + long term loan from financial institution which is due within 1 year + debt from lease agreement which is due within 1 year + debenture + long term loan from financial institution + debt from lease agreement

/2 Based on the number of registered and paid-up capital of NewCo of 10,427,661,800 shares.

9 Date of the 2024 Annual General Meeting of the Shareholders of the Company and the date to determine the shareholders who are entitled to attend the 2024 Annual General Meeting of the Shareholders

The Board of Directors of the Company has resolved to convene the 2024 Annual General Meeting of the Shareholders on 29 March 2024 at 2.00 p.m. through electronic means (E-AGM). The Company has set the date to determine the shareholders who are entitled to attend the 2024 Annual General Meeting of the Shareholders of the Company (Record Date) on 29 February 2024.

10 Independent financial adviser

To ensure that the Company's shareholders have complete and sufficient information to support their consideration of the Amalgamation in accordance with good corporate governance and the Securities and Exchange Act B.E. 2535, as amended, the Company has appointed Jay Capital Advisory Limited as an independent financial advisor, to provide its opinion to shareholders with respect to their consideration and approval of the Amalgamation.

11 Any other information which affects or may affect the shareholders' rights and benefits, or the investment decision, or the change in price of listed securities

The significant factors that may affect the rights and benefits of shareholders, the decision, the change in price of listed securities of the Company as a result of the Amalgamation are as set out below:

11.1 Risk Relating to Permits, Licenses, and other Rights and Privileges

The amalgamating companies may be granted permits, licenses, and other rights and privileges by the authorities for their business operations. At present, although these permits and licenses, as well as rights and privileges, will be transferred to NewCo by operation of law, the amalgamating companies or NewCo may have to request the relevant authorities to make amendments, or to issue new permits or licenses, as well as written acknowledgment of such rights and privileges, in the name of NewCo. This process can be formally commenced by the amalgamating companies after the Board of Directors' meetings and shareholders' meetings of both amalgamating companies have approved the Amalgamation. Therefore, there is a risk that the request may be rejected, or the permits, licenses, and other relevant rights and privileges may be obtained after the completion of the Amalgamation.

11.2 Risk Concerning Tax Matters

The Company's Group Internal Business Restructuring Plan comprises the EBT Transaction from Lotus's Thailand to the Company and the Amalgamation between the Company and Ek-Chai as mentioned above. The transactions are subject to the rules, procedures and conditions of the Entire Business Transfer (EBT) and the amalgamation in accordance with the Notification of the Director-General of the Revenue Department Re: Rules, Procedures and Conditions on Amalgamation or Entire Business Transfer of Public Limited Company or a Limited Company for the Purpose of Tax Exemption, as well as other relevant laws and the Amalgamation pursuant to the provisions under the PCLA. Therefore, all relevant companies are required to implement those steps in compliance with the rules and conditions stipulated under the Revenue Code, as well as the Royal Decree and the relevant notifications of the Director-General of the Revenue Department and the PCLA, etc., in order

to be eligible for full benefits on tax exemptions due to the EBT and the Amalgamation. Failure by relevant companies to duly and fully comply with the procedures and conditions stipulated under the Revenue Code may expose the relevant companies to risk of being granted no tax exemptions under the Revenue Code. The Company has carefully reviewed the relevant rules and procedures and has engaged tax advisors to render opinions to reduce the risk due to failure to duly comply with the procedures and conditions stipulated under the relevant Revenue Code.

Furthermore, as a result of the Group Internal Business Restructuring Plan, Lotus's Thailand, the Company and Ek-Chai are to cease their status as juristic person and may be exposed to risk of tax audit due to such cessation of juristic person status. All relevant companies have filed their corporate tax return and paid all relevant taxes and duties as required by law and those companies do not have any outstanding tax issues and exposures with the Revenue Department which are significant.

11.3 Risk Concerning Distribution of Minority Shareholding (Free Float)

In respect of the Amalgamation, the Company is required to arrange for a purchaser of shares from the Dissenting Shareholders of the Company, which in this case is CPALL – the Company's strategic shareholder. Therefore, its purchase of shares from the Dissenting Shareholders may result in the Company's distribution of minority shareholding (free float) failing to meet with the requirements for maintaining the status of listed company in the SET under Section 6 of the Ordinary Shares Listing Regulation which requires a listed company to maintain no less than 150 minority shareholders, who collectively hold no less than 15 percent of the company's paid-up capital.

The purchase of shares from the Dissenting Shareholders may expose the Company to the risk on maintaining its SET-listed status. If the purchase of shares from the Dissenting Shareholders results in the Company's failure to meet the minimum free float required for maintaining its SET-listed status and the Company does not comply with the free float requirement before completion of the Amalgamation, the SET may post a CF (Caution – Free Float) sign on NewCo securities which will require the investors to purchase NewCo securities through cash balance account, and NewCo is required to hold a public presentation within 15 days from the CF sign posting date, and the said public presentation must be held quarterly until the free float requirement is met. If the CF sign has been posted for one year but NewCo still fails to comply with the free float requirement, the CF sign will be removed and a SP (Suspension) sign will be posted on NewCo securities. After one year of the SP sign posting but NewCo still fails to comply with the free float requirement, NewCo securities may be subject to the delisting, in which case a NC (Non-Compliance) sign will be posted on NewCo securities while the SP sign will remain posted, and SET may consider to further delisting NewCo securities from SET.

In this regard, if the purchase of shares from the Dissenting Shareholders causes the Company to fail to meet the free float requirement, the Company would further use its best efforts to take action by taking into account the relevant conditions and circumstances at that time, to ensure that the Company fully meets with the free float requirements under the SET regulations.

11.4 Impact from share allocation in NewCo

The Amalgamation also include allocation of shares in NewCo to existing shareholders of the Company and Ek-Chai at a different ratio. The application of Exchange Ratio may result in a fraction of share being allocated to existing shareholders of the Company and Ek-Chai

which will be disregarded. Certain shareholders may be allocated with less amount of shares which are not eligible for main board trading (Odd-lot Shares), since the main board trading only trade multiple of 100 shares or more. Odd-lot trading is less liquid and offer lower price than board-lot trading. This may affect the shareholders allocated with odd-lot shares.

11.5 Impact from costs of implementation of the Group Internal Business Restructuring Plan

The Company will incur various costs on implementing processes related to the EBT Transaction and the Amalgamation, including the EBT consideration payable to Lotus's Thailand, possible expenses related to creditors' objection of the Amalgamation, expenses on convening a joint meeting of shareholders of the Company and Ek-Chai, expenses on filing a listing application of NewCo, expense from the submission of a request for the acceptance of NewCo shares as a listed securities in the SET, expenses related to name change of relevant licenses, etc. Such costs and expenses may affect the profit of the Company (as well as of NewCo after completion of the Amalgamation). The Company will use its best efforts to manage and control all relevant costs and expenses for the best interest of the Company.