

(Translation)

Date: 16 July 2021
Subject: Information Memorandum on Acquisition of Asset
To: President
The Stock Exchange of Thailand

Siam Makro Public Company Limited (“**Company**”) hereby notifies that the Board Meeting No. 5/2021 held on 16 July 2021 adopted the resolution to approve the investment in the new distribution center in Wang Noi District, Ayudhaya Province (“**New Distribution Center**”) to replace the current two distribution centers, of which the contracts will expire soon. Such investment includes (a) a lease of land and warehouse from a third party with the lease term of 28 years, having the total rental and service fees throughout the contract for 6,841 million Baht, and (b) an investment in the warehouse automation system, related materials handling equipment and IT systems for a total of 1,946 million Baht. The total investment value is 8,427 million Baht.

The transaction is considered as an acquisition of asset where the total value of considerations is 11.2% of the value of total assets based on the Company’s consolidated financial statements as of 31 March 2021. Combining with the acquisition of assets in the past six months, which was 8% of the value of total assets, the total transaction size equals to 19.2% of the value of total assets. Such acquisition falls under Class 2 transaction according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Re: Rules for Entering into Significant Transactions deemed as Acquisition or Disposition of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (as amended) (“**The Notifications on Asset Acquisition or Disposal**”). The Company, therefore, has the duty to disclose the information memorandum of such transaction to the Stock Exchange of Thailand and send the information memorandum to its shareholders within 21 days from the date of disclosure to the Stock Exchange of Thailand. The details appear in the enclosure.

Please be informed accordingly.

Yours faithfully,

Siam Makro Public Company Limited

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(Mrs. Saowaluck Thithapant)

Group Chief Shared Service Officer - Siam Makro

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Information Memorandum on Acquisition of Assets of Siam Makro Public Company Limited
Pursuant to Schedule 2 of the Notification of the Board of Governors of
the Stock Exchange of Thailand
(No. 1, 2, 3, 5(3), 7 and 8 of List 2)

1. Information Memorandum Schedule 1 - Information Memorandum submitted to The Stock Exchange of Thailand according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (“Information Memorandum Schedule 1”)

1) **Date of Transaction**

According to the resolution of the Board Meeting No. 5/2021 held on 16 July 2021, the Company expects to enter into the land and warehouse lease agreement within 30 June 2023.

2) **Contracting Parties and Relationship with the Company**

2.1) Land and Warehouse Lease Agreement

Lessee: Siam Makro Public Company Limited
Lessor: BFTZ Wangnoi Company Limited
Relationship: Not considered as a connected person of the Company

2.2) Investment in the warehouse automation system, related materials handling equipment and IT systems

Purchaser: Siam Makro Public Company Limited
Seller: Daifuku (Thailand) Company Limited
Relationship: Not considered as a connected person of the Company

3) **General Condition and Size of Transactions**

3.1) General Condition of Transactions

Transaction	Value (million Baht)
1) Land and Warehouse Lease Agreement with BFTZ Wangnoi Company Limited with 28-year lease term	6,481
2) Investment in the warehouse automation system, related materials handling equipment and IT systems	1,946
Total	8,427

3.2 Type and Size of Transaction

The transaction is considered as an acquisition of asset where the highest transaction size on a total-value-of-consideration basis equals to 11.2% of the value of total assets. Combining with the acquisition of assets in the past six months, the total transaction size equals to 19.2% of the value of total assets based on the Company's consolidated financial statements as of 31 March 2021. Such acquisition falls under Class 2 transaction, with the value greater than 15% but less than 50% of the value of total assets. The Company, therefore, has the duty to disclose the information memorandum of such transaction to the Stock Exchange of Thailand and send the information memorandum to its shareholders within 21 days from the date of disclosure to the Stock Exchange of Thailand.

4) **Details of Assets**

4.1) The leasehold right of the land, having the total area of 122 Rai, 2 Ngan and 54.72 Square Wah, located on Phaholyothin Road KM 65, Lum Sai Sub-district, Wang Noi District, Ayudhaya Province and the warehouse, having the total usable area approximately 88,401 square meters, for the lease term of 28 years. The Company has the right to terminate the agreement from 15th year onward by giving one-year notice to the lessor.

4.2) Investment in the warehouse automation system, related materials handling equipment and IT systems according to the following details:

System and Equipment	Usage Condition
Automated Storage and Retrieval System (ASRS)	An automated storage and retrieval pallets system, retrieving products from defined pallet locations once receiving an order.
Sorting System	For sorting products upon receiving into the storage system or transferring to the exit automatically
Picking System	For prioritizing the products according to the purchase order and assisting the front-line operators to take the products by purchasing orders received

5) **Total Value of Considerations**

The land and warehouse lease agreement with 28-year lease term has the rental and service fees throughout the contract of 6,481 million Baht (monthly rental fee) and the investment in the warehouse automation system, related materials handling equipment

and IT systems costs 1,946 million Baht. The total value of investment is 8,427 million Baht.

6) Value of Acquired Assets

The value of the acquired assets is equivalent to the total value of considerations as indicated in Clause 5) above.

7) Basis Used to Determine the Value of Considerations

The value of considerations is referred to the contract value as agreed with the lessor of the land and warehouse and the contract price as agreed with the seller of the warehouse automation system, related materials handling equipment and IT systems.

8) Potential Benefits Received from the Transactions

- 1) To replace the two current distribution centers, of which the contracts will expire soon.
- 2) To facilitate the growth of the sales of fresh foods, chilled foods, frozen foods, and commodities including the continually increase in online sales.
- 3) To increase the efficiency in the storage and distribution of products to stores and customers.
- 4) To save operating costs such as energy consumption, etc.
- 5) To reduce employees' contact of the products, which will eventually reduce the risk of product contamination.

9) Sources of Funds

Working capital in the business and/or loan from financial institution whereby the conditions of the loan agreement with the financial institution would not have material negative impact to the Company's shareholders.

10) Opinion of the Board of Directors

The Board, with the presence of the Audit Committee Members, viewed that the said acquisition of asset of the Company is appropriate due to its necessity to have storage space and distribution center to support the future growth of the business.

11) Opinion of the Audit Committee and/or Directors that Differ from the Opinion of the Board

The Audit Committee and/or Directors of the Company do not have different opinion from the Board.

2. Responsibility of the Board with respect to the information sent to the shareholders

The Board has reviewed the information in this Information Memorandum with due care in their capacity and according to the available information and certified that the information contained in this Information Memorandum is accurate, complete, true, not materially misleading, and no important information, which should be disclosed, are omitted.

3. Opinion of an independent expert
None
4. Financial projections in the present year (if any), including assumptions on trade, economics, industry and review of the figures by a certified public auditor and opinion of an independent financial advisor that the projections have been carefully prepared
None
5. Pending material lawsuits or claims.
None
6. Interests or connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent or more
Connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent or more as of 31 December 2020 and 31 March 2021 are described below.

Related Parties and the Nature of Relationships	Nature of Transaction	Amount (Baht Million)		Necessity and Reasons for the Transaction
		31 Dec 2020	31 Mar 2021	
CP ALL Plc. ("CP ALL") <u>Nature of Relationship</u> CP ALL, a major shareholder of the Company, holds direct and indirect shares of the Company amounting to 93.08% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	14.6	6.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	1.1	3.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Service Expenses The Company disbursed CP ALL for the use of software licenses and trademarks	175.6	46.1	The use of software licenses and trademarks from CP ALL is regarded as technical assistance for the Company's core business operation. The software is used for recording sales transactions, goods receiving, stock movement and customer information system of the Company's stores. The said software can be used for recording information of new stores and for consolidation of information of all stores. The costs of software are cheaper than local system development. In addition, the
	4. Other Accounts Payable The Company was granted, by CP ALL, the right to use trademarks and service marks including the use of trademarks such as "Makro", "aro" etc.	96.6	57.3	

				Company was granted, by CP All, the right to use trademarks and servicemarks including the use of trademarks such as “Makro”, “aro” etc. in operating the businesses including the store layout, product display, and the business management. Whenever there is any development of new store format of “Makro” in other country, the Company will obtain knowledge and technique of the business operation resulting in efficiency in the business operation. The rights to use software license, trademark and service mark are considered as transactions/supporting transactions related to the normal course of business ¹⁾
	5. Other Account Receivable	0.2	0.2	Transactions / supporting transactions related to the normal course of business ¹⁾
CPRAM Co., Ltd. (“CPRAM”) <u>Nature of Relationship</u> Subsidiary of CP ALL, CP ALL holds shares of CPRAM amounting to 99.99% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	12.1	3.9	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	0.7	1.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	293.2	65.0	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	69.2	59.4	Transactions / supporting transactions related to the normal course of business ¹⁾
Gosoft (Thailand) Co., Ltd. (“Gosoft”) <u>Nature of Relationship</u> Subsidiary of CP ALL, CP ALL holds shares of Gosoft amounting	1. Fixed Assets and Intangible Assets Expenses The Company and its Subsidiaries	109.9	0.7	Transactions / supporting transactions related to the normal course of business ¹⁾

to 99.99% of total issued and paid-up shares.	purchased fixed assets and intangible assets, namely computer equipment and software, from Gosoft			
	2. Service Expenses	121.8	26.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Other Accounts Payable	52.7	37.4	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Other Accounts Receivable	3.8	30.9	Transactions / supporting transactions related to the normal course of business ¹⁾
C.P. Retailing Co., Ltd. ("Retailing") <u>Nature of Relationship</u> Subsidiary of CP ALL, CP ALL holds shares of Retailing amounting to 99.99% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	59.5	12.0	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	1.2	1.4	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	1.4	0.4	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	0.4	0.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	5. Fixed Assets and Intangible Assets Expenses	0.2	-	Transactions / supporting transactions related to the normal course of business ¹⁾
	6. Other Accounts Payable	0.1	-	Transactions / supporting transactions related to the normal course of business ¹⁾
	7. Other Account Receivable	1.8	0.6	Transactions / supporting transactions related to the normal course of business ¹⁾
Charoen Pokphand Foods Plc. ("Charoen Pokphand Foods") <u>Nature of Relationship</u> Charoen Pokphand Group is a major shareholder and holds direct and indirect shares of	1. Revenue from Sales of Goods and Services	43.1	10.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	5.8	5.8	Transactions / supporting transactions related to the normal course of business ¹⁾

Charoen Pokphand Foods amounting to 53.88% of total issued and paid-up shares.	3. Purchase of Goods	354.1	81.4	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	24.8	16.5	Transactions / supporting transactions related to the normal course of business ¹⁾
CPF Trading Co., Ltd. ("CPF Trading") <u>Nature of Relationship</u> Subsidiary of Charoen Pokphand Food, Charoen Pokphand Food holds shares of CPF Trading amounting to 99.97% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	41.4	9.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	3.3	2.9	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	12,607.9	3,175.9	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	1,695.6	1,483.3	Transactions / supporting transactions related to the normal course of business ¹⁾
	5. Service Expenses	56.4	14.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	6. Other Accounts Payable	12.5	12.1	Transactions / supporting transactions related to the normal course of business ¹⁾
CPF (Thailand) Plc. ("CPF (Thailand)") <u>Nature of Relationship</u> Subsidiary of Charoen Pokphand Food, Charoen Pokphand Food holds shares of CPF (Thailand) amounting to 99.98% of total issued and paid-up shares.	1. Revenue from Sales of Goods and Services	218.5	59.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	28.8	31.4	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	14.7	6.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	4.7	6.5	Transactions / supporting transactions related to the normal course of business ¹⁾
CP-Meiji Co., Ltd. ("CP-Meiji") <u>Nature of Relationship</u> CP-Meiji is a joint venture with Charoen Pokphand Food, Charoen Pokphand Food holds	1. Revenue from Sales of Goods and Services	6.8	1.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	0.6	0.4	Transactions / supporting transactions related to the normal course of business ¹⁾

shares of CP – Meiji amounting to 59.99% of total issued and paid-up shares.	3. Purchase of Goods	479.3	117.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	77.8	77.1	Transactions / supporting transactions related to the normal course of business ¹⁾
C.P. Food Store Co., Ltd. ("C.P. Food Store") <u>Nature of Relationship</u> Chearavanont family is a major shareholder of C.P. Food Store.	1. Revenue from Sales of Goods and Services	39.1	7.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Purchase of Goods	550.4	104.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Trade Accounts Payable	95.9	89.0	Transactions / supporting transactions related to the normal course of business ¹⁾
C.P. Consumer Products Co., Ltd. ("C.P. Consumer Products") <u>Nature of Relationship</u> Charoen Pokphand Group is a major shareholder of C.P. Consumer Product.	1. Revenue from Sales of Goods and Services	18.3	7.2	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Purchase of Goods	141.1	24.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Trade Accounts Payable	34.7	18.9	Transactions / supporting transactions related to the normal course of business ¹⁾
Perfect Companion Group Co., Ltd. ("Perfect Companion Group") <u>Nature of Relationship</u> Charoen Pokphand Group is a major shareholder of Perfect Companion Group.	1. Revenue from Sales of Goods and Services	25.9	7.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	1.3	1.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	304.3	69.5	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Trade Accounts Payable	52.7	48.2	Transactions / supporting transactions related to the normal course of business ¹⁾
Freewill Solutions Co., Ltd. ("Freewill Solutions") <u>Nature of Relationship</u> Charoen Pokphand Group is a major shareholder of Freewill Solutions.	1. Fixed Assets and Intangible Assets Expenses The Company and its Subsidiaries purchased intangible assets, namely computer software,	10.5	-	Transactions / supporting transactions related to the normal course of business ¹⁾

	from Freewill Solutions.			
	2. Service Expenses	13.2	2.5	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Other Accounts Payable	2.3	2.9	Transactions / supporting transactions related to the normal course of business ¹⁾
True Internet Corporation Co., Ltd. ("True Internet Corporation") <u>Nature of Relationship</u> True Internet Corporation is a subsidiary of True Corporation Plc. which Charoen Pokphand Group is a major shareholder.	1. Service Expenses	74.6	22.0	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Other Accounts Payable	18.6	19.4	Transactions / supporting transactions related to the normal course of business ¹⁾
True Distribution & Sales Co. Ltd. ("True Distribution & Sales") <u>Nature of Relationship</u> True Distribution & Sales is a subsidiary of True Corporation Plc. which Charoen Pokphand Group is a major shareholder.	1. Revenue from Sales of Goods and Services	7.6	1.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Service Expenses	1.1	2.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Other Accounts Payable	-	0.9	Transactions / supporting transactions related to the normal course of business ¹⁾
	4. Other Account Receivable	0.4	0.2	Transactions / supporting transactions related to the normal course of business ¹⁾
True Leasing Co. Ltd. ("True Leasing") <u>Nature of Relationship</u> Major of shares held by the CP Group and Mr. Dhanin Chearavanont's son.	1. Service Expenses	59.5	18.8	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Other Accounts Payable	24.1	16.5	Transactions / supporting transactions related to the normal course of business ¹⁾
Other related parties in CP ALL's Group	1. Revenue from Sales of Goods and Services	260.6	48.3	Transactions / supporting transactions related to the normal course of business ¹⁾
	2. Trade Accounts Receivable	22.1	23.0	Transactions / supporting transactions related to the normal course of business ¹⁾
	3. Purchase of Goods	990.6	410.4	Transactions / supporting transactions related to the normal course of business ¹⁾

	4. Trade Accounts Payable	113.7	153.0	Transactions / supporting transactions related to the normal course of business ¹⁾
	5. Service Expenses	157.9	50.6	Transactions / supporting transactions related to the normal course of business ¹⁾
	6. Other Accounts Payable	97.1	69.7	Transactions / supporting transactions related to the normal course of business ¹⁾
	7. Other Accounts Receivable	1.5	0.9	Transactions / supporting transactions related to the normal course of business ¹⁾

Notes:

- 1) Necessity and reasons for transactions and supporting transactions related to the normal course of business
- i) Revenue from sales of goods and services, Trade accounts receivable and Other accounts receivable:
The price and condition for sales of goods and services were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
- ii) Purchase of goods, Trade accounts payable and Other accounts payable:
The price and condition for purchase of goods were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
- iii) Service expenses:
The price and condition for service expenses were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.
- iv) Fixed assets and other intangible assets expenses:
The price and condition for the purchase of fixed assets and other intangible assets were determined by the terms and conditions used in the normal course of business comparable to those for non-related companies and market price.