



CBG 031/2022

15 December 2022

Subject: Notification of the resolution of the Board of Directors' meeting to approve joint investment
To: President
The Stock Exchange of Thailand

We, Carabao Group Public Company Limited (The "Company" or "CBG"), would like to inform that the Board of Directors' meeting No. 6/2022 held on 15 December 2022 (by the disinterested directors) has passed resolutions to approve the Company to acquire common shares i.e. accounting for 20% of registered and paid-up capital of Tawandang Logistics Company Limited ("TWD") from C.J. Express Group Company Limited ("CJ" or the "Selling Shareholder"), which is considered a connected party, and in this connection approve TWD to enter into a joint venture agreement and other relevant agreements with Mena Transport Public Company Limited ("MENA") for establishing a joint venture company ("NEWCO") to serve as a shared service unit of in-land transport and car rental to not only support the concerned parties' mainstream operations comprising a.) our manufacture, marketing and distributing energy drinks and other drinks, b.) retail chain stores owned by CJ and c.) independent retailers' network managed by TD Tawandang Company Limited ("TD"), but also be potentially developed to serve demands arising from other customer groups in the future. The transaction is for a total amount of investments not exceeding THB 51.4 million ("Our Investment under the Project").

The resolutions relating to Our Investments under the Project are set out below:

1. Approve the Company to enter into a share purchase agreement in relation to an acquisition of 500,000 shares, par value of THB 100 per share, accounting for 20% of registered and paid-up capital of TWD, from the Selling Shareholder at the acquisition price of THB 102.80 per share or equivalent to a total of not exceeding THB 51.4 million in consideration. A satisfactory fulfillment of condition precedent among others as stated in the share purchase agreement shall be met to complete the transaction; and
2. Approve TWD to enter into a joint venture agreement and other relevant agreements with MENA to establish NEWCO with initial capital of not exceeding THB 350 million in pursuance of the objectives set out for Our Investment under the Project, whereby TWD and MENA shall hold 65% and 35% of registered and paid-up capital of NEWCO, respectively. TWD would make payments in cash and/or non-cash for shares issued by NEWCO whereby part of such payment is made by a transfer of approximately 120 commercial vehicles (excluding cars for rent) to be used for in-land transport services under NEWCO should it be duly incorporated, for the benefits of structuring a clear scope of business operations among TWD and NEWCO as well as leveraging knowledge, expertise and experience brought about by MENA in managing in-land transport service effectively.

Our Investments under the Project falls under the Notifications of the Capital Market Supervisory Board No. TorJor 20/2551 re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notifications of the

Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, 2547 and as amended, with transaction size by the highest value based on net tangible asset (NTA) criteria equal to 0.72%. The combined size of transactions during the past 6 months to date is under 15.00% and so the Company is not subjected to disclosure and procedure as required otherwise under the relevant regulations. Meanwhile, Our Investment under the Project is considered a connected transaction under the Notifications of the Capital Market Supervisory Board No. TorJor 21/2551 re: Rules on Connected Transactions and the applicable notifications of the Board of Governors of the Stock Exchange of Thailand, and categorized into Asset and Service type with transaction size equal to 0.57% of the Company's net tangible assets. The combined size of transactions during the past 6 months to date is over 0.03% but not exceeding 3.00% of the Company's net tangible assets. The Company is required to seek approval from the Board of Directors and disclose information to the Stock Exchange of Thailand.

1 Date of the transaction

We expect to execute purchase and accept the transfer of shares held in TWD from the Selling Shareholder within 2022, and we expect NEWCO to be duly established within 1Q2023.

2 Counterparties to the transaction

We acting in capacity of the buyer with CJ being the seller agree to enter into the share purchase agreement respective to 500,000 shares, par value of THB 100 per share, accounting for 20% of registered and paid-up capital of TWD.

3 Connected persons and area of possible conflicts

We, CJ and TD have common shareholders and/or directors or management team with details described as follows:

3.1 Shareholding structure

The Company's list of shareholders as of 29 August 2022	No of shares	Percentage
1. Sathientham Holding Co., Ltd. 1/	250,064,500	25.01
2. Miss Nutchamai Thanombooncharoen	210,000,000	21.00
3. Mr. Yuenyong Opakul	70,480,000	7.05
4. THAI NVDR Co., Ltd.	47,163,509	4.72
5. UBS AG SINGAPORE BRANCH 2/	45,161,400	4.52
6. Mrs. Linjong Opakul	26,166,900	2.62
7. Mr. Sathien Sathientham	25,974,100	2.60
8. Mrs. Wongdao Thanombooncharoen	18,152,700	1.82
9. Miss Nicha Opakul	17,794,600	1.78
10. Mr. Woraman Opakul	15,219,100	1.52

CJ's list of shareholders as of 9 February 2022	No of shares	Percentage
1. Sathientham Holding Co., Ltd. 1/	4,900,000	34.31
2. Miss Nutchamai Thanombooncharoen	2,190,789	15.34
3. Mrs. Wongdao Thanombooncharoen	1,489,211	10.43

CJ's list of shareholders as of 9 February 2022	No of shares	Percentage
4. Mr. Yuenyong Opakul	1,180,000	8.26
5. NORTHEND INVESTMENT LIMITED 3/	975,000	6.83
6. Mr. Pheerawich Sasaluksananont	800,000	5.60
7. Mr. Sathien Sathientham	445,000	3.12
8. Boobong Group Co., Ltd.	280,001	1.96
9. Mr. Romtham Sathientham	200,000	1.40
10. Miss Tientham Sathientham	200,000	1.40

TD's list of shareholders as of 26 January 2022	No of shares	Percentage
1. Sathientham Holding Co., Ltd.1/	7,000,000	35.00
2. Mr. Sathien Sathientham	6,800,000	34.00
3. Mr. Veeratham Sathientham	1,200,000	6.00
4. Mr. Romtham Sathientham	1,200,000	6.00
5. Miss Tientham Sathientham	1,200,000	6.00
6. Mr. Yuenyong Opakul	500,000	2.50
7. Miss Nutchanonk Vongswat	400,000	2.00
8. Miss Kittima Vongswat	400,000	2.00
9. Mrs. Linjong Opakul	300,000	1.50
10. Miss Phoogkwan Smuthkochorn	300,000	1.50

TWD's list of shareholders as of 7 July 2022	No of shares	Percentage
1. CJ Express Group Co., Ltd.	2,499,997	100.00
2. Mr. Sathien Sathientham	1	0.00
3. Mr. Veeratham Sathientham	1	0.00
4. Miss Suchanya Hemyakorn	1	0.00

Remark: 1/ Shareholders include Mr. Sathien Sathientham holding 55%, Ms. Dararat Sathientham holding 15%, Mr. Veeratham Sathientham holding 10%, Mr. Romtham Sathientham holding 10% and Ms. Tientham Sathientham holding 10% of registered and paid-up capital

2/ UBS AS SINGAPORE BRANCH is appointed as a share custodian on behalf of NORTHEND INVESTMENT LIMITED

3/ NORTHEND INVESTMENT LIMITED was duly incorporated under Hong Kong jurisdiction, with Mr. Sathien Sathientham and AUTUMN GOLD CAPITAL LIMITED holding 90% and 10%, respectively. In this regard, AUTUMN GOLD CAPITAL LIMITED was duly incorporated under British Virgin Islands jurisdiction, with Mr. Sathien Sathientham being the ultimate beneficiary

3.2 Board of directors

	CBG	CJ	TD	TWD 2/
Miss Nutchamai Thanombooncharoen	x	x		
Mr. Sathien Sathientham	x	x	x	
Mr. Yuenyong Opakul	x			

	CBG	CJ	TD	TWD 2/
Mr. Kamoldist Smuthkochorn	x			
Mrs. Wongdao Thanombooncharoen	x	x		
Mr. Romtham Sathientham	x		x	
Miss Naruechone Athithanabune		x		
Miss Suchanya Hemyakorn		x		x
Mr. Veeratham Sathientham		x	x	x
Miss Phoogkwan Smuthkochorn		x		
Mrs. Chawarat Pongsathaporn		x		
Miss Tientham Sathientham			x	x
Miss Nutchanok Vongswat	x			
Mr. Waranchai Jensiriwanich				x
Ms. Pailin Laiteerapong				x
Mr. Sanchai Jullamon 1/	x			
Mrs. Saowanee Kamolbutr 1/	x			
Mr. Kanit Patsaman 1/	x			
Mr. Nha-kran Laohavilai 1/	x			
Gen. Siripong Wongskhunti 1/	x			
Mr. Predee Daochai 1/	x			

Remark: 1/ Independent directors
2/ Directors of TWD post transaction

4 Description of the subject assets

TWD was duly incorporated on 5 January 2018 under the Thai jurisdiction, with the objectives of providing in-land transport service and car rental in the form of shared service unit to serve and support the concerned parties' mainstream operations i.e. CBG, CJ and TD at the present.

4.1 Shareholding structure of TWD, pre- and post-transaction

	Pre-transaction 1/		Post-transaction 1/	
	No. of shares (,000)	Percentage	No. of shares (,000)	Percentage
C.J. Express Group Co., Ltd.	2,499,997	100.00	1,000,000	40.00
Mr. Sathien Sathientham	1	0.00	1	0.00
Mr. Veeratham Sathientham	1	0.00	1	0.00
Miss Suchanya Hemyakorn	1	0.00	1	0.00
TD Tawandang Co., Ltd. 2/	-	-	999,997	40.00
CBG	-	-	500,000	20.00
Total	2,500,000	100.00	2,500,000	100.00

Remark: 1/ TWD has registered and paid-up capital of THB 250 million i.e. 2,500,000 shares, par value of THB 100 per share

2/ TD, who is considered a connected party, will purchase 40% of registered and paid-up capital of TWD from the Selling Shareholder under the same terms and conditions as those to be executed by the Company

4.2 Board of directors of TWD, pre- and post-transaction

Board of directors of TWD	
Pre-transaction	Post-transaction
Mr. Sathien Sathientham	Mr. Veeratham Sathientham
Mr. Veeratham Sathientham	Miss Tientham Sathientham
Miss Tientham Sathientham	Miss Suchanya Hemyakorn
Miss Suchanya Hemyakorn	Mr. Waranchai Jensiriwanich
	Ms. Pailin Laiterapong

4.3 Summary of financial performance and position of TWD

Unit: THB million	2018 1/	2019 2/	2020	2021
Financial performance				
Revenue from car rental and transport services	169.5	306.8	407.1	568.9
Other income	2.7	5.3	6.5	9.0
Total revenue	172.2	312.1	413.6	577.8
Cost of services	132.3	253.7	352.5	488.2
Administrative expenses	21.2	30.9	32.8	34.8
Earnings before interest and tax (EBIT)	18.7	27.5	28.4	54.8
Finance cost	5.9	7.5	4.7	4.0
Income tax	2.6	4.0	4.7	10.3
Net profits	10.2	16.0	19.0	40.5
Financial position				
Total assets	465.1	511.3	523.9	686.0
Total liabilities	255.0	235.2	228.8	350.4
Shareholders' equity	210.2	276.1	295.1	335.6

Remark: 1/ For the period starting from the incorporation date of TD (5 January 2018)

2/ TD registered capital increase, amounting to THB 250 million, with all outstanding shares paid up in March 2019

4.4 Revenue structure of TWD

TWD's revenue breakdown by customer (%)	2018 1/	2019	2020	2021
CJ	71.4	68.8	67.8	75.0
TD	0.0	2.3	3.7	0.6
CBG	2.8	10.7	14.3	15.7
Other customers	25.8	18.2	14.2	8.7
Revenue from car rental and transport services	100.0	100.0	100.0	100.0

Remark: 1/ For the period starting from the incorporation date of TD (5 January 2018)

5 Total consideration and evaluation criteria

Adjusted book value approach is used to advantage of evaluation, considering net assets, total assets less total liabilities, as reported in the financial statements for the fiscal year period ending 31 December 2021, audited by the approved auditor i.e. KPMG Phoomchai Audit Limited and adjusting for key events and transactions subsequent to the reporting date of the latest audited financial statements. The acquisition price versus the result of such valuation approach is considered appropriate on a conservative basis.

Our Investments under the Project are considered an asset acquisition, with transaction size by the highest value based on net tangible asset (NTA) criteria equal to 0.72%. The combined size of transactions during the past 6 months to date is under 15.00% and so the Company is not subjected to disclosure and procedure as required otherwise under the relevant regulations. Meanwhile, entering into the transaction is considered a connected transaction, with transaction size equal to 0.57% of the Company's net tangible assets. The combined size of transactions during the past 6 months to date is over 0.03% but not exceeding 3.00% of the Company's net tangible assets. The Company is required to seek approval from the Board of directors' meeting and disclose information to the Stock Exchange of Thailand.

6 Source of fund and capital adequacy

Source of fund for the transaction mainly comes from internal cash flows of the Company.

7 Reasonableness and benefits to the listed company

- Our Investment under the Project is considered supportive to our financial and investment policies i.e. investments in assets or business operations that reflect potential growth in the long run;
- Making joint investments serves as effective mitigation of risks associated with the investments and does not cause significant impacts to our capital structure and funding plans in the long run;
- Ongoing expansions of retail chain store business operations owned by CJ as well as full services tailored to independent retailers' network under TD's management do not conflict with ours from commercial perspective. They are in fact considered a catalyst for enhancing our distribution channels and access to target consumer nationwide in an effective manner. In addition, logistics are not our core business operations. Shared service model has a tendency to support our operations and lower related costs and expenses through economies of scale by and large. Decisions to be made on connected transactions are based on an arm's length basis and in compliance with the relevant regulations;
- Benefits derived from joining forces with MENA not only bring in knowledge, expertise and experience in managing in-land transport service effectively, but also serve indirectly as a contributing factor to good corporate governance, balancing management control to a satisfactory extent, whereby transactions to be entered are based on an arm's length basis and on ground of fairly protecting all stakeholders' interest;
- TWD and NEWCO has set a clear scope of business operations and objectives relating to logistics business as mentioned and shall not expanded into any other areas, particularly those that may conflict with ours from commercial perspective; and

- Directors who may have conflict will neither join nor cast a vote in the Board of Directors' meeting in connection with connection transactions or any agenda items that may potentially lead to conflict of interest.

Any persons in conflict of interest shall not hold shares in excess of 10% in the Company's subsidiaries or associates unless the structure provides the Company with best benefits.

8 Opinion of the Board of Directors regarding the transaction

The Board of Directors presented by the disinterested directors considered and approved Our Investment under the Project on ground of various factors including fairness of the acquisition price and benefits to the Company overall.

9 Opinion of the Audit Committee and/or directors, which is different from the Board of Directors'

- None -

Please be informed as accordingly

Sincerely yours,

Mr. Waranchai Jensiriwanich

Legal Director / Company Secretary

Corporate Secretary

02-636-6111