



No: IDR 11/2023

Date: August 28, 2023

Re: Notification of the Resolutions of the Board of Directors' Meeting No.4/2023 and No.6/2023 and approval of entering into connected transaction

To: The President
The Stock Exchange of Thailand

Attachment 1 . Information Memorandum of the connected transaction regarding the investment in newly issued ordinary shares of Ascend Commerce Company Limited

CP All Public Company Limited (the Company) would like to inform that the Board of Directors' Meeting No.4/2023, held on May 10, 2023 and No.6/2023, held on August 28, 2023 had the significant resolutions;

The Board of Directors' meeting by non-interested directors approved the Company or subsidiaries of the Company to enter into a connected transaction in relation to the investment in the newly issued ordinary shares of Ascend Commerce Company Limited in the proportion not exceeding 19 percent of the total registered capital after capital increase, accounted for value which is not more than 704 million Baht and resolved to disclose information to the Stock Exchange of Thailand as detailed in the information memorandum on the connected transaction as attached.

Please be informed accordingly.

Sincerely yours,

Mr. Supot Shitgasornpongse

Company Secretary

Authorized to sign on behalf of the Company

Information memorandum of CP All Public Company Limited in relation to
the subscription of newly issued ordinary shares of Ascend Commerce Company Limited
which is considered as a connected transaction

1. Date, Month and Year of the Transaction

Within 30 September 2023

2. Related Parties

Subscriber: CP All Public Company Limited (“**Company**”) or its subsidiaries

Issuer: Ascend Commerce Company Limited (“**Ascend Commerce**”)

Relationship with the Company: (a) Ascend Commerce has Ascend Digital Commerce Group Co., Ltd. (“**ADCG**”) as a major shareholder, and ADCG and the Company are indirectly owned by Charoen Pokphand Group Co., Ltd. (“**CPG**”).
(b) Mr. Suphachai Chearavanont indirectly owns a portion of shares in ADCG and is the Company's director.

3. General Description of the Transaction and Transaction Size

The Company or its subsidiaries will subscribe 38,703,704 newly issued ordinary shares of Ascend Commerce or not more than 19 percent of its registered capital after the capital increase. The Company or its subsidiaries will pay for the share in the amount of Baht 703,633,339. Ascend Commerce has ADCG as a major shareholder and is considered as a connected person of the Company according to the Notification of the Capital Market Supervisory Board No. TorJor 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (as amended). Thus, entering into such transaction is a connected transaction relating to assets or services in accordance with the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E.2546 (2003) dated 19 November 2003 (as amended).

4. General Information of Purchased Assets

General Information of Ascend Commerce

(1) General Description of the Business

Company name	Ascend Commerce Company Limited
Type of business	Online business offering e-commerce services
Office address	101 True Digital Park, 9th Floor, Phoenix Building, Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260
Juristic person registration number	0105558107960
Registration date	2 July 2015
Paid-up registered capital	1,650,000,000 Baht (accounted for 165,000,000 shares)

(2) Shareholding Structure

No.	Shareholders	Shareholding Percentage	
		before entering the transaction	after entering the transaction
1	Ascend Digital Commerce Group Co., Ltd.	99.9999	80.9999
2	CP All Public Company Limited or its subsidiaries	0.0001	19.0000
3	Ms. Achira Taulananda	0.0001	0.0001
	Total	100.0000	100.0000

(3) Summary of financial position and performance of Ascend Commerce

Performance for the 12 month period and significant financial position of Ascend Commerce for the period ending December 31, 2020, 2021 and 2022 according to the audited financial statements. The details are as follows.

Unit: Million Baht	2020	2021	2022
<u>Operational Performance</u>			
Total revenue	449.7	556.2	1,073.6
Total expenses	(495.8)	(637.8)	(1,011.2)
Finance costs	(5.9)	(6.5)	(4.6)
Income tax expense	-	-	-
Net profit /(loss)	(52.0)	(88.1)	57.8
<u>Assets</u>			
Total current assets	456.6	798.3	896.5
Total non-current assets	708.8	718.2	1,062.2
Total assets	1,165.4	1,516.5	1,958.7
<u>Liabilities and Equity</u>			
Total current liabilities	1,200.5	1,639.2	1,776.1
Total non-current liabilities	24.4	24.9	32.4
Total liabilities	1,224.9	1,664.1	1,808.5
Registered capital	1,410.0	1,410.0	1,650.0
Paid-up registered capital	1,410.0	1,410.0	1,650.0
Accumulated Profit (Loss)	(1,469.5)	(1,557.6)	(1,499.8)
Total equity	(59.5)	(147.6)	150.2

Source: Financial Statements of Ascend Commerce

5. Criteria Used to Determine Total Transaction Value

The transaction value, which is the consideration for share subscription, was negotiated between the subscriber and the issuer on an arm's length basis with consultation with financial advisors using various valuation methods according to international principles, mainly considering the Discounted Cash Flow Approach (DCF) and the Peers Trading Multiples in the Market Comparable Method.

6. Size of the Transaction

An investment in Ascend Commerce by subscribing to its newly issued ordinary shares is considered as a connected transaction for the type of transactions relating to assets or services. The total connected transaction value is Baht 703,633,339, which is calculated as the transaction size of 0.83 percent of the net tangible assets (NTA) referring to the latest consolidated financial statements of the Company as of June 30, 2023 reviewed by the auditor. The size of the transaction is more than 0.03 percent but less than 3 percent of the net tangible assets (NTA); therefore, it is considered a medium-sized transaction which requires the Company to receive approval from the Board of Directors and disclose information to the Stock Exchange of Thailand.

7. Details of Connected Persons

- (1) Ascend Commerce has ADCG as a major shareholder. ADCG is indirectly owned by CPG, holding 59.4 percent of the total shares, and CPG is also a major indirect shareholder of the Company.
- (2) Mr. Suphachai Chearavanont indirectly owns 17.3 percent of ADGC' shares and is the Company's director.

8. Source of Funds

The Company or its subsidiaries' internal cash flow.

9. Conditions for Entering into the Transaction

The investment in Ascend Commerce will be made once the issuer has obtained consent for the capital increase from bank creditors under the relevant contracts that are binding on the subscriber. The investment is expected to be consummated within 30 September 2023.

10. Expected Benefits from Investing in Ascend Commerce

- (1) Increase the opportunity to sell products and services of the Company and its subsidiaries from a larger member customer base due to consolidation of the customer base.
- (2) No duplicate investments in IT and infrastructure for e-commerce business as they are able to invest in SuperApp, which is a global e-commerce platform that integrates products and services of business groups and combines with products and services from partners around the world to satisfy the needs of B2C and B2B customers.
- (3) Access insight information relating to shopping behaviour of customers in various channels and can be further developed in terms of personalization in order to offer other services in the future.

- (4) Reduce the risk of investing in a new investment because e-commerce business requires high investment, expertise and other resources.
- (5) Receive 19 percent share of future e-commerce growth and probably continue to raise funds through the stock exchange.

11. Opinion of the Board of Directors

The Board of Directors' Meeting (excluding interested directors in the list below) considered the above-mentioned connected transactions and agreed that the transaction was reasonable and beneficial to the Company, given that the transaction is an investment in a company that conducts e-commerce business which is able to support the core business of the Company. With the joint investment, Ascend Commerce will be able to significantly expand its business with high growth potential by providing web pages for online shopping which will enhance value of the Company's investment. In addition, e-commerce business will also support the Company's core business.

The interested directors who do not have the right to vote and do not attend the meeting are as follows:

No.	List of company directors	Nature of Interest
1	Mr. Soopakij Chearavanont	CPG's director
2	Mr. Suphachai Chearavanont	CPG's director and ADCG's indirect major shareholders

12. Opinion of the Audit Committee

The Audit Committee considered that an investment in Ascend Commerce which operates an e-commerce business will be able to support the Company's business. The investment size is appropriate and within the price range appraised by an independent appraiser. The investment has also been considered by executives who were responsible for the transaction. The Audit Committee viewed that the management had followed the procedures and practices with transparency, and it was reasonable and beneficial to the Company as well as complying with the requirements of the Capital Market Supervisory Board. Therefore, it should be presented to the Board of Directors for further approval.