

Information Memorandum on the Acquisition of Assets
in relation to the Entire Business Transfer from Good Ventures Co., Ltd

20th June 2023

The Board of Directors' Meeting of C.I.Group Public Company Limited (the "**Company**") No. 13/2023, held on 20th June 2023 resolved to approve CIG Utility and Infrastructure Company Limited ("**CIGU**"), a subsidiary of the Company, to enter into the entire business transfer from Good Venture Company Limited (the "**Transferor**") with the total value of 450 million baht (the "**EBT Transaction**").

In this regard, the entering into the aforementioned transaction is considered as an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 20/2551 entitled Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets dated 31 August 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand ("**SET**") entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition and Disposition of Assets B.E 2547 (2004) (as amended) (collectively referred to as the "**Major Transaction Rules**"). When considering the size of aforementioned transaction pursuant to each calculation method prescribed under the Major Transaction Rules based on the consolidated financial statements of the Company for the 3 months period ended 31 March 2023, the transaction size is of the highest value of 38.25 per cent when calculated in accordance with the total value of consideration basis, and the Company did not enter into any transaction concerning the asset acquisition during the past 6 months prior to the date of The Board of Directors' Approval for entering into this transaction.

Thus, the transaction is classified as Class 2 pursuant to the Major Transaction Rules as the transaction size is equivalent to or higher than 15 per cent but lesser than 50 per cent. The Company has the duty to

(1) prepare and disclose the Information Memorandum concerning the acquisition of assets for the entering into this transaction to the SET and

(2) distribute the notice to the shareholders of the Company within 21 days from the date of disclosure of this transaction to the SET.

With respect to the EBT Transactions, there is no possible conflicts of interests or related-party transactions pursuant to the Notification of the Capital Market Supervisory Board Notification No. TorJor. 21/2551 entitled Rules on the Connected Transactions (as amended) and the Notification of the Board of Governors of the SET entitled the Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (as amended) (collectively referred to as the "**Connected Transaction Rules**").

In this regard, details of the entering into of the EBT Transaction are summarized as follows:

Information Disclosure under List 1 of the Major Transaction Rules

1. Date Month Year of the Transaction

CIGU will enter into the aforementioned EBT Transaction accepting the transfer of the entire business of logistics platform which be called as “**VE Logistics Platform**” mentioned in item 3. after The Board of Directors’ Approval for entering into this transaction and/or the conditions precedent stated in the Entire Business Agreement have been satisfied or waived in writing by the counterparties, and the transaction is initially anticipated to be completed within December 2023.

2. Relevant Parties and their Relationship with the Company

Transferee	: CIGU, the Company’s subsidiary
Transferor	: Goof Venture Company Limited, a subsidiary company of Express Holding Company Limited (the “ Major Shareholder of Transferor ”) which holds shares in a proportion of 99.99 per cent of registered capital.
Major Shareholder of Transferor	: There is three shareholders held the shares of Express Holding Company Limited as follows: Ms. Donya Mahanilwong, Mr.Patipat Akkapinya and Mr. Kasitidej Thanomsin which holds shares in a proportion of 99.99 per cent, 1.00 per cent and 1 per cent of registered capital, respectively.
Relationship with the Company	: As the disclosure date herein, the Transferor, their related parties and their Ultimate Shareholders has no relationship and is not a connected person of the Company pursuant to the Connected Transaction Rules.

3. General Description of the Transaction

CIGU will pay for the EBT Transaction to the Transferor with the total value of 450 million baht totally or gradually pay in cash and/or cash equivalents which to be completed within December 2023.

Regarding the EBT Transaction, CIGU will accept the transfer of the entire business of logistics platform which be called as “**VE Logistics Platform**” developed by Solar Southern Express Company Limited (“SSS”). SSS will transfer VE Logistics Platform to the Transferor and agree to execute the Management Services and Platform Services Agreement which the Transferor will obtain the right pursuant to this agreement to receive the Platform Services Fee. This logistics platform has been developed for logistics service of motor vehicles both electric vehicles and other motor vehicles driving the efficiency, speediness and punctuality of logistics which are significant to supply chain management. VE Logistics Platform will contribute the logistics business owners joining this logistics platform to reduce their costs – transport vehicles, maintenance, planning, and logistics controlling system, by using VE Logistics Platform which arranging the key systems – customer allocation, fleet management and ground dispatch. VE Logistics Platform will be principally developed for Cold Chain Logistics constructively to main business of the Company, which aimed to cold chain trucks, cold chain vans and cold storage warehouses’ construction, thoroughly the

potential growth of the Company and long-term revenue. In addition to EBT Transaction, CIGU will acquire the assets and rights as following (collectively referred to as the “**EBT Consideration**”).

(1) The right pursuant to Control Room Sublease Agreement and its proprietary right with the total value of 1.5 million baht

(2) The right pursuant to Logistics Software Copyright Permission Agreement and its long live usage right with the total value of 18.16 million baht

(3) The right pursuant to Management Services and Platform Services Agreement which the ownership of VE Logistics Platform will be received Platform Services Fee from SSS, the logistics service entity (without limitation, the ownership of VE Logistics Platform can receive VE Logistics Platform service fee not only from SSS but also from other logistics business owners). From the start date of logistics service to 31 December 2029, CIGU will be received service fee rate from cold chain trucks at least 1 baht/ton/kilometer, cold chain vans at least 0.25 baht/ton/kilometer and other trucks at least 1,100 baht/day (collectively referred to as the “Right of VE Logistics Platform Services Fee”). SSS agree to service VE Logistics Platform management in all aspect to the ownership of VE Logistics Platform since 16 June 2023 to 31 December 2029 with charging the Management Fee at 30 per cent of EBIT before Management Fee deduction. Moreover, SSS also agree to guarantee Accumulated EBITDA of VE Logistics Platform to the ownership and agree to reimburse the different between Actual Accumulated EBITDA and Guaranteed Accumulated EBITDA in the amount of and not exceed 450 million baht in period of year 2025 to 2029. Nevertheless, the Major Shareholder of Transferor also guarantee to reimburse to the ownership of VE Logistics Platform in the same criteria.

Regarding to the right pursuant to Management Services and Platform Services Agreement aforementioned, this may be more value in the future if the synergy among SSS, J-Ling Solution Company Limited (“JLS”), Elenergy Company Limited (“ELENERGY”) and Impact Green Utility Holding Company Limited (“IGU”) with the total value of 3,500 million baht will be successfully operated. The synergy projects comprise of (1) Cold Chain Distribution Channels and Agricultural Markets Project, which the project owner expect to be completed within 2026 (2) Solar Rooftop Power Plant Project, which the project owner expect to be completed within 2026 and (3) Electric Vehicles Logistics Pilot Project, which the project owner expect to be completed within 2024. In case of all three projects succeed, the Company has expected the increasing of the demand for logistics by the electric vehicles and VE Logistics Platform under this ecosystem which will enhance the opportunity for VE Logistics Platform’s revenue increasing.

In addition to, under the principal of EBT Transaction, the Transferee have to entire acquire the asset and liability of the Transferor. As the Transferor has been established on 9 March 2023 which is no any liability; therefore, CIGU will acquire only the EBT Consideration.

4. Transaction Size

Regarding to the EBT Transaction is considered as an acquisition of assets pursuant to the Major Transaction Rules, the calculation of the transaction size based on the consolidated financial statements of the Company for the 3 months period ended 31 March 2023 is as follows:

The detail of consolidated financial statements of the Company for the 3 months period ended 31 March 2023

Details	(Unit: Million Baht)
(1) Total Assets	1,176.37
(2) Intangible Assets ^{/1}	44.75
(3) Total Liabilities	648.21
(4) Non-controlling Equities	(1.01)
Net Tangible Assets ((NTA) = (1) – (2) – (3) – (4))	484.43
Net Profit (Loss)	(131.87)

Remark: ^{/1} including deferred income tax

Calculation of the Transaction Size

Criteria on Calculation	Formula of Calculation	Percentage of Transaction Value
1. Net Tangible Assets (NTA)	$\frac{(\text{NTA of investment} \times \text{Acquired Proportion})}{\text{NTA of the company}}$	No purchasing of shares as consideration
2. Net Profit	$\frac{(\text{Net Profit of investment} \times \text{Acquired Proportion})}{\text{Net profit of the company}}$	No purchasing of shares as consideration and the Company has loss
3. Total Value of Consideration	$\frac{\text{Value of the acquired asset}}{\text{Total assets of the company}}$	= 450 million baht / 1,176.37 million baht = 38.25%
4. Values of Securities	$\frac{\text{Shares issued for payment of assets}}{\text{Paid-up shares of the company}}$	No issuance of shares as consideration

As the Company did not enter into any transaction concerning the asset acquisition during the past 6 months prior to the date of The Board of Directors' Approval for entering into this transaction; therefore, the transaction size is of the highest value of 38.25 per cent when calculated in accordance with the total value of consideration basis.

Thus, the transaction is classified as Class 2 pursuant to the Major Transaction Rules as the transaction size is equivalent to or higher than 15 per cent but lesser than 50 per cent. The Company has the duty to

(1) prepare and disclose the Information Memorandum concerning the acquisition of assets for the entering into this transaction to the SET and

(2) distribute the notice to the shareholders of the Company within 21 days from the date of disclosure of this transaction to the SET.

With respect to the EBT Transactions, there is no possible conflicts of interests or related-party transactions pursuant to the Connected Transaction Rules.

5. Details of Acquired Asset

After the completion of the EBT Transaction, CIGU will acquire the EBT Consideration stated in item 3.

6. Value of Consideration, Payment and Condition for Payment

The value of consideration will be paid to the Transferor stated in item 3. is 450 million baht in term of total or gradual payment in cash and/or cash equivalents which to be completed within December 2023 together with acquiring the transferred entire business. The condition for payment is subject to the mutual agreement between the Transferee and the Transferor, cash flow projection and the ability of fund raising of the Company.

7. Total Value of Consideration

The value of the EBT Consideration is equivalent to the total value of consideration as mentioned in item 6.

8. Criteria for Determination of Total Value of Transaction and Consideration

The originated criteria for determination of total value of transaction and consideration has been negotiated and mutually agreed between the Company and the Transferor and derived from the calculation method of Discounted Cash Flow Approach. The Company has engaged Pimonny Company Limited as its financial advisor to appraise value of this transaction. The advisor has adopted the Discounted Cash Flow Approach to appraise the value for 10 years (since 2024 to 2033), which is considered as the most suitable approach, resulting in the appraised value between 1,738.83 to 1,895.05 million baht at discount rate 13.50 per cent per annum. The appraised value has been based on the succession of the right of receiving VE Logistics Platform Services Fee and the guaranteed Accumulated EBITDA complied with the conditions and details of Management Services and Platform Services Agreement as stated in item 3.

In addition to the return of VE Logistics Platform is quite high since its business model is not necessary to raise fund for high investment in fixed assets. However, the ability of VE Logistics Platform to continuously generate sustainable income and profit depends upon the synergy and potentiality of relevant strategic partners, from the reasons that the business model is an intermediary for the linkage among customers, riders, financing firms, suppliers of EV trucks and EV vans. Based on Discounted Cash Flow Approach, the calculation has forecasted the average revenue and average net profit for the period of 2024 – 2033 is around 490.94 million baht per year and 264.47 million baht per year, respectively.

According to the Discounted Cash Flow Approach based on the assumption of good cooperation from the relevant strategic partners which will contribute the achievement of VE Logistics Platform's objectives along the 10-year period, the synergy of strategic partners is the considerable key success factor effecting the success opportunity of VE Logistics Platform with the calculated total value by this approach. Besides, the success of the transaction acquired VE Logistics Platform depends on the other factors; for example, the adequate of logistics customers, the adequate of EV Swapping & Charging Stations, the considered benefit of strategic partner and the lack of the secondary markets for EV trucks and EV vans at present, etc.

From the aforementioned assumptions and factors, the EBT Transaction with the total value of consideration with the amount of 450 million baht is reasonable comparing with the value from discounted cash flow approach and, moreover, SSS has logistics experience and also agree to guarantee Accumulated EBITDA of VE Logistics Platform to the ownership and agree to reimburse the different between Actual Accumulated EBITDA and Guaranteed Accumulated EBITDA in the amount of and not exceed 450 million baht in period of year 2025 to 2029. Nevertheless, the Major Shareholder of Transferor also guarantee to reimburse to the ownership of VE Logistics Platform in the same criteria as stated in item 3 which closing to the total value of consideration with the amount of 450 million baht.

9. Source of Funds

The Company will use fund from the exercised rights to purchase newly issued securities to the Company's shareholders in proportion of their existing securities holding (the "RO") in accordance with the Annual General Meeting of Shareholder in year 2023 with the total value of 433.55 million baht (in case of full subscription) and the Company's cashflow with the value of 16.45 million baht for the entering into the EBT Transaction.

Nevertheless, in case of the RO is not fully subscribed and the fund for the transaction is inadequate, the Company will raise fund with other alternatives.

10. Expected Benefits to the Company

The Company foresees that the EBT Transaction contribute the benefits to the Company both the business expansion or potential growth of business in term of return generated by VE Logistics Platform for cold chain service not only mass market but niche market as huge size of cold container which relied upon the business plan and feasibility study cooperated with the strategic partners as follows:

- Cold Chain Distribution Channels and Agricultural Markets Project will strengthen the revenue for (1) cold storage producing and distribution for large distribution center (2) huge air condition producing and distribution and (3) cold container leasing for truck and small distribution center which are niche market. With more 30-years of experience, the Company has more competitiveness as not rely on the general order. Additionally, the Company has business opportunity to obtain the return from this project which will use 2,850 square metre for cold storage area with 10-15 projects. As a result of the succession, the Company estimate the gross profit around 300 - 450 million baht.
- Solar Rooftop Power Plant Project will enhance assets to the public as green utilities by the synergy with IGU, the Company is on the process to hold IGU's shares around 22.68 per cent registered capital through IGU's parent company in aboard.
- Electric Vehicles Logistics Pilot Project will enhance the strengthen of power demand and revenue for IGU.

11. Conditions of the Transactions

CIGU will enter into the aforementioned EBT Transaction after The Board of Directors' Approval for entering into this transaction and/or the conditions precedent stated in the Entire Business Agreement have been satisfied or waived in writing by the counterparties, and the transaction is initially anticipated to be completed within December 2023.

12. Opinion of the Company's Board of Directors

The Board of Directors' Meeting No. 13/2023, held on 20th June 2023, has considered and viewed that the entering into aforementioned the EBT Transaction is reasonable and beneficial to the Company and its shareholders in long term as aforementioned in item 10., and has considered to resolve that the total value of consideration with the amount of 450 million baht is reasonable because of the guarantee by SSS and the Major Shareholder of Transferor which is proper risk preventive mechanism of unexpected return of investment stated in item 3. Therefore, the Board of Directors has resolved to the consentaneous approval of the entering into the transaction in accordance with the details stated above.

13. Opinion of the Company's Audit Committee and/or the Company's Directors which is Different from the Opinion of the Board of Directors as detailed in item 12

The Audit Committee has considered that there is no opinion different from that of the Board of Directors of the Company.

Information Disclosure under List 2 of the Major Transaction Rules

14. Board of Directors' Responsibility on the Information Disclosed to the Shareholders

The Board of Directors has reviewed the information provided to it with due care and was responsible for the information disclosure as stated in this document. In this regard, the Board of Directors affirms that the information contained in this document is correct and complete without any material misstatements or concealment of material facts required to be disclosed pursuant to Section 89/20 of the Securities and Exchange Act B.E. 2535 (as amended).

15. Opinion of an Independent Expert

-None-

16. Financial Projection for the Present Year (if any)

-None-

17. Pending Material Legal Actions or Disputes

The Company had no pending material legal action or dispute as at 20th June 2023.

18. **Benefits or Related Party Transactions between the Company and the Directors, Executives, and Shareholders with a Direct or Indirect Shareholding of 10% or More**

-None-

The Board of Directors certified that the information in this report is fully accurate and complete.

Please be informed accordingly,

Your sincerely

C.I. Group Public Company Limited



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(Mr. Aree Poomsanoh)

Chairman of the Executive