

AFF011/2007

May 17, 2007

Re: Notification of the Resolutions of the Board of Directors' Meeting No. 2/2007  
Connected Transaction Regarding Acquisition and Disposition of Supercenter  
business abroad  
C.P. Seven Eleven Public Company Limited

To: The President  
The Stock Exchange of Thailand

The Board of Directors Meeting of C.P. Seven Eleven Public Company Limited (the Company or CP7-11) has resolved in the meeting No.2/2007 held on May 14, 2007, 2:00-5:00 pm at the True Tower Board Room , 34/F, Ratchadapisek Road, Huai Khwang, Bangkok. After the Board of Directors Meeting has approved such matters, CP7-11 has considered the relevant facts in relation to the certainty and firm resolution to enter into these transactions for the purpose of the correctness and completeness of the disclosure of the Information Memorandum. After such consideration, CP7-11 would like to inform of the approval of other material matters as follows:

1. Approved the entering into the connected transactions and the disposition of the Supercenter business abroad of CP7-11 and its subsidiaries by approval of CP7-11 and Lotus Distribution Investment Limited (LDI), a subsidiary of CP7-11, disposing of their total interests in Shanghai Lotus Supermarket Chain Store Co., Ltd. (SLS) collectively referred to as "the SLS Interests", consisting of (1) equity interests (1% held directly by CP7-11 and 54% held indirectly through LDI) and (2) loan interests in SLS, held through their investment holding company, Yangtze Supermarket Investment Co., Ltd. (YSI), to Chia Tai Enterprises International Limited (CTEI). The disposition of SLS Interests will be conducted through a combination of transactions as follows:
  - 1.1 The reorganization of SLS by disposing of its 22 non-performing stores from SLS to C.P. Holding (BVI) Investment Company Limited (CPH); and
  - 1.2 The sale of the SLS Interests to CTEI.

In consideration to CP7-11 and LDI in relation to the sale of SLS Interests under this item 1.1 and 1.2, CTEI will issue the convertible bonds that can converted to be the CTEI shares to CP7-11 and LDI in the amount of HKD 891.2 million (approximately Baht 3,918.0 million).

For the purpose of this announcement, the following exchange rates have been used for the various foreign exchange rate conversions. Please note that the following exchange rates are used for indication only.

The average buying rate quoted by commercial banks as of May 11, 2007.

HKD 1.00 = Baht 4.3963, USD 1.00 = Baht 34.5730

The fulfillment of the transactions under this item 1.1 and 1.2 will be subject to several conditions precedent. The following conditions precedent that should be noted are the approval of the independent shareholders meeting of CTEI to approve the purchase of the SLS Interests from CP7-11 and LDI, and obtaining any and all other approvals, consents and waivers required by any applicable law or rules or regulations, or by governmental, administrative or regulatory bodies, necessary or otherwise appropriate for the parties to consummate the transactions contemplated by the relevant agreement. In addition, it is agreed that contemporaneously with the completion of transactions under this item 1.1 and 1.2, CP7-11 agrees to subscribe for, or procure the subscription of, convertible bonds to be issued by CTEI as per details described in item 1.3 below.

The transactions under this item 1.1 and 1.2 are considered to be the disposition of assets of the Company and its subsidiaries, in accordance with 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, and the size of this transaction is 9.1% which is equivalent to HKD 891.2 million (approximately Baht 3,918.0 million), which is not a transaction that needs to be conducted 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. However, CP7-11 wishes to propose this transaction to the Extraordinary General Meeting of Shareholders No. 1/2007 for further consideration and approval.

- 1.3 Approved CP7-11 or the person designated by the Company to subscribe for convertible bonds to be issued by CTEI in the amount of HKD 156.4 million (approximately Baht 687.6 million).

The transaction under this item 1.3 is considered to be the acquisition of assets of the Company, in accordance with 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, and the size of the transaction is 1.6%, which is not a transaction that needs to be conducted 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.

Nevertheless, the transactions under item 1.1 - 1.3 above are considered to be a connected transaction, relating to assets or services, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transaction, 2003 (as amended), and the combined size of the item 1.1 - 1.3 transactions are 56.4%, which is greater than 3% of net tangible assets (NTA = Baht 8,173.0 million) of the latest reviewed consolidated financial statements of CP7-11 and its subsidiaries for the period ended March 31, 2007; therefore, it is required to propose this transaction to the Extraordinary General Meeting of Shareholders No. 1/2007 for further consideration and approval.

1.4 Approved the appointment of Ayudhya Securities Public Company Limited to be an independent financial advisor to provide the opinion of connected transactions in item 1.1 - 1.3 in relation to the following matters to the shareholders:

- Reasonableness and benefits of connected transactions to CP7-11;
- Fairness of price and conditions of connected transactions.

2. Approved the scheduling of the Extraordinary General Meeting of Shareholders No.1/2007 on June 27, 2007 at 2.00 p.m. at 1111A, 11th Floor, C.P. Tower, Silom Road, Bangrak, Bangkok with the following agenda:

Agenda 1 To consider and certify the Minutes of the Annual General Meeting of Shareholders for the year 2007;

Agenda 2 To consider and approve the entering into the connected transaction and the acquisition and disposition of the Supercenter business abroad of the Company and its subsidiaries; and

Agenda 3 Other business (if any).

In this regard, the closing date of the share register book for the right to attend the Extraordinary General Meeting of Shareholders No. 1/2007 and exercise votes is from 12.00 hours of June 6, 2007, until the Extraordinary General Meeting of Shareholders is adjourned.

In addition, the Board of Directors Meeting has authorized empowering Mr. Korsak Chairasmisak and/or Mr. Umroong Sanphasitvong to do any acts and things in relation to the convening and holding of the Extraordinary General Meeting of Shareholders No. 1/2007, including to amend and/ or add to the agenda of the Extraordinary General Meeting of Shareholders No. 1/2007, and/ or change the timing or place of such meeting, as well as to change the closing date of the register book.

3. Approved CP7-11 to sell 65% of investment in Shanghai C.P. Jing Cheng Enterprise Development Co., Ltd. (C.P. Jing Cheng) and approved LDI to sell 35% of investment in C.P. Jing Cheng, totaling 100% of investment in C.P. Jing Cheng to ARCH Assets Limited for the total value of USD 14.2 million (approximately Baht 490.9 million). In this regard, such sale of investment has the transaction size of 6.4%, which is not a transaction that needs to be conducted 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.

Please be informed accordingly.

Kriengchai Boonpoapichart

Head of Finance and Investor Relations

Authorized to sign on behalf of the Company

## **C.P. Seven Eleven Public Company Limited**

### **Information Memorandum in Relation to a Connected Transaction and Acquisition and Disposition of Assets of the Company and its Subsidiaries**

#### **A. The disposition of assets and the connected transaction**

CP7-11 and Lotus Distribution Investment Limited (LDI), which is a subsidiary of CP7-11, will dispose of their total interests in Shanghai Lotus Supermarket Chain Store Co., Ltd. (SLS) collectively referred to as “the SLS Interests”, consisting of (1) equity interests (1% held directly by CP7-11 and 54% held indirectly through LDI), and (2) loan interests in SLS held through their investment holding company, Yangtze Supermarket Investment Co., Ltd. (YSI) to Chia Tai Enterprises International Limited (CTEI). The disposition of the SLS Interests will be conducted through a combination of transactions as follows:

- The reorganization of SLS by disposing of its 22 non-performing stores from SLS to C.P. Holding (BVI) Investment Company Limited (CPH) (the **First Transaction**)
- The sale of the SLS Interests to CTEI (the **Second Transaction**)

#### **1. Agreement Date:**

May 15, 2007.

#### **2. Contractual Parties:**

##### **The First Transaction**

Purchaser: CPH, an indirect wholly owned subsidiary of Charoen Pokphand Group Company Limited (CPG). CPG directly holds 19.2% of paid up shares in CP7-11.

Seller: SLS, a subsidiary of CP7-11 in which CP7-11 indirectly holds 29.7% of paid up shares through YSI (YSI is a subsidiary of CP7-11 in which CP7-11 holds a combined 55.0% of paid up shares through 1.0% of paid up shares held directly and 54.0% of paid up shares held indirectly through its wholly owned subsidiary, LDI.)

##### **The Second Transaction**

Purchaser: CTEI, a direct subsidiary of CPH in which CPH directly holds 61.7% of paid up shares in CTEI

Sellers: CP7-11 and LDI (a wholly owned subsidiary of CP7-11)

### 3. General Information of the Transaction and Total Transaction Value:

CP7-11 and LDI will dispose of the SLS Interests which are held through their investment holding company, YSI. CP7-11 and LDI will receive total consideration from the disposal of the SLS Interests for the total value of HKD 891.2 million (approximately Baht 3,918.0 million).

For the purpose of this announcement, the following exchange rates have been used for the various foreign exchange rate conversions. Please note that the following exchange rates are used for indication only.

The average buying rate quoted by commercial banks as of May 11, 2007  
HKD 1.00 = Baht 4.3963, USD 1.00= Baht 34.5730

The disposition would be conducted through a combination of transactions as follows:

- **The First Transaction:** The reorganization of SLS by disposing of its 22 non-performing stores from SLS to CPH.
- **The Second Transaction:** CP7-11 and LDI will dispose of the SLS Interests held through YSI to CTEI.

In consideration to CP7-11 and LDI in relation to the disposition of the SLS Interests, CTEI will issue convertible bonds to CP7-11 and LDI in the principal amount of HKD 891.2 million (approximately Baht 3,918.0 million). The summary of the terms and conditions of the convertible bonds will be as follows:

Principal amount	HKD 891.2 million (approximately Baht 3,918.0 million)
Maturity/ Redemption	Unless previously redeemed, converted or purchased and cancelled, the date falling on the 3rd anniversary of the date of completion of the relevant agreement, or (if mutually agreed in writing between CTEI and the bondholders), the date falling on the 5th anniversary of the date of completion of the relevant agreement
Interest	1% per annum
Conversion	The holders of the convertible bonds shall have the right to convert any convertible bond into CTEI shares during the conversion period. In addition, the convertible bonds will be automatically converted if either of the following events occur: <ul style="list-style-type: none"><li>(a) the closing price of the CTEI shares as quoted on the HK Stock Exchange is equal to or higher than HKD 0.43 (as adjusted for stock splits, stock combination, stock dividends, reclassifications and similar corporate actions) on at least 15 consecutive trading days; or</li><li>(b) the average of the closing prices of the CTEI shares as quoted on the HK Stock Exchange on not less than 20</li></ul>

consecutive trading days is HKD 0.43 or higher (as adjusted for stock splits, stock combination, stock dividends, reclassifications and similar corporate actions).

Conversion Price	HKD 0.39 per share
Ranking of Conversion Shares	The conversion shares shall rank <i>pari passu</i> with all CTEI shares
Governing Law	Laws of Hong Kong

In addition, it is agreed that contemporaneously with the completion of transactions under this item A, CP7-11 agrees to subscribe for, or procure the subscription of, convertible bonds to be issued by CTEI as per details described in item B below.

#### **4. General Information of the Assets Disposed of:**

CP7-11 and LDI will dispose of the SLS Interests which are held through their investment holding company, YSI. The disposition will be conducted through a combination of transactions as disclosed in 3 above. The general information of SLS and YSI is as follows:

#### **SLS**

SLS was registered in the People's Republic of China (PRC) with current paid-up capital of USD 84.0 million, of which 54.0% is held by YSI and 46.0% is held by Chia Tai Distribution Investment Co., Ltd., a wholly owned subsidiary of CPG. SLS is principally engaged in the business of the operation of large scale cash-and-carry hypermarket stores in the PRC as of the date of this announcement. As of the date of this announcement, SLS operated altogether 41 stores, namely Lotus Supercenter, through branch expansion in Shanghai and other cities around the central region in the Yangtze Basin of the PRC. The stores operated under SLS could be categorized as 19 performing stores and 22 non-performing stores.

The Board of Directors of SLS is as follows:

1. Mr. Korsak Chairasmisak;
2. Mr. Narong Chearavanont;
3. Mr. Umroong Sanphasitvong;
4. Mr. Jeff Zhang;
5. Mr. Allan H. Liu;
6. Mr. John Sian-Zu Lin;
7. Mr. Meth Jiaravanont;
8. Mr. Supachai Chearavanont;
9. Mr. Soopakij Chearavanont;
10. Ms. Camille Ma; and
11. Mr. Prasert Jarupanich.

Important financial information of SLS for the fiscal years ended December 31, 2005 and 2006, as disclosed in the unaudited financial statements is as follows:

<b>Unit : Million RMB</b>	<b>FY 2005</b>	<b>FY 2006</b>
Turnover	5,797.7	6,382.5
EBITDA	(108.4)	(490.7)
Loss before taxation	(285.6)	(762.5)
Loss after taxation	(287.7)	(762.8)
Total Assets	3,482.8	3,376.5
Net Assets/(Liabilities)	498.9	(263.9)

## **YSI**

YSI was registered in the British Virgin Islands with current paid-up capital of USD 57.8 million consisting of 100 shares with a par value of USD 1.0, of which 54.0% of paid up shares of YSI are held by LDI, 1.0% of the paid up shares of YSI are held by CP7-11 and 45.0% of paid up shares of YSI are held by The China Retail Fund, LDC. YSI is an investment holding company which holds 54.0% of paid up shares of SLS.

The Board of Directors of YSI is as follows:

1. Mr. Korsak Chairasmisak;
2. Mr. Narong Chearavanont;
3. Mr. Umroong Sanphasitvong;
4. Mr. Jeff Zhang;
5. Mr. Allan H. Liu; and
6. Mr. John Sian-Zu Lin.

Important financial information of YSI for the fiscal years ended December 31, 2005 and 2006, as disclosed in the consolidated audited financial statements is as follows:

<b>Unit : Million USD</b>	<b>FY 2005</b>	<b>FY 2006</b>
Revenue	718.8	814.3
Net Profit (Loss) after deducting Minority Interest	(18.8)	(53.2)
Total Assets	453.2	465.4
Total Liabilities	377.4	485.8
Shareholders' equity (Excluding Minority Interest)	46.7	(6.2)

## **5. Criteria Used in Determining Total Transaction Value:**

The total transaction value is based on the negotiation between purchaser and seller.

## **6. Transaction Size:**

The size of this transaction under this item A when combined with the size of transaction under item B is 56.4%, which is greater than 3% of net tangible assets (NTA = Baht 8,173.0 million) of the latest reviewed consolidated financial statements of CP7-11 and its subsidiaries for the period ended March 31, 2007.

## **7. Details of Connected Person and Scope of Interest of Connected Person:**

### **The First Transaction**

SLS and CPH have the same ultimate common major shareholder, which is CPG. CPG indirectly holds 46.0% of shares of SLS and directly holds 100.0% of shares of CPH. Therefore, the transaction between the parties is thus a connected transaction.

### **The Second Transaction**

CP7-11, LDI and CTEI have the same ultimate common major shareholder, which is CPG. CPG indirectly holds 44.7% of shares of CP7-11, indirectly holds 44.7% of shares of LDI and indirectly holds 61.7% of shares of CTEI. Therefore, the transaction between the parties is thus a connected transaction.

## **8. The Proposed Utilization of the Proceeds from the Sale:**

CP7-11 and LDI will receive convertible bonds as the consideration of both the First and the Second Transactions. Therefore, CP7-11 and LDI have no proposed utilization of the proceeds from sale at this stage.

## **9. Names of Directors who have an Interest and /or Directors who are Connected Persons:**

Mr. Dhanin Chearavanont, Mr. Korsak Chairasmisak, Mr. Soopakij Chearavanont, Mr. Umroong Sanphasitvong, Mr. Prasert Jarupanich, Mr. Narong Chearavanont and Mr. John Sian-Zu Lin, who are the directors who have interests and /or directors who are connected persons, did not attend the Meeting and had no right to vote at the Meeting.

## **10. Opinion of the Board of Directors:**

The Meeting of the Board of Directors of CP7-11, which the audit committee and directors with no interest in the transactions attended, has considered that the transactions are reasonable and of benefit to the business of CP7-11 and in the interests of the shareholders as a whole due to (1) CP7-11 should be able to realize value from its investment in SLS via convertible bonds to be issued by CTEI (2) convertible feature should provide upside gain to CP7-11 if CTEI is able to successfully realize additional value from the acquisition.

## **11. Opinion of the Company's Audit Committee and/ or Directors which is Different from the Opinion of the Board of Directors under 10:**

All opinions are in accordance with the opinion of the Board of Directors.

## **12. Actions to be Taken:**

As the transaction under this item A is considered to be a connected transaction, relating to assets or services, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (as amended), and the size of the transactions under this item A when combined with the size of transaction under item B is 56.4%, which is greater than 3% of net tangible assets



(NTA = Baht 8,173.0 million) of the latest reviewed consolidated financial statements of CP7-11 and its subsidiaries as of March 31, 2007; therefore, it is required to propose this transaction to the Extraordinary General Meeting of Shareholders No.1/2007 for further consideration and approval. A resolution of the Shareholders Meeting to approve this transaction must be passed by three-fourths of total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders. In addition, a resolution to approve this transaction from independent shareholders of CTEI is also required.

In addition, the transactions under this item A are considered to be a disposition of assets of the Company and its subsidiaries, in accordance with 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, and the size of this transaction is 9.1% which is equivalent to HKD 891.2 million (approximately Baht 3,918.0 million), which is not a transaction that needs to be conducted 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.

### **13. Dissemination of the Notice of the Shareholders Meeting:**

CP7-11 will send a Notice of the Extraordinary General Meeting of Shareholders No.1/2007 to the Stock Exchange of Thailand at least 5 business days before sending it to the shareholders, and will send such notice together with the opinion of the independent financial advisor to the shareholders no less than 14 days prior to the date of the Shareholders Meeting.

## **B. The acquisition of assets and the connected transaction**

### *The Subscription for CTEI Convertible Bonds*

#### **1. Agreement Date:**

Upon the completion date of the transaction under item A

#### **2. Parties Involved:**

Subscriber: CP7-11 or the person designated by CP7-11

Issuer: CTEI, a direct subsidiary of CPH in which CPH directly holds 61.7% of the paid up shares in CTEI

#### **3. General Information of the Transaction and Total Transaction Value:**

CP7-11 or the person designated by CP7-11 conditionally will agree to subscribe for the convertible bonds to be issued by CTEI at the subscription amount of HKD 156.4 million (approximately Baht 687.6 million) payable in cash.

#### 4. General Information of the Assets Acquired:

The terms and conditions of the convertible bonds shall be the same as the convertible bonds CTEI to be issued to CP7-11 and LDI under item A above.

CTEI was registered in the Cayman Islands and listed on the Stock Exchange of Hong Kong with current authorized share capital of HKD 300,000,000 and current paid-up capital of 5,996,614,408 shares with a par value of HKD 0.02, of which 61.7% are held indirectly by CPG through a wholly owned subsidiary CPH and the remaining 38.3% are held by minority shareholders. At the end of 2006, CTEI is an investment holding company and directly invested in Lotus North (100%) and Lotus South (100%) to operate superstores namely Lotus Supercenter in the People's Republic of China.

The Board of Directors of CTEI is as follows:

1. Mr. Soopakij Chearavanont;
2. Mr. Narong Chearavanont;
3. Mr. Tse Ping;
4. Mr. James Harold Haworth;
5. Mr. Michael Ross;
6. Mr. Yang Xiaoping;
7. Mr. Li Wen Hai;
8. Mr. Umroong Sanphasitvong;
9. Mr. Robert Ping-Hsien Ho;
10. Mr. Meth Jiaravanont;
11. Mr. Nopadol Chiaravanont;
12. Mr. Chatchaval Jiaravanon;
13. Mr. Supachai Chearavanont;
14. Mr. Kachorn Chiaravanont;
15. Mr. Viroj Sangsnit;
16. Mr. Chokchai Kotikula; and
17. Mr. Cheng Yuk Wo.

Important financial information of CTEI for the fiscal years ended December 31, 2005 and 2006, as disclosed in the audited financial statements, is as follows:

<b>Unit : Million HKD</b>	<b>FY 2005</b>	<b>FY 2006</b>
Revenue	1,852.8	3,482.8
Net Profit (Loss)	(530.2)	(347.5)
Total Assets	1,906.7	2,459.1
Total Liabilities	1,566.2	2,528.5
Shareholders' equity	(340.5)	(69.4)

#### 5. Source of Funds:

CP7-11's internal cash flow.

## **6. Transaction Size:**

The size of this transaction when combined with the size of the transactions under items A is 56.4%, which is greater than 3% of net tangible assets (NTA= Baht 8,173.0 million) of the latest reviewed consolidated financial statements of the Company and its subsidiaries for the period ended March 31, 2007.

## **7. Details of Connected Person and Scope of Interest of Connected Person:**

CP7-11 and CTEI have the same ultimate common major shareholder, which is CPG. CPG indirectly holds 44.7% of shares of CP7-11 and indirectly holds 61.7% of shares of CTEI. Therefore, the transaction between the parties is thus a connected transaction.

## **8. Benefit from Subscription:**

Through the transactions, CTEI will rationalize its business portfolio by acquiring 18 well established and performing stores operated by the reorganized SLS that will allow it to gain immediate access to premium locations in Shanghai, being the key commercial and financial centre of the PRC, and 1 store in Jiangsu province, the PRC. At the same time, CTEI will divest itself of 11 non-performing stores through the disposal

CTEI will be able to extend its presence in Shanghai and Jiangsu province in addition to its significant operations in Guangdong province, Beijing, Qingdao, Xian and Zhengzhou, the PRC and will operate performing 40 stores with a total sales area of approximately 609,901 square metres immediately after the completion of the Restructuring. As a result of the Restructuring, the CTEI Group will become one of the major hypermarket chains with coverage in Northern, Eastern and Southern regions of the PRC.

The new management team, with extensive experience in retailing business and financial management and with the mission of turning around the core business of the CTEI Group, believes that the Restructuring will potentially create synergies for the CTEI Group through economy of scale and collective purchasing power with vendors, suppliers and service providers.

Following the Restructuring, the equity base of the CTEI Group will be substantially enlarged from HKD (71.9) million to HKD 1,063.8 million.

CP7-11 believes that the investment in convertible bonds of CTEI post restructuring would allow CP7-11 to invest, with potential upside, in a company that could potentially be one of the leading large scale cash-and-carry hypermarket business operators in the PRC. The Restructuring would also strengthen the creditworthiness of CTEI through synergies, economy of scale and a strengthened equity base.

**9. Names of Directors who have an Interest and /or Directors who are Connected Persons:**

Mr. Dhanin Chearavanont, Mr. Korsak Chairasmisak, Mr. Soopakij Chearavanont, Mr. Umroong Sanphasitvong, Mr. Prasert Jarupanich, Mr. Narong Chearavanont and Mr. John Sian-Zu Lin, who are the directors who have interests and /or directors who are connected persons, did not attend the Meeting and had no right to vote at the Meeting.

**10. Opinion of the Board of Directors:**

The Meeting of the Board of Directors of CP7-11, which the audit committee and directors with no interest in the transaction attended, has considered that the transaction is reasonable and of benefit to the business of CP7-11 and in the interests of the shareholders as a whole.

**11. Opinion of the Company's Audit Committee and/ or Directors which is Different from the Opinion of the Board of Directors under 10:**

All opinions are in accordance with the opinion of the Board of Directors.

**12. Actions to be Taken:**

As the transaction is considered to be a connected transaction, relating to assets or services, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (as amended), and the size of the transaction under this item B when combined with the size of connected transactions under items A are 56.4%, which is greater than 3% of net tangible assets (NTA= Baht 8,173.0 million) of the latest reviewed consolidated financial statements of CP7-11 and its subsidiaries as of March 31, 2007; therefore, it is required to propose this transaction to the Extraordinary General Meeting of Shareholders No.1/2007 for further consideration and approval. A resolution of the Shareholders Meeting to approve this transaction must be passed by three-fourths of total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders. In addition, a resolution to approve this transaction from independent shareholders of CTEI is also required.

The transaction under this item B is considered to be the acquisition of assets of CP7-11, in accordance with 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, and the size of this is 1.6,% which is not a transaction that needs to be conducted 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.

### **13. Dissemination of the Notice of the Shareholders Meeting:**

CP7-11 will send a Notice of the Extraordinary General Meeting of Shareholders No.1/2007 to the Stock Exchange of Thailand at least 5 business days before sending it to the shareholders, and will send such notice together with the opinion of independent financial advisor to the shareholders no less than 14 days prior to the date of Shareholders Meeting.