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SET005/2022

3 March 2022

Subject Disposal of the Company's assets and its subsidiary (Rectify)

To Director and Manger  
The Stock Exchange of Thailand

Enclosure 1. Information Memorandum of Asset Disposal (Account 1)

AQ Estate Public Co., Ltd. ("the Company" or "AQ") disclose the BOD Resolution No. 2/2022 held on the date of 3 March 2022, 11 am ("the Meeting") resolved as follows; -

1. BOD has approved the transaction to dispose of the Company's assets and its subsidiary to At Ease Property Company Limited ("Buyer") at the total price THB 500,000,000 as follows; -
  - The Company will dispose of the land in the Flora Creek Chiangmai Hotel project, the details of the land and buildings appear on item 4 of Enclosure 1.
  - AQ Village Co., Ltd. will dispose of the building construction and use of hotel building permits including the hotel business certificate by the details of the building permit and use of the hotel building including the hotel business certificate appearing in item 4 of Enclosure 1.

(The said dispositions are referred to as the "Disposal of Assets in the Flora Creek Project" and see the Project information on item 4 of Enclosure 1)

The disposal of Asset in Floral Creek Project is considered a disposal transaction of the Company and its subsidiaries regarding Notification of Acquisition or Disposition of Assets by calculating the transaction size equal to 8.38 percent according to **Total value of consideration Received** which is the criteria that calculates the maximum transaction size from the Company's consolidated financial statements as of 31 December 2021 audited by the Company's certified public accountant If including the size of the asset disposal transaction occurred during 6 months prior to the date of the Board of Directors approving this transaction, which consisted of 4 items as follows- ;

1. Disposal transaction of 1 plot of land in Rangsit (2-1-47.2 rai), the purchase price is THB 105,000,000, which is the highest transaction size 1.76 percent based on the total value of consideration received,

calculated from the consolidated financial statements of the Company as of 31 December 2021 audited by the Company's certified public accountant. Date of approval from The Board of director 28 February 2022.

2. Disposal transaction of Land on Rama 9 Soi 6, Chaturatid Rd., 363.90 Sq.w., the purchase price is THB 90,000,000, which is the highest transaction size as 1.51 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 31 December 2021 audited by the Company's certified public accountant. Date of approval from The Board of director 28 February 2022.
3. Disposal transaction of Free Zone Co., Ltd., the purchase price is THB 100,000,000, which is the highest transaction size as 4.36 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant. Date of approval from the Board of director October 20, 2021, According to the news announced to SET. October 20, 2021.
4. Disposal transaction of 3 Plots of Land at Klong Luang, Pathumthani (117-0-88.5 Rai), the purchase price is THB 400,000,000, the purchase price is THB 400,000,000, which is the highest transaction size as 6.38 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant. Date of approval from Board of Directors September 30, 2021.

These 4 transactions combined with the Flora Creek Project Asset Disposition, the total value THB 500,000,000 calculated according to the Total Value of Consideration Criteria with the highest value equal to 8.38 percent, the maximum transaction size, consequently, is equal to 22.39 percent according to the Total Value of Consideration Criteria, which is considered as a type 2 transaction according to the announcement of the acquisition or disposition of assets. The value of the transaction is higher than 15% but not more than 50%, as a result, the Company is obliged to disclose information about the transaction to the Stock Exchange of Thailand. ("SET") and provide a letter to inform shareholders within 21 days from the date of disclosure to the SET (Enclosure 1).

To be acknowledged

Best Regards,

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Mr. Chamnarn Wangtal

Director

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Mr. Michael Alexander William Fernandez

Director

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Information Memorandum on Asset Disposal, account (1) of

AQ Estate Public Company Limited

The Board of Directors' meeting of AQ Estate Public Company Limited (the "Company" or "AQ") No. 2/2022 has approved the transaction to dispose of the Company's assets and its subsidiary to At Ease Property Company Limited ("Buyer") at the total price THB 500,000,000 as follows; -

1. The Company will dispose of the land in the Flora Creek Chiangmai Hotel project, the details of the land and buildings appear on item 4.
2. AQ Village Co., Ltd. will dispose of the building construction and use of hotel building permits including the hotel business certificate by the details of the building permit and use of the hotel building including the hotel business certificate including with other assets related to the business appearing in item 4.

(The said dispositions are referred to as the "Disposal of Assets in the Flora Creek Project")

(The Company and AQ Village Co., Ltd. are referred to as "the Company and its subsidiary")

Disposal of assets in the Flora Creek project is considered a disposal transaction of the Company and its subsidiaries according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Significant Transactions Qualified as Acquisition or Disposition of Assets dated August 31, 2008 (including additional amendment) and the Notification of the Board of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2003 dated October 29, 2003 (including additional amendment) ("Acquisition or Disposition of Assets") by calculating the transaction size equal to 8.38 percent according to Total value of consideration Received which is the criteria that calculates the maximum transaction size from the Company's consolidated financial statements as of 31 December 2021 audited by the Company's certified public accountant If including the size of the asset disposal transaction occurred during 6 months prior to the date of the Board of Directors approving this transaction, which consisted of 4 items as follows- ;

1. Disposal transaction of 1 plot of land in Rangsit (2-1-47.2 rai), the purchase price is THB 105,000,000, which is the highest transaction size 1.76 percent based on the total value of consideration received, calculated from the consolidated financial statements of the Company as of 31 December 2021 audited by the Company's certified public accountant. Date of approval from The Board of director 28 February 2022.

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2. Disposal transaction of Land on Rama 9 Soi 6, Chaturatid Rd., 363.90 Sq.w., the purchase price is THB 90,000,000, which is the highest transaction size as 1.51 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 31 December 2021 audited by the Company's certified public accountant. Date of approval from The Board of director 28 February 2022.
3. Disposal transaction of Free Zone Asset Co., Ltd., the purchase price is THB 100,000,000, which is the highest transaction size as 4.36 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant Date of approval from the Board of director October 20, 2021, According to the news announced to SET. October 20, 2021.
4. Disposal transaction of 3 Plots of Land at Klong Luang, Pathumthani (117-0-88.5 Rai), the purchase price is THB 400,000,000, which is the highest transaction size as 6.38 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant. Date of approval from Board of Directors September 30, 2021

These 4 transactions combined with the Flora Creek Project Asset Disposition, the total value THB 500,000,000 calculated according to the Total Value of Consideration Criteria with the highest value equal to 8.38 percent, the maximum transaction size, consequently, is equal to 22.39 percent according to the Total Value of Consideration Criteria, which is considered as a type 2 transaction according to the announcement of the acquisition or disposition of assets. The value of the transaction is higher than 15% but not more than 50%, as a result, the Company is obliged to disclose information about the transaction to the Stock Exchange of Thailand. ("SET") and provide a letter to inform shareholders within 21 days from the date of disclosure to the SET.

AQ shall disclose the transaction to SET regarding the announcement as follows; -

1. **Transaction Date**

The Board of Directors' meeting No. 2/2022 held on 3 March 2022 has approved the transaction, the Company and/or its subsidiaries will enter into a purchase and sale agreement of assets related to the transaction ("**Purchase and Sale Agreement**") within 8 March 2022 or the date that mutual agree (Seller and Buyer). The Company expects that the Transaction will be completed approximately on 30 April 2022 or the date that mutual agree after all the precedents under the Purchase and Sale Agreement have been completed or has been waived or waived by the parties involved and various actions have been taken to complete the transaction as stipulated in the Purchase and Sale Agreement. ("Date of Transaction Completion")

**-Translation-****2. Parties**

**Seller** : 1. AQ Estate Public Co., Ltd.  
 2. AQ Village is the Company's subsidiary, which holding shares with voting rights in AQ Village 99.99 percent of the registered capital of AQ Village.

**Buyer** : At Ease Property Co., Ltd. which is not the related company regarding the announcement of connected transaction.

**Buyer Information**

**Company Name** : At Ease Co., Ltd. ("ATEASE")

**Registered Date** : 10 February 2022 (ATEASE is a company that was established specifically for the investment in the assets of the Flora Creek project mentioned above, it also that develops and invests in all types of land and real estate and has a team of experts in the area particular in business development and investment in land and real estate)

**Registered Number** : 0105565026546

**Registered Capital** : THB 475,000,000

**Share Number** 4,750,000 Shares are common stock which are fully paid

**Par** THB 100

**Asset Obligation** : None

**Ultimate shareholders of AT East property Company Limited(" AT East")**

**1. Smooth As Silk Co.,Ltd.**

**2. Mr.Supan Settapanich**

**3. Mr.Sumet Settapanich**

**Mr.Sittipong Netipat**

**-Translation-****Nature of Business of ATEASE**

To develop and invest in Land and Real Estate

**Financial Information of ATEASE**

-None-

Because of the Company establish of February 10,2022.

**3. Transaction Characteristic, Type, and Size**

**3.1 Transaction Characteristic,** The Company and its subsidiary will dispose of the land and buildings in the Flora Creek Chiangmai Hotel project with the following details:

- Land and Buildings Information :
- 2 Plots of Land (21 Rai 3 Ngan 40 Sq.w. (land and buildings)  
Land Title No. 20888, 20889, 20890, 20891, 20892, 20893, 20894, 21278, 22315, 22316, 22323, 22324, Nor.Sor.3 Kor. No. 557 total is 21-3-40 Rai) which is the Floral Creek Chiangmai Hotel No. 90 Moo 4 Hangdong-Samerng Rd., Ban Pong, Hangdong, Chiangmai Province
  - 23 Buildings and 2 items of development in parallel (project fence and bridge over Mae Tha Chang canal)
  - Building Construction Permit No. 20/2558, 23/2558, and 24/2558 together with Hotel License No. 2/2559
  - Other assets related to the business
  - Floral Creek Hotel Employees (Employees who transfer to ATEASE will renew the employment contract with Buyer) 61 persons

Transaction Value : Equal THB 500,000,000

Complete Transaction Date : Within 30 April 2022 or the date that mutual agree

Origin of the condition

Because of the signing of the contract has not been completed and the transaction will take place around the 2<sup>nd</sup> Quarter of 2022. The

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administration and benefits will belong to AQ.

- Precedent Conditions :
1. The Company will get the BOD approval in order to dispose of the assets in Flora Creek Project
  2. The Company who is the AQ Village's creditor must certify that it will endeavor to complete the disposal of the Flora Creek Project assets and will not exercise any right to sue or take any action that would render AQ Village bankrupt.
  3. Set the accounting (income/expense) Cutoff-Date to be March 31, 2022 and/or the date the transaction is completed whichever day later.

- Significant Condition :  
Subsequent or Action  
Agreement
1. AQ holds 99.94% stake in AQ Village. The Company will proceed for AQ Village to convert debt to equity in AQ Village and will not cause shareholders' equity to be deficit (less than zero), which is a condition after the transaction.

Debt to equity conversion method, where AQ is a major shareholder, will increase capital in AQ village and reimbursement to AQ.

2. The company must approve and carry out maintenance of the project according to the normal operating plan, particular in the implementation plan before March 31, 2022 or Cutoff-Date whichever day later, has to get the approval and immediate maintenance. For the part of the implementation plan that will have executed the project maintenance after that, the buyer will consider. The hotel will operate normally unit March 31, 2022. Revenues in Q1/2022 are at AQ Village repair costs will be in the amount Baht 500,000. Repair money is not included in the selling price. AQ Village will be consider repairs.

### 3.2 Transaction Type and Size

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The sale of assets in the Flora Creek Project is categorized as an asset disposal transaction according to the Acquisition or Disposition of Assets announcement. When calculating the transaction size by referring to the consolidated financial statements of the Company as of December 31, 2021 which has been audited by the Company's certified public accountant. The calculation details are as follows:

Transaction Type:

Transaction Size Basis	Calculate Formula	Transaction Size
1. Value of net tangible assets (NTA)	[N/A]	
2. Net operating profits	[N/A]	
3. Total value of consideration paid or received <sup>1/</sup>	$\frac{\text{Value of transaction paid or received} \times 100}{\text{Total assets of listed company}}$	8.38%
4. Value of equity shares issued for the payment of assets	No issued new share	
<b>Highest Basis</b>	NTA	8.38%

Regarding the above calculation of the item size, the transaction size is equal to 8.38 percent according to Total Value of Consideration Criteria which is the criterion that calculates the highest transaction size from the Company's consolidated financial statements ended on 31 December 2021 audited by the Company's certified public accountant. If including the size of the asset disposal transaction occurred during 6 months prior to the date of the Board of Directors, there was a resolution approving the entry into this transaction, which consisted of 4 items as follows; -

1. Disposal transaction of 1 plot of land in Rangsit (2-1-47.2 rai), the purchase price is THB 105,000,000, which is the highest transaction size 1.76 percent based on the total value of consideration received, calculated from the consolidated financial statements of the Company as of 31 December 2021 audited by the Company's certified public accountant
2. Disposal transaction of Land on Rama 9 Soi 6, Chaturatid Rd., 363.90 Sq.w., the purchase price is THB 90,000,000, which is the highest transaction size as 1.51 percent according to the total value of



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consideration received, calculated from the consolidated financial statements of the Company Ended on 31 December 2021 audited by the Company's certified public accountant

3. Disposal transaction of Free Zone Asset Co., Ltd., the purchase price is THB 100,000,000, which is the highest transaction size as 4.36 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant
4. Disposal transaction of 3 Plots of Land at Klong Luang, Pathumthani (117-0-88.5 Rai), the purchase price is THB 400,000,000, which is the highest transaction size as 6.38 percent according to the total value of consideration received, calculated from the consolidated financial statements of the Company Ended on 30 June 2021 audited by the Company's certified public accountant

These 4 transactions combined with the Flora Creek Project Asset Disposition, the total value THB 500,000,000 calculated according to the Total Value of Consideration Criteria with the highest value equal to 8.38 percent, the maximum transaction size, consequently, is equal to 22.39 percent according to the Total Value of Consideration Criteria, which is considered as a type 2 transaction according to the announcement of the acquisition or disposition of assets. The value of the transaction is higher than 15% but not more than 50%, as a result, the Company is obliged to disclose information about the transaction to the Stock Exchange of Thailand. ("SET") and provide a letter to inform shareholders within 21 days from the date of disclosure to the SET.

**4. Sales Asset Information of the Company and its subsidiary**

- 2 Plots of Land (21 Rai 3 Ngan 40 Sq.w. (land and buildings) Land Title No. 20888, 20889, 20890, 20891, 20892, 20893, 20894, 21278, 22315, 22316, 22323, 22324, Nor.Sor.3 Kor. No. 557 total is 21-3-40 Rai) which is the Floral Creek Chiangmai Hotel No. 90 Moo 4 Hangdong-Samerng Rd., Ban Pong, Hangdong, Chiangmai Province
- 23 Buildings and 2 items of development in parallel (project fence and bridge over Mae Tha Chang canal)
- Building Construction Permit No. 20/2558, 23/2558, and 24/2558 together with Hotel License No. 2/2559
- Other asset related to the business
- Floral Creek Hotel Employees (Employees who transfer to ATEASE will renew the employment contract with Buyer) 61 persons

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5. Total Value of Consideration, the value of the assets purchased, criteria used to determine the value of consideration, and the conditions for receiving payment

5.1 Total Value of Consideration, the value of the assets purchased, and payment term

The Company and its Subsidiaries will dispose of the properties in the Flora Creek project to the purchaser for the total price THB 500,000,000. The Company and its subsidiaries will receive payment for the sale of assets in the Flora Creek project as follows:

1<sup>st</sup> Installment amounted THB 75,000,000 when signing the contract buyer payment is cash currently not contracted

2<sup>nd</sup> Installment amounted THB 425,000,000 within 30 days from the execute the Definite Agreement

5.2 Appraisal company

SL Appraisal Co., Ltd. Is and SEC. approved assessment company.

Appraisal price 480 Million Baht.

Date of Appraisal on December 25, 2021.

5.3 Criteria used to determine the value of consideration

Considered using the discounted cash flow method of calculating the asset's future cash flow (Discounted Cash Flow) and the final price must not be higher than the price from the lowest valuation report by more than 20 percent of the price from the valuation report of the operator, independent appraisal. Selling price is 500 million Baht. , Compared to the appraised 486 million Baht.

6. Expected benefits to the listed company as a result of the transaction

It is expected that the company will have sufficient working capital to develop new projects in accordance with the Company's business expansion plan. including the overall financial position of the Company will be better and have higher liquidity. In addition, the Company is also undergoing business restructuring as the hotel business is now affected by the Covid-19 situation. Therefore, it is in the process of considering investing in a new business with less risk and have the opportunity to generate higher returns for the Company. After making this transaction the Company will have 4 hotels are as follow

1) Alix Bangkok Hotel

2) Malivu Hotel Koh Samui

3) Shasa Retreat Hotel and Resort , Koh Samui

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4) The Tana Resort at Koh Tao

7. Transaction Condition

7.1 The Company is therefore obliged to disclose information about the transaction to the SET and send a notice to shareholders within 21 days from the date of disclosure to the SET.

7.2 The Company must get the approval from the Board of Directors for entering into the transaction of disposition of assets in the Flora Creek Project.

7.3 Completion of the conditions precedent under the contract of sale of property

The Company expects that the transaction will be completed approximately on 30 April 2022 or the date that mutual agree after all the precedents under the Purchase and Sale Agreement have been completed or has been waived or waived by the parties involved and various actions have been taken to complete the transaction as stipulated in the Purchase and Sale Asset Agreement. (“Date of Transaction Completion”)

8. The Board of Directors’ Opinion regarding the transaction

The Board of Directors Meeting No. 2/2565 resolved to approve the transaction of disposition of assets in the Flora Creek project that will be benefit to the company because it is expected that the company will have sufficient working capital to develop new projects in accordance with the Company's business expansion plan including the overall financial position of the Company will be better and have higher liquidity. In the past, the hotel business is now affected by the Covid-19 situation for a long time. Consequently, the Flora Creek Hotel suffered a loss and affecting the Company including with the Company's financial position in the past period. Regarding the sale of the hotel business, it is the sale of the business at a price that is higher than the company's accounting cost including higher than the appraised price that the company has hired an expert to assess. As a result, the company will receive capital that is sufficient working capital to be used to develop new projects in accordance with the Company's business expansion plan including the overall financial position of the Company. In addition, the Company is currently considering investing in a new business that has less risk than a hotel business that relies heavily on the tourism industry and has an opportunity to generate higher returns for the Company and its shareholders.

9. Opinions of the Audit Committee and/or the Company's Directors which is different from the opinion of the Board of Directors under Clause 8.

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The Board of Directors hereby certifies that the information in this information memorandum is true, complete, not false and does not cause any misunderstanding or lack of information that should be disclosed in material respects.

To be acknowledged

Best Regards,

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Mr.Chamnarn Wangtal

Director

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Mr.Michael Alexander William Fernandez

Director