



(Translation)

Ref. No. PD 013/2022

25 May 2022

**Subject:** Notification on the Asset Acquisition of Bangkok Dusit Medical Services Public Company Limited

**To:** The President  
The Stock Exchange of Thailand

**Enclosure:** Information Memorandum on the Asset Acquisition of Bangkok Dusit Medical Services Public Company Limited

The Board of Directors' Meeting No. 5/2022 of Bangkok Dusit Medical Services Public Company Limited (the "**Company**") convened on 25 May 2022 has passed the following material resolutions

1. Approved the Company and/or its subsidiary entering into the transaction to lease the land located at the corner of Sarasin Road and Lang Suan Road (opposite Lumpini Park), Lumpini sub-district, Patumwan District, Bangkok, with the total area of 13-0-60.18 rais from Crown Property Bureau (the "**Lessor**") in order to develop the BDMS Silver Wellness & Residence project. In this regard, the Lessor is not the connected person of the Company. The entering into of the transaction considered as a Type 2 asset acquisition transaction, namely, a transaction with the value equivalent to 15 percent or higher but lower than 50 percent in accordance with the Notification of the Capital Market Subsidiary Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and 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 B.E. 2547 (2004) (including any amendment thereto). Consequently, the Company is required to disclose the Information Memorandum on the entering into of the transaction to the Stock Exchange of Thailand and deliver the circular to the shareholders within the period of 21 days from the date on which the Information Memorandum is disclosed to the Stock Exchange of Thailand. The details of the Information Memorandum on the Asset Acquisition of the Company are set out in the Enclosure.

2. Approved the Company to set up a wholly-owned subsidiary under the name of BDMS Silver Company Limited with registered capital of Baht 5,000 million to enter into the land lease agreement and invest in BDMS Silver Wellness & Residence project.

Please be informed accordingly.

Yours Sincerely,



(Miss Poramaporn Prasarttong-osothe, M.D.)

President

(Translation)

**Information Memorandum on the Asset Acquisition of  
Bangkok Dusit Medical Services Public Company Limited**

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The Board of Directors' Meeting No. 5/2022 of Bangkok Dusit Medical Services Public Company Limited (the "Company") convened on 25 May 2022 has approved the Company and/or its subsidiary entering into the transaction to lease the land from Crown Property Bureau (the "Lessor") in order to develop the BDMS Silver Wellness & Residence project. In this regard, the Lessor is not the connected person of the Company. The entering into of the transaction constitutes an asset acquisition transaction in accordance with the Notification of the Capital Market Subsidiary Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and 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 B.E. 2547 (2004) including any amendment thereto (Collectively, the "Notifications on Acquisition or Disposal Transactions").

The Company hereby informs of the details on the transaction as follows:

**1. Transaction Date**

Within June 2022, the Company and/or its subsidiary will enter into the transaction to lease the land located at the corner of Sarasin Road and Lang Suan Road, Lumpini sub-district, Patumwan District, Bangkok (the "Land Leasehold") from the Lessor, who is not the connected person of the Company. The Company will develop the BDMS Silver Wellness & Residence project, accordingly.

**2. Name of Contractual Party and its Relationship with the Company**

Lessee: The Company and/or its subsidiary

Lessor: Crown Property Bureau

Relationship: The Lessor is not the connected person of the Company

**3. General Characteristics of the Transaction and the Transaction Value**

**3.1 General Characteristics**

The Company and/or its subsidiary entering into the transaction to lease the land located at the corner of Sarasin Road and Lang Suan Road, Lumpini sub-district, Patumwan District, Bangkok, with the total area of 13-0-60.18 rais in order to develop the BDMS Silver Wellness & Residence project. The land leasehold period is 30 years and renewable of another 30 years. The summary of lease condition is set forth in the attachment to this Information Memorandum.

**3.2 Transaction Type and Transaction Value**

The land leasehold and investment budget to develop the project in the total value of Baht 23,545 million which constitutes an asset acquisition transaction in accordance with Notifications on Acquisition and Disposition Transactions. The transaction value is equivalent to 18.0 percent calculated by using the

total value of the consideration based on the Company's Consolidated Statement of its Financial Position for the period ending 31 March 2022. The details of the calculation of the transaction value are set out as follows:

$$\frac{(\text{Value of Land Leasehold} + \text{Budgets for Project Development}) \times 100}{\text{Total Asset Value of the Company as of 31 March 2022}} = \frac{(9,145 + 14,400) \times 100}{131,098}$$

Calculation Method	Formula	Transaction Value
1. Net Tangible Asset (NTA)	Cannot be calculated as it is a Land Leasehold and Project Development.	-
2. Net Profit	Cannot be calculated as it is a Land Leasehold and Project Development.	-
3. Total Value of Consideration	Amount paid or received / Total assets of the Company  (23,545 x 100) / 131,098	18 percent
4. Value of Capital Shares	Cannot be calculated as there is no issuance of shares.	-

In this regard, during the past 6 months, the Company has acquired assets in the total value of approximately Baht 6,181 million, equivalent to the transaction value of 4.8 percent (the Company annual budget, the acquisition of operational assets and investment expansion of the Company group). After adding such transactions to the transaction to acquire the Land Leasehold and relevant investment according to the project development plan, the total transaction value will be equivalent to 22.8 percent.

As a result, such transaction is considered as a Type 2 asset acquisition transaction, namely, a transaction with the value equivalent to 15 percent or higher but lower than 50 percent of the total value of consideration under the Notifications on Acquisition or Disposal Transactions. Consequently, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange and deliver a circular to the shareholders within the period of 21 days from the date on which the information memorandum is filed with the Stock Exchange.

#### 4. Details of the asset to be acquired

the Land Leasehold, buildings and other related assets for business operation of the project

1. The land leasehold period is 30 years and renewable of another 30 years with the total area of 13-0-60.18 rais located at the corner of Sarasin Road and Lang Suan Road, Lumpini sub-district, Patumwan District, Bangkok
2. The buildings and structure dedicated to delivering quality and sustainability, in greenery and natural surroundings. The total construction area is approximately 170,000 square meter consist of:-

- (1) Silver Wellness building incorporated with health technologies and innovation to enhance health and wellbeing. Programs of care and treatment facilities are fully equipped.
- (2) Silver Residence building supporting the holistic health of the residents and wellness-focused communities, will be equipped with convenient facilities to promote health-activities and a better quality of life.

Target customers are the Silver Age group, health conscious consumers, customers aiming for healthier lifestyle in the natural environment in the heart of the city, both Thai and foreigners.

3. All assets which are related with the buildings and structure, system works, facilities, medical equipment, IT systems and other related assets for business operation of the project

#### **5. Total value of consideration and basis used in determination of the value of consideration**

The total value of the consideration is approximately Baht 23,545 million consist of

- 5.1 Land Leasehold with the conditions as preliminary agreed with the Lessor approximately of Baht 9,145 million which is in line with the appraisal value prepared by American Appraisal (Thailand) Company Limited, the independent asset appraiser recognized by the Office of the Securities and Exchange Commission by using the Fair Value Approach for valuation of the leasehold.
- 5.2 Investment budget of approximately Baht 14,400 million for building constructions, medical equipment, IT systems and others for business operation of the project was evaluated from the project development plan of the Company and considered as a related material transaction for calculating of the transaction value under the guidelines for complying with the criteria in the Notifications on Acquisition or Disposal Transactions.

#### **6. Concept and details of the project and the benefits that the Company expects to receive**

BDMS has established BDMS Silver Wellness and Residence as a land development project in order to expand business opportunity with a vision and goal for proactive healthcare service. BDMS Silver Wellness and Residence focuses on personalized health retreat and wellness programs under the holistic healthcare practices. This project aims to create a balance of longevity life by operating in customer friendly environment with wellness and non - medical context.

There are several key factors, which lead to the project success. The expansion of the healthcare industry around the world particularly in the health tourism business. Thailand is considered one of the prime destinations for global medical tourists. The aging society has also brought changes in social structure with longer life expectancy, resulting in the emergence of a health-conscious trend. The silver age, which involves the population older than 50 years old, is the new group of aged consumers who have high purchasing power and tend to spend their wealth on their health. According to research data on the current healthcare business, it was found that there are plenty of entrepreneurs, offering variety in services for medical tourism. However, it has turned out that none of the holistic and all-inclusive services on wellness promotion has ever been delivered, and there is only 1 percent of the healthcare products available in the market support longevity lifestyle.

The business model for BDMS Silver Wellness and Residence Project to promote wellness services can be categorized as follows:

1. Silver Residence

In order to develop accommodation under the conception of a balanced quality of life for the silver age group consumers and the long-stay tourists. Silver Residence is designed to fully harmonize with surrounding nature. The property is divided into different parts to serve different functions, including the accommodation zone and common area for recreational services. Silver Residence also provides exclusively personalized wellness services for members. Moreover, there is tele-healthcare for general medical consultation and treatment by collaborating with specialists from BDMS network hospitals.

2. BDMS Silver Wellness and Longevity

With aiming to promote healthcare among multigeneration, the wellness programs are designed to identify health problems based on the age category and health requirements, in order to implement personalized health recovery treatment together with mental healing programs. The program also provides nutrition and lifestyle medical consultation services, aiming to prolong life expectancy, and decrease physical deterioration with aging by integrating various fields of technology and innovation, under the supervision of BDMS specialists. In case of finding diseases or disorders, a patient can refer to BDMS network hospital for further continuous medical treatment.

3. Personalized Rehabilitation Center

The regenerative and rehabilitation center aims to provide services for the patients with post-surgery care and recovery condition after intensive medical treatments or medical operations, in order to regain and return to normal lives by integrating rehabilitation medicine, and healthcare innovation, together with Thai traditional medicine wisdom, and eastern medical practices. With remarkable landmarks located in the city center, the Personalized Rehabilitation Center is more convenient for transportation and visit among families and friends.

4. Living Health Community Center

The living health community center is expected to serve as a hub for gathering various local young tenants with high-quality health products, as well as leader healthy restaurants and wellness and art events to uplift your spirit. The community center also provides a recreational space for family and friends to gather spot. Additionally, the community center also offers several interesting activities such as health and wellness promotion workshops by sharing the BDMS healthcare expertise with the business network in the community as a social contribution system.

5. Wellness Hotel (Clinical)

The wellness hotel is established to attract short-stay medical tourists by designing a wellness service package with intensive and advanced checkups and customized wellness activities, aiming at mental destressing, physical rejuvenation, and soul refreshment. By collaborating with a global elite hotel group, Wellness hotel operation with professional management with enhancing resource efficiency for excellent wellness hotel service.

## 6. Lifespan Innovation Center

Aiming to support research in Thailand, the partnership between global and domestic innovation networks is established, in order to conduct the new area of research on wellness and lifespan innovation. The integration of Thai traditional medicine and western medical technology on genetics and biomolecules lead to the initiative of healthcare innovation commercialization. The publications in scientific journals also support the application of medical technology for increasing Thailand's competitiveness.

## 7. BDMS Referral Network

According to the city center location, BDMS referral network is established as an emergency referral center to BDMS network hospitals with the advantage of convenient transportation. This is one of the BDMS determination to contribute BDMS healthcare specialty to society. With the complete facilitation of medical equipment and staff, BDMS referral network can provide rehabilitation services for post-surgery patients to resume their previous quality of life.

### **Expected benefits to the Company**

- 1) The Company will be able to expand wellness business to the Silver Age group, health conscious consumers, customers aiming for healthier lifestyle in the natural environment in the heart of the city, both Thai and foreigners and to become wellness tourism destination.
- 2) The development of BDMS Silver Wellness & Residence project focused on becoming the leader in the Preventive Medicine, Longevity and Anti-aging in Asia which is in line with the Company's strategies that aiming to enhance services capacity to cover all aspects of medical services from preventive medicine to the holistic healthcare
- 3) Combine the health conscious theme and the green environmental living style that will help create a relaxing atmosphere for the customers and the residences. Famous restaurants and shops will be opened in the remarkable area within the central business district of Bangkok. With the said features of the BDMS Silver Wellness & Residence, the project can become holistic healthcare center at the international level.
- 4) Connect the excellence of BDMS network and make BDMS to become the center for both Wellness and Medical service providers and increase the potential of medical leadership which will attract high caliber personnel which will be the important factor to drive the economy in the context of the country strategies.

## 7. Sources of Funds

The sources of funds are from the Company's cash flow, borrowing from a financial institution, and/or the issuance of debentures. The borrowing from a financial institution and/or the issuance of debentures will not create conditions that affect the right of the shareholders of the Company.

**8. Conditions Precedent for Entering into the Transaction**

As the transaction considered as a Type 2 asset acquisition transaction in accordance with the Notification of the Rules on Entering into Material Transactions with the value equivalent to 15 percent or higher but lower than 50 percent of the total asset value of the Company. Consequently, the Company is required to disclose the Information Memorandum on the entering into of the transaction to the Stock Exchange of Thailand and deliver the circular to the shareholders within the period of 21 days from the date on which the Information Memorandum is disclosed to the Stock Exchange of Thailand.

**9. Opinion of the Board of Directors on the entering into of the transaction**

The meeting of the Board of Directors together with the Audit Committee has considered the details proposed by the management and rendered an opinion that the Land Leasehold and Project development mentioned above is in line with the business strategy of the Company which will enhance revenue and will benefit to the Company and its shareholders.

**10. Opinion of the Audit Committee and/or directors of the Company which are different from those of the Board of Directors**

After consideration, the Audit Committee had no opinions which were different from those of the Board of Directors.

**11. Responsibilities of the Board of Directors on the Information in the Documents delivered to the Shareholders**

The Board of Directors has prudently reviewed the information in this Information Memorandum and hereby certifies that the information in this Information Memorandum is correct, complete and accurate and contains no misleading information which may cause any misunderstanding or conceal any material fact that should have been disclosed.

The Company hereby certifies that the information contained in this Information Memorandum is accurate and complete, in all respects.

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## Attachment to the Information Memorandum

### Summary of the material terms and conditions under the Land Leasehold Agreement

- Total Area : 13-0-60.18 rais
- Land Leasehold Period : 30 years and renewable of another 30 years, the leasehold period will start after the end of the construction period.
- Construction Period : 6.5 years
- Land Leasehold Value and Payment terms : Approximately Baht 9,145 million
  - 1<sup>st</sup> Payment at the Agreement signing date in the amount of Baht 2,503.5 million
  - 2<sup>nd</sup> Payment at the leasehold start date (after the end of 6.5 year Construction Period) in the amount of approximately Baht 6,641.5 million