



21 October 2022

Re : Notification of the resolution of the Board of Directors' Meeting No. 12/2022 dated 18 October 2022 and the Meeting of Executive Committee No. 27/2022 re the acquisition of shares in Egronix Company Limited (Revise)

To : President

The Stock Exchange of Thailand

Enclosure : Information Memorandum of the Acquisition and Disposition Transaction of Assets List (1) of AQ Estate Public Company Limited

The Board of Directors' Meeting No. 12/2022 dated 18 October 2022 to approve the Company or its subsidiaries to purchase ordinary shares of Egronix Co., Ltd. by setting a purchase value of not more than THB 1,300 million by assigning the Executive Committee of the Company have the authority to negotiate and modify the conditions together with complete the contract within the stipulated framework and the Meeting of Executive Committee No. 27/2022 dated 21 October 2022 of AQ Estate Public Company Limited has resolved to approve the purchase of a total of 1,000,000 ordinary shares in Egronix Company Limited ("Egronix"), representing 100 percent of the registered capital of Egronix, comprising: 509,999 shares, representing 51.00 percent of the registered capital of Egronix, from Mr. Pichet Permsubhirunya ("Mr. Pichet"); 490,000 shares, representing 49.00 percent of the registered capital of Egronix, from B Energy Holding Pte. Ltd. ("B Energy Pte"); and 1 share, representing 0.00 percent of the registered capital of Egronix, from Mr. Saransiri Wongsiri (collectively referred to as the "Sellers"), by Thanont Property Company Limited, the Company's subsidiary, which hold 99.99% of paid-up capital (collectively referred to herein as the "Company"), in the total purchase price of THB 1,200,000,000 (the "Egronix Share Purchase Transaction").

The Egronix Share Purchase Transaction constitutes an acquisition of the Company in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and 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 Asset B.E. 2547 dated 29 October 2004 (as amended) (the "Assets Acquisition or Disposal Notifications"), with the transaction size of 22.22 percent calculated based on total value of consideration paid or received, which gives highest transaction size, and based on the Company's consolidated reviewed financial statements for the period ended 30 June 2022.

The Company, therefore, is required to comply with the Assets Acquisition or Disposal Notifications as follows:

- 1) disclose information in relation to the transaction to the SET under List (1) of the Assets Acquisition or Disposal Notifications; and
- 2) send a circular to its shareholders within 21 days from the date of information disclosure to the SET, which must contain at least the information as specified in items 1, 2, 3, 5 (3), 7 and 8 of List (2) of the Assets Acquisition or Disposal Notifications.

The Egronix Share Purchase Transaction **does not constitute** a connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 (as amended) and 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 Connected Transactions B.E. 2546 dated 19 November 2003 (as amended) (the "Connected Transaction Notifications").

-Translation-

(As detailed in the Enclosure above)

Please be informed accordingly.

Sincerely yours

(Mr.Chamnarn Wangtal)

Director

(Mr.Voravut Laithuamthaweekul)

Director

**Information Memorandum on the Acquisition of Assets under List (1) of
AQ Estate Public Company Limited**

The Board of Directors' Meeting No. 12/2022 dated 18 October 2022 resolved to approve the Company or its subsidiaries to purchase ordinary shares of Egronix Co., Ltd. by setting a purchase value of not more than THB 1,300 million by assigning the Executive Committee of the Company have the authority to negotiate and modify the conditions together with complete the contract within the stipulated framework and the Meeting of Executive Committee of No. 27/2022 dated 21 October 2022 of AQ Estate Public Company Limited has resolved to approve the purchase of a total of 1,000,000 ordinary shares in Egronix Company Limited (“**Egronix**”), representing 100 percent of the registered capital of Egronix, comprising: 509,999 shares, representing 51.00 percent of the registered capital of Egronix, from Mr. Pichet Permsubhirunya (“**Mr. Pichet**”); 490,000 shares, representing 49.00 percent of the registered capital of Egronix, from B Energy Holding Pte. Ltd. (“**B Energy Pte**”); and 1 share, representing 0.00 percent of the registered capital of Egronix, from Mr. Saransiri Wongsiri (collectively referred to as the “**Sellers**”), by the Company and/or Thanont Property Company Limited, the Company’s subsidiary which hold 99.99% of paid-up capital, (collectively referred to herein as the “**Company**”), in the total purchase price of THB 1,200,000,000 (the “**Egronix Share Purchase Transaction**”).

The Egronix Share Purchase Transaction constitutes an acquisition of the Company in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and 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 Asset B.E. 2547 dated 29 October 2004 (as amended) (the “**Assets Acquisition or Disposal Notifications**”), with the transaction size of 22.22 percent calculated based on **total value of consideration paid or received**, which gives highest transaction size, and based on the Company’s consolidated reviewed financial statements for the period ended 30 June 2022.

The Company, therefore, is required to comply with the Assets Acquisition or Disposal Notifications as follows:

- 1) disclose information in relation to the transaction to the SET under List (1) of the Assets Acquisition or Disposal Notifications; and
- 2) send a circular to its shareholders within 21 days from the date of information disclosure to the SET, which must contain at least the information as specified in items 1, 2, 3, 5 (3), 7 and 8 of List (2) of the Assets Acquisition or Disposal Notifications.

The Egronix Share Purchase Transaction **does not constitute** a connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 (as amended) and 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 Connected Transactions B.E. 2546 dated 19 November 2003 (as amended) (the “**Connected Transaction Notifications**”).

The Company, therefore, would like to disclose details on the entry into the Egronix Share Purchase Transaction as required by the Assets Acquisition or Disposal Notifications as follows:

1. Transaction Date

After the Board of Directors' Meeting No. 12/2022 of the Company has resolved to approve the purchase of a total of 1,000,000 ordinary shares in Egronix, representing 100 percent of the registered capital of Egronix, from the Sellers in the total purchase price of THB 1,200,000,000 and after all of the conditions precedent that may be specified in the share sale

and purchase agreement and/or other related agreements have been fulfilled, the transaction is expected to be completed within December 2022.

2. Parties Involved and Relationship with the Company

Sellers : Mr. Pichet Permsubhirunya, the shareholder of Egronix, holding 509,999 shares, representing 51.00 percent of the registered capital of Egronix;

B Energy Holding Pte. Ltd., the shareholder of Egronix, holding 490,000 shares, representing 49.00 percent of the registered capital of Egronix; and

Mr. Saransiri Wongsiri, the shareholder of Egronix, holding 1 share, representing 0.00 percent of the registered capital of Egronix;

totaling 1,000,000 shares, representing 100 percent of the registered capital of Egronix.

Purchaser : The Company and/or Thanont Property Company Limited, the Company's subsidiary.

3. General Characteristics of the Transaction and Transaction Type and Size

3.1 General Characteristics of the Transaction

The Company and/or Thanont Property Company Limited, the Company's subsidiary, will purchase 1,000,000 ordinary shares in Egronix, representing 100 percent of the registered capital of Egronix, from the Sellers in the total purchase price of THB 1,200,000,000.

3.2 Transaction Type and Size

The Egronix Share Purchase Transaction constitutes an acquisition of assets in accordance with the Assets Acquisition or Disposal Notifications. The transaction size is calculated based on the Company's consolidated reviewed financial statements for the period ended 30 June 2022 as well as each calculation criterion as follows:

Transaction Value Calculation Criterion	Calculation Method	Transaction Size
1. Net tangible asset (NTA) value	$\frac{\text{NTA of the business acquired} \times \text{\% acquired}}{\text{NTA of the listed company}}$	1.83
2. Net after-tax profit from operating results	[Not applicable because the Company has a negative net profit.]	
3. Total value of consideration	$\frac{\text{Value of consideration received}}{\text{x 100}}$ Total assets of the listed company	19.39
4. Value of securities issued by the listed company in consideration for the assets acquired	No new shares will be issued.	
The criterion giving the highest size	Total value of consideration	19.39

According to the above calculations, the highest transaction size is 19.39 percent calculated based on **total value of consideration paid or received**, which gives highest transaction size, and based on the Company's consolidated reviewed financial statements for the period ended 30 June 2022. The transaction constitutes a Class 2 Transaction under the Assets Acquisition or Disposal Notifications. **If including transactions made in the past 6 months, the total transaction size is equal to 22.22% according to the total value of consideration criteria. This criterion calculates the maximum transaction size from the consolidated financial statements of the Company.** The Company, therefore, is required to comply with the Assets Acquisition or Disposal Notifications as follows:

- 1) disclose information in relation to the transaction to the SET under List (1) of the Assets Acquisition or Disposal Notifications; and
- 2) send a circular to its shareholders within 21 days from the date of information disclosure to the SET, which must contain at least the information as specified in items 1, 2, 3, 5 (3), 7 and 8 of List (2) of the Assets Acquisition or Disposal Notifications.

4. Details of the Acquired Assets

4.1 General Information of Egronix

Name of the company	:	Egronix Company Limited
Date of incorporation	:	2 April 2021
Juristic person registration number	:	0505564005932
Registered capital	:	THB 100,000,000
		Paid-up THB 73,898,275 as 27 Sep 2022
Directors	:	Mr. Saransiri Wongsiri, Ms. Pinmanee Kaewduangsi and Mr. Pichet Permsubhirunya
Authorized directors	:	One director signing singly.
Number of shares	:	1,000,000 shares
Par value	:	THB 100 per share
Encumbrances in relation to acquired assets	:	None

List of shareholders as at 30 June 2022

		Ordinary Shares	Percent
1.	Mr. Pichet Permsubhirunya	509,999	51
2.	B Energy Holding Pte. Ltd.	490,000	49
3.	Mr. Saransiri Wongsiri	1	0.00
	Total	1,000,000	100

4.2 General Information of B Energy Holding Pte. Ltd.

Name of the company : B Energy Holding Pte. Ltd.
Place of incorporation : Singapore
Date of incorporation : 25 May 2016
Juristic person registration no. : 201614203K
Registered capital : USD 1,003,317
Directors : TEO PUAY WEI
WU, JU-YU (AKA RU YU WU)
TAN LIAN KIOW
Number of shares : 1,003,317 shares
Par value : USD 1

List of shareholders

		Ordinary Shares	Percentage
1.	Scarlet Maple Investment Ltd.	1,003,317	100
	Total	1,003,317	100

4.3 General Information of Scarlet Maple Investment Ltd.

Name of the company : Scarlet Maple Investment Ltd.
Place of incorporation : Republic of the Marshall Islands
Date of incorporation : 10 May 2016
Juristic person registration no. : 83924
Registered capital : USD 50,000
Directors : WU, JU-YU (AKA RU YU WU)
Number of shares : 50,000 shares
Par value : USD 1

List of shareholders

		Ordinary Shares	Percentage
1.	HUANG STEVEN	50,000	100
	Total	50,000	100

4.4 Nature of Business Operations of Egronix

Egronix engages in the business of production and distribution of hemp and/or cannabis for commercial or industrial purposes. Its land is 15-3-09 Rai, Moo 14, Nam Dib, Pa Sang, Lam Poon. The cultivated area is approximately 8,000 Sq.M., which composed of 50 Greenhouse Buildings, Outdoor 3,300 Sq.M., and 1 Office Building.

Previously, Thai laws in relation to narcotics provides that cultivation, import, export, sale or possession of substances from the Category 5 list of narcotics especially hemp and cannabis are required license from the Food and Drug Administration (FDA) or Provincial Public Health Office (PPHO). However, pursuant to the Narcotics Code, which is effective from 9 December 2021, and the Notification of the Ministry of Public Health Re: Specification of Type 5 Narcotics B.E. 2565 (2022), which is effective from 9 June 2022, most parts of the cannabis and hemp plants will no longer be considered as Type 5 narcotics except for their extracts which contain of no more than 0.2% of THC by weight. Therefore, cultivation of hemp and cannabis plants are no longer required license from the FDA or PPHO. However, persons who wish to cultivate hemp and cannabis plants are merely required to register in the application called “Plookgunja” or website administered by the FDA. Egronix has successfully register its cultivation activities in the app. Furthermore, Egronix has also obtained licenses to import seeds of hemp and cannabis pursuant to Plant Quarantine Act B.E. 2507 (1964) and Plants Act B.E. 2518 (1975).

Egronix has started cultivating hemp and cannabis plants according to its production plan. Egronix will sell their first batch of dried flowers of hemp and cannabis to several customers who are producers of products which has hemp or cannabis as components according to the terms and conditions of the offtake agreements Egronix signed with these customers. It is expected that the first crop of hemp and cannabis plants will be harvested and sold within [•] 2022.

AQ Estate Public Company Limited continues to operate in the real estate business and has additional investments in other businesses that the Board of Directors deems that it can generate returns that can generate income and profits for the Company in the future.

4.5 Financial Information of Egronix

None, since Egronix was incorporated on 2 April 2021.

5. Total Value of Consideration, Value of Acquired Assets, Terms of Payment, and Basis Used to Determine the Value of Consideration

5.1 Total Value of Consideration, Value of Acquired Assets, and Terms of Payment

The Company and/or Thanont Property Company Limited, the Company’s subsidiary, will purchase 1,000,000 ordinary shares in Egronix, representing 100 percent of the registered capital of Egronix, from the Sellers in the total purchase price of THB 1,200,000,000.

Payment of the purchase price of THB 1,200,000,000 by the Company is subject to the following conditions:

- The Sellers agree that the security deposits previously given by the purchaser in the amount of THB 5,000,000 under the memorandum of understanding dated 14 June 2022 and 26 July 2022 and THB 150,000,000 under the memorandum of understanding dated 26 September 2022 shall form part of the purchase price.

With the cash transfer to be the share payment (Account transfer) amounted THB 150 MB under the Shareholder Agreement dated 21 October 2022, the current payment is THB 305,000,000. The Company has requested the Sellers to undertake the following actions to ensure that the Sellers will be able to return the security deposit to the Company in case the transaction cannot be completed:

1. The Seller has to transfer Egronix shares 1,000,000 ordinary shares, representing 100 percent of the registered capital of Egronix to the Company within 15 November 2022.

- On the closing date, the Company will pay another 150,000,000 Baht to the Seller, and within the same day, the Company shall deliver the prepayment cheque to the Seller in the amount of 895,000,000 Baht for the remuneration specified in Clause 3.4. the prepayment cheque will be dated on December 31, 2022 (the "**Remaining Remuneration Cheque**").

On the same day after the Company will pay another 150,000,000 baht to the Seller, the Seller will transfer 1,000,000 shares or 100% of the registered capital of Egronix to the Company.

- The Company will pay the outstanding purchase price of THB 895,000,000 to the Sellers within 31 December 2022. In this regard, when the Seller receives payment of the remaining remuneration, the seller agrees to return the Remaining Remuneration Cheque within the same day as the date on which the seller has received the full payment of the remaining remuneration, and the seller will deliver the receipt as proof of receipt for the payment of the compensation amounting to 895,000,000 baht to the company.

5.2 Basis Used to Determine the Value of Consideration

The determination of the value of consideration is based on the negotiations and agreement between the Company and the Sellers. The Company also has taken into account the fair value of the ordinary shares in Egronix as valued by Discover Management Company Limited, the independent financial advisor, who is certified by the SEC, by using the Discounted Cash Flow Approach valuation method as of 15 Jul 2022 with significant assumption as follows.

- 10 years financial projection (2022 – 2032) under the assumption that there will operate the business for a period of 10 years according to the conservative principle which the planting will begin in the 4th quarter of 2022.
- Planting area 15-3-09 rai for planting in the greenhouse area and outdoor area.
- Projection is based on purchase quality and price under three purchase agreements.
- Forecasted sale revenue in 2022 – 2032 are in the range of THB 94.57 – 448.51 Million per year and forecasted net profit are in the range of THB 53.02 – 296.56 Million per year.
- Discount rate is 8.58 p.a.

The results of the valuation of the ordinary shares in Egronix by the independent

financial advisor can be summarized as follows:

Valuation Approach	Value of the Company (THB Million)
1. Discounted Cash Flow Approach: DCF	1,090.12-1,204.78

6. Expected Benefits of the Company

- 6.1 To create an opportunity to increase income from investing in business with growth and income, can increase liquidity and financial potential of the company, which can be considered as an investment with an appropriate rate of return continuously. It is a risk diversification of income from business operations. Since the Company's main business is real estate and hotel business, which has been greatly, affected during the Covid-19 pandemic, investments in the business of production and distribution of hemp and/or cannabis for commercial or industrial purposes. It will be able to generate income for the company and increase liquidity and financial potential of the company.
- 6.2 To increase the potential for long-term business operations for the Company by the business of producing and selling hemp and/or cannabis for commercial or industrial purposes. It is a low volatility business whereby the Company will receive returns from the sale of hemp and/or cannabis, which will strengthen the Company's financial strength and strengthen its competitiveness.
- 6.3 Build confidence and increase investor's confidence in the Company's role in business continuity. Especially when doing so opens an opportunity to expand investment in the production and distribution of hemp and/or cannabis for commercial or industrial purposes continuously and widely.

7. Risk from Entering into the Transaction

- Risk that the output does not meet the expectation which may be affected by uncontrollable factors, for instance, Natural Disaster.
- Risk of high competition from other to be planted in the future.
- Risk of change in price of hemp and/or cannabis products in the future because currently it is just the first phase of the hemp and/or cannabis production and distribution business.
- Risk of reliance on Egronix's experts in the first place because the Company has no experience. The Company has engaged the Management Contract with the previous Management Team for 5 years, 1 August 2022 to 31 July 2027. The service fee is not higher than THB 5 Million. This is to transfer the knowledge. This expenditure has been included to the cost already.
- Risk of change in relevant laws or regulations.

8. Sources of Fund

The Company uses the Company's internal source of funds, which can consider as the Company's internal working capital, for the purchase of Egronix. The Company's working capital has been estimated already.

9. Conditions of the Transaction

The Company is required to comply with the Assets Acquisition or Disposal Notifications as follows:

- 1) disclose information in relation to the transaction to the SET under List (1) of the Assets Acquisition or Disposal Notifications; and

- 2) send a circular to its shareholders within 21 days from the date of information disclosure to the SET, which must contain at least the information as specified in items 1, 2, 3, 5 (3), 7 and 8 of List (2) of the Assets Acquisition or Disposal Notifications.

10. Opinion of the Board of Directors on the Transaction

The Board of Directors' Meeting No. 12/2022 of the Company, having viewed that the proposed acquisition of ordinary shares in Egronix was important, considered the appropriateness, rationale, necessity, risk and reward carefully in order to ensure that the transaction is in the best interest of the Company and its shareholders, and viewed that it increases the potential for long-term business operations for the Company. For the business of producing and selling hemp and/or cannabis for commercial or industrial purposes, it can consider a business that grows and generates income to increase liquidity and financial potential of the company. Moreover, in determining the purchase value, the fair value of Egronix's ordinary shares was estimate by Discover Management Company Limited, an Independent Financial Advisor, certified by the SEC Office.

11. Opinion of the Audit Committee and/or Directors Different from the Opinion of the Board of Directors under Clause 9.

-None-

The Board of Directors hereby certifies that the information contained herein is correct, complete, true, and not misleading and that no material information has been omitted.

Please be informed accordingly.

Yours sincerely,

(Mr. Chamnarn Wangtal)

Director

(Mr.Voravut Laithuamthaweekul)

Director