

No. HEMP-053/2022

14th November 2022

Subject: Notification of the Board of Directors' Resolutions No. 9/2022 Acquisition of Assets of a Subsidiary ([Edit](#))

Dear: Director and Manager The Stock Exchange of Thailand

Attachment: 1. Information Memorandum of Health Empire Corporation Public Company Limited Re: Acquisition of Assets of More Medical Company Limited (MMD), a Subsidiary.

According to the Health Empire Corporation Public Company Limited (the "Company") Board of Directors meeting No. 9/2022, held on November 14, 2022, it was resolved to approve the acquisition of assets of More Medical Company. Co., Ltd. (MMD) is a subsidiary that the Company Holding shares in the proportion of 100% amount of 70,000,000 baht by issuing 700,000 newly issued ordinary shares at the price of 100 baht per share (equal to the par value) in order to use the amount of 30,000,000 baht as working capital in the business The other amount of 40,000,000 baht to purchase 400,000 newly issued ordinary shares in Health Up Company Limited (HU) at a par value of 100 baht per share, totaling 40,000,000 baht, held by More Medical Company Limited (MMD). in the proportion of 40 percent of the number of registered and paid-up shares of HU.

The Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 states that entering into the aforementioned transaction is not regarded as a connected transaction but rather as an asset acquisition transaction instead. Re: The Stock Exchange of Thailand's Board of Governors' Notification and the Criteria for Making Significant Transactions Considered to Be Acquiring or Disposing of Assets Regarding the Disclosure of Information and Acts of Listed Companies Concerning the Acquisition or Disposition of Assets (collectively, the "Notice of Acquisition or Disposition"), B.E. 2547 and its amendments. The highest transaction value based on the Company's consolidated financial statements is 5.55 percent when the size of the transaction is calculated based on the total value of consideration criteria. It was over on September 30, 2022.

Additionally, the Company has acquired assets over the last six months (investment in common shares of Pot Planet Co., Ltd.), which according to the Company's total value criteria results in the highest transaction [value of 18.23](#) percent. According to the calculation criteria, the value is greater than 15% in the Company's consolidated financial statements as of September 30, 2022. As a result, the Company is required to send a circular letter to



shareholders within 21 days of notifying the SET of the information and including the bare minimum of details needed to meet the criteria, with details as in Attachment 1.

Please be informed accordingly.

Best regards

(Gen Dr. Surapan Poomkaew)

Chairman of the Board and Independent Director

- b. **Seller** Health Up Company Limited (HU)
 - c. **Relationship with the company** MMD is a subsidiary that the Company Holding shares in the proportion of 100%

- 3. **Objective** The company invested an additional 70,000,000 baht in More Medical Company Limited (MMD), a subsidiary in which it owns all of the shares, in order to use the equivalent of 30,000,000 baht as working capital for the company. The remaining 40,000,000 Baht will be used to repay Health Up Company Limited (HU), which has decided to increase its newly registered capital by 100,000,000 Baht, and will be invested in HU's capital increase in the proportion of which More Medical Company Limited (MMD) holds 40% of the registered shares. The aforementioned capital increase is in accordance with the shareholding percentage in order to maintain the company's shareholding percentage, which is advantageous to the company and shareholders in terms of the business plan of the company to grow the business and maintain the existing business. This company has a propensity to grow continuously because HU is in the business of selling pharmaceutical products, pharmacy supplies, and medical equipment in retail stores. In order to support the expansion of the retail and wholesale business with cutting-edge technology, there is an opportunity to broaden the scope of pharmaceutical and medical supplies in the wholesale business to the smart warehouse. The company will be able to produce good income and good returns for the company in the future by increasing capacity and growth opportunities.

- 4. **Type and nature of the transaction** The company raised its registered capital in More Medical Co., Ltd. (MMD), a subsidiary of the company, by an additional 70,000,000 baht, bringing its total registered capital from the initial 235,000,000 baht to 305,000,000 baht, of which 30,000,000 baht is used as working capital for the company. The remaining 40,000,000 baht will be used to purchase Health Up Co., Ltd.'s recently issued ordinary shares (HU), with 400,000 newly issued shares having a par value of 100 baht each, the sum of 40,000,000 baht represents 40% of the registered and paid-up shares of HU that are held by More Medical Company Limited (MMD). With a par value of 100 baht per share, this results in an increase of the newly registered capital of 100,000,000 baht, bringing the total registered capital to 350,000,000 baht from the original 250,000,000 baht.

5. Details of assets acquired

Company	More Medical Co., Ltd. (MMD)
Location	19 Soi Ramkhamhaeng 22 (Jittranukhro), Ramkhamhaeng Road, Huamark Subdistrict, Bangkok District, Bangkok
Juristic person registration number	0105558030207
Company registration date	17 February 2015
Registered capital	235,000,000 Baht *After the capital increase of 70,000,000 baht, the registered capital will be 305,000,000 baht.
Business	Engage in the promotion and support of economic crops, cannabis, hemp, kratom and other herbs. It operates from planting to purchasing, processing and product development. Including product branding
List of Directors	1. Mr. Samart Chuasiripattana 2. Mr. Sittichai Gasornsombat 3. Mr. Sittichok Phiratomornphan 4. Mr.Thibdee Mangkalee
Relationship with the Company, Directors, Executives, Major Shareholders of the Company	More Medical Company Limited (MMD) is a subsidiary of the Company. Holding shares in the proportion of 100%

Before and after More Medical Co., Ltd. (MMD), the shareholding structure was as follows:

No.	Shareholders	The transaction before: 235 million baht in registered capital		After the transaction is finished: 305 million baht in registered capital	
		Number of shares	Percentage	Number of shares	Percentage
1.	Health Empire Corporation Public Company Limited	2,349,998	99.99	3,049,998	99.99
2.	Mr. Samart Chuasiripattana*	1	0.00	1	0.00

No.	Shareholders	The transaction before: 235 million baht in registered capital		After the transaction is finished: 305 million baht in registered capital	
		Number of shares	Percentage	Number of shares	Percentage
3.	Mr. Sittichok Phiratamornphan*	1	0.00	1	0.00
	Total	2,350,000	100.00	3,050,000	100.00

Note * Mr. Samart Chuasiripattana and Mr. Sittichok Phiratamornphan is a director of the Company.

Director structure before and after the transaction: no change

General information of Health Up Co., Ltd. (HU)

HU is a Thai legal entity that is listed with the following information:

Company	Health Up Co., Ltd. (HU)
Location	15/2 Soi Udomsuk 9, Bang Na Nuea Subdistrict, Bang Na District, Bangkok
Juristic person registration number	0105551108766
Company registration date	September 24, 2008
Registered capital	250,000,000 Baht *After the capital increase of 100,000,000 baht, the registered capital will be 350,000,000 baht.
Business	Selling pharmaceutical products, pharmacies and medical supplies retail stores.
List of Directors	1. Mr. Watchara Plengsuri 2. Mrs. Somjai Srirungtham 3. Mr. Wanasphon Plengsuri 4. Mr. Samart Chuasiripattana* 5. Mr. Kamphol Burimathakul*
Relationship with the Company, Directors, Executives, Major Shareholders of the Company	3.07% of the Company's shares are held by Health Up Company Limited.

* Note: Mr. Samart Chuasiripattana and Mr. Kamphol Burimethakul are the directors of the Company.

Before and after More Medical Co., Ltd. (MMD) made an investment in the freshly issued ordinary shares of Health Up Co., Ltd. (HU), the shareholding structure was as follows:

No.	Shareholders	The transaction before: 250 million baht in registered capital		After the transaction is finished: 350 million baht in registered capital	
		Number of shares	Percentage	Number of shares	Percentage
1.	More Medical Co., Ltd.	1,000,000	40.00	1,400,000	40.00
2.	Foursons Group Enterprise Co., Ltd.	250,000	10.00	350,000	10.00
3.	Mr. Watchara Plengsuree	1,250,000	50.00	1,750,000	50.00
	Total	2,500,000	100.00	3,500,000	100.00

Director structure before and after the transaction: no change

General information of Fourson Group Enterprise Co., Ltd. ("FGE")

FGE is a Thai legal entity that is listed with the following information:

Company	Foursons Group Enterprise Co., Ltd. (FGE)
Location	2 Soi Udomsuk 6, Bang Na Nuea Subdistrict, Bang Na District, Bangkok
Juristic person registration number	0105564029991
Company registration date	February 18, 2021
Registered capital	120,000,000 Baht
Business	Holding a business and making investments in other legal entities that run enterprises in the real estate, health, and beauty industries.
List of Directors	1. Mr. Wanasphon Plengsuri 2. Mr. Dolwat Plengsuri 3. Mr. Natchanon Plengsuri 4. Mr. Polpat Plengsuree
Relationship with the Company, Directors, Executives, Major Shareholders of the Company	Shares of Fourson Group Enterprise Company Limited are held by Health Up Company Limited, which in turn owns 3.07%, or 0.31%, of the Company's shares.

List of FGE shareholders

No.	Name	Number of shares	Percentage
1	Mr. Watchara Plengsuri	360,000	30
2	Mrs. Somjai Srirungtham	360,000	30
3	Mr. Wanasphon Plengsuri	120,000	10
4	Mr. Dolwat Plengsuri	120,000	10
5	Mr. Natchanon Plengsuri	120,000	10
6	Mr. Polpat Plengsuree	120,000	10
	Total	1,200,000	100

6. Criteria used in calculations and item size

Following the Capital Market Supervisory Board No. TorJor. which assets dated August 31, 2008, such investment is regarded as an acquisition of assets of a listed company (including any amendments) and the Stock Exchange of Thailand's Board of Governors' Notification regarding Listed Companies' Disclosure of Information and Other Acts Relating to Asset Acquisition or Disposition B.E. Acquisition or Disposal). The aforementioned transaction size is determined using the consolidated financial statements as of September 30, 2022, and the following asset disposal criteria.

- (1) Value of net tangible assets (NTA) - Calculation formula is shown as follows: (NTA of investment in the company x proportion acquired or disposed of) x 100 = Unable to calculate because
- $$\frac{\text{NTA of investment in the company} \times \text{proportion acquired or disposed of}}{\text{NTA of listed companies}} \times 100 = \text{Unable to calculate because the company loses}$$

*NTA = Total Assets - Total Liabilities - Intangible Assets - Minority Shareholders' Equity (if any)

- (2) Net Profit Requirements - The following is a formula for the calculation:

$$\frac{(\text{Net operating profit of investment in the company} \times \text{purchase or sale ratio})}{\text{Net profit from operations of listed companies}} \times 100 = \text{Unable to calculate because the company loses}$$

- (3) Total Value of Consideration Criteria The calculation formula is shown as follows.

$$\frac{\text{Transaction value paid or received} \times 100}{\text{Total assets of listed companies}} = \frac{70,000,000 \times 100}{1,262,570,462.11} = 5.55$$

- (4) Criteria for the value of equity shares issued to pay for assets. The calculation formula is shown as follows.

$$\frac{\text{Number of equity shares issued by the company to pay for the asset} \times 100}{\text{Number of paid-up shares of the company}} = \text{Cannot be calculated because it is not a share issue.}$$

The size of the Company's asset purchases over the last six months is as follows:

Criteria		BOD 5/65 April 8 th 2022	BOD 9/65 November 14 th 2022
		Acquired item size Health Up Co., Ltd.	Acquired item size More Medical Co., Ltd.
1	NTA	Unable to calculate Since HUG's NTA becomes negative.	Unable to calculate Since HUG's NTA becomes negative.
2	Net Income	Unable to calculate because the company loses	Unable to calculate because the company loses
3	Value of Total Reward	12.68	5.55
4	Value of equity shares issued to pay for assets	3.16	Unable to calculate because no shares are issued.
Total maximum transaction size equals to 18.23			

According to the criteria for total asset value, the company has acquired assets in the last six months with the highest transaction [value equaling 18.23 percent](#), the value is greater than 15%, according to the Company's consolidated financial statements as of September 30, 2022. As a result, the business must send a circular letter to shareholders within 21 days of notifying the SET of the information and including only the minimal details needed to meet the criteria.

7. The source of funds used for the transaction

gradually invest 70,000,000 baht at a par value of 100 baht per share, considering the suitability and liquidity of the company.

8. Conditions for entering the transaction

money received from the capital increase and working capital of the company.

9. Expected Benefits

This will be extremely beneficial to the company's ability to continue with its current business while also supporting its growth strategy.

10. The Board of Directors' view on the transaction

The benefit of the business and its shareholders has been carefully considered by the board of directors. The company's board of directors believes that this asset acquisition transaction is reasonable, in line with the company's business plan, and advantageous to the company's operations in order to grow the business and strengthen the company's current operations. Due to HU's involvement in the retail sale of pharmaceuticals, medical equipment, and supplies. This company has a propensity to expand perpetually. In order to support the expansion of the retail and wholesale business with cutting-edge technology, there is an opportunity to broaden the range of pharmaceutical and medical supplies offered by the wholesale industry. The business will increase its capacity and growth opportunities, which will enable it to produce earnings and profitable returns. The shareholders will benefit most from this in the greatest amount. It is therefore deemed appropriate to approve the aforementioned items and give the Executive Board permission to gradually make additional investments as necessary.

11. Opinions of the Company's Directors or the Audit Committee that differ from those of the Board of Directors

- None

The Board of Directors hereby attests that all of the information in this report is accurate and up-to-date

Best Regards

Mr. Samart Chuasiriphattana

Authorized Director

Mr. Sittichai Gasornsombat

Authorized Director