



AQUA CORPORATION

บริษัท อควา คอร์ปอเรชั่น จำกัด (มหาชน)

(ทะเบียนเลขที่ 0107547000397)

[Translation]

Ref No. AQUA-115/SET-020/22

1 July 2022

Subject: Acquisition of the ordinary shares in Thai Parcels Public Company Limited

To: The President

The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Acquisition of Assets by Aqua Corporation Public Company Limited

Aqua Corporation Public Company Limited (the “**Company**”) would like to disclose key resolutions passed by the Board of Directors’ Meeting No. 6/2022 held on 30 June 2022 at 2.00 p.m. where a resolution was passed to approve the acquisition of 140,070,200 ordinary shares or 34.67 percent of the total issued shares in Thai Parcels Public Company Limited (“**TP**”), a public limited company incorporated in Thailand engaging in the delivery business and offering parcel delivery services in Thailand to both the business sector and individuals via business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C) models, as well as providing cash on delivery services, from Equity Gateways Limited, at the purchase price of THB 1.53 per share or equivalent to THB 214,307,406 in total.

The proposed transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 Transaction B.E. 2546 (as amended) (the “**Connected Transaction Notifications**”), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets 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 (as amended) (the “**Acquisition or Disposition Notifications**”). The transaction size of such transaction calculated based on the reviewed financial statements of the Company for the three months ended 31 March 2022, and the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 7.41 percent. However, the Company has also had three other assets acquisition transactions within the past six months prior to the date on which the Board Directors resolved to approve such transaction as follows:

1. The acquisition of the ordinary shares in Plan B Media Public Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the nine months ended 30 September 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.15 percent;



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2. The acquisition of the ordinary shares in Peer for All Company Limited where the transaction size of such transaction calculated based on the audited consolidated financial statements of the Company for the year ended 31 December 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 0.003 percent; and

3. The acquisition of the ordinary shares in Nestify Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.49 percent.

In this regard, the aggregate transaction size of this transaction and such three other assets acquisition transactions calculated based on the total value of consideration criterion, which gives the highest transaction value, is equivalent to 17.32 percent, this transaction is, therefore, deemed a class 2 transaction under the Acquisition or Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the "SET") and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

Details on the said transaction are as shown in the Enclosure.

Please be informed accordingly.

Yours sincerely,

(Mr. Chaipipat Kaewtrirat and Mrs. Warangkana Kalayanapradit)

Authorized Directors

Company Secretary

Mrs. Orathai Nateruang

Tel. 0-2-694-8804

[Translation]

INFORMATION MEMORANDUM ON THE ACQUISITION OF ASSETS
BY AQUA CORPORATION PUBLIC COMPANY LIMITED

The Board of Directors' Meeting No. 6/2022 of Aqua Corporation Public Company Limited (the "**Company**") held on 30 June 2022 resolved to approve the acquisition of 140,070,200 ordinary shares or 34.67 percent of the total issued shares in Thai Parcels Public Company Limited ("**TP**"), a public limited company incorporated in Thailand engaging in the delivery business and offering parcel delivery services in Thailand to both the business sector and individuals via business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C) models, as well as providing cash on delivery services, from Equity Gateways Limited (the "**Seller**"), at the purchase price of THB 1.53 per share or equivalent to THB 214,307,406 in total (the "**Share Purchase Price**").

The proposed transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 Transaction B.E. 2546 (as amended) (the "**Connected Transaction Notifications**"), but constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets 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 (as amended) (the "**Acquisition or Disposition Notifications**"). The transaction size of such transaction calculated based on the reviewed financial statements of the Company for the three months ended 31 March 2022, and the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 7.41 percent. However, the Company has also had three other assets acquisition transactions within the past six months prior to the date on which the Board Directors resolved to approve such transaction as follows:

1. The acquisition of the ordinary shares in Plan B Media Public Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the nine months ended 30 September 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.15 percent;

2. The acquisition of the ordinary shares in Peer for All Company Limited where the transaction size of such transaction calculated based on the audited consolidated financial statements of the Company for the year ended 31 December 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 0.003 percent; and

3. The acquisition of the ordinary shares in Nestifly Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.49 percent.

In this regard, the aggregate transaction size of this transaction and such three other assets acquisition transactions calculated based on the total value of consideration criterion, which gives the highest transaction value, is equivalent to 17.32 percent, this transaction is, therefore, deemed a class 2 transaction under the Acquisition or Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the “SET”) and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

The Company would like to disclose information on the said transaction to the SET in accordance with the Acquisition or Disposition Notifications as follows:

1. Information Disclosed per List 1

1.1 Transaction Date

After the meeting of the Board of Directors has approved entry into the transaction, the Company will execute a share purchase agreement (the “SPA”) with the Seller within July 2022. The completion of the transaction is expected to take place within July 2022 after all the conditions precedent under the SPA are fulfilled or waived by the relevant parties and the completion obligations under the SPA have been undertaken (the “Completion Date”).

1.2 Contractual Parties and Relationship with the Company

Purchaser	:	Aqua Corporation Public Company Limited
Seller	:	Equity Gateways Limited
Relationship with the Company	:	The Seller, its connected persons, and ultimate shareholders (i.e. Mr. Chalermchai Chinavicharana, who holds 100 percent shares in the Seller) do not have any relationship with the Company and are not the Company’s connected persons.

1.3 General Characteristics and Transaction Size

1.3.1 General Characteristics

The Company will purchase 140,070,200 ordinary shares or 34.67 percent of the total shares in TP from the Seller. Key terms and conditions of the drafted SPA are set out below.

- Key Conditions Precedent** :
- 1) There must be no event having or capable of having a material adverse change on the business operations or financial condition of TP.
 - 2) There is no law or governmental action forbidding the sale and purchase of the shares.
 - 3) The Seller must have obtained approval from its board of directors to enter into the transaction.

1.3.2 Transaction Size

According to the draft SPA, the Company and the Seller have agreed to fix the Share Purchase Price at THB 1.53 per share or equivalent to THB 214,307,406 in total and the Company has agreed to pay all of the Share Purchase Price to the Seller on the Completion Date. In this regard, the Company has placed THB 42,861,481.20 in cash to the Seller as collateral for the performance of the obligations under the Memorandum of Understanding to Purchase the Ordinary Shares in TP dated 9 June 2022 (the "MOU") and the SPA, where the Seller will return the collateral to the Company if the transaction is completed or in the case where the conditions precedent of the Seller under the SPA are not fulfilled due to the Seller's acts or omissions and the Seller has not received a waiver from the Company within the Completion Date or the date that the parties may mutually agree.

The Company has calculated the transaction size of the transaction under the Acquisition or Disposition Notifications based on the reviewed financial statements of the Company for the three months ended 31 March 2022, the details of which are as follows:

Calculation Criterion	Calculation Method
1. The net tangible asset (NTA) value criterion	= (NTA of the investments in TP × proportion acquired) × 100 / NTA of the Company
	= (THB 414,452,000 × 34.67%) × 100 / THB 5,044,194,393.39
	= 2.85 percent

Calculation Criterion	Calculation Method
2. The net profit from operating from operating results criterion	= (Net operating profit of TP × proportion acquired) × 100 / Net operating profit of the Company
	= (THB 14,032,477 × 34.67%) × 100 / THB 65,624,805.31
	= 7.41 percent
3. The total value of consideration criterion	= Total value of consideration paid × 100 / Total assets of the Company
	= THB 214,307,406 × 100 / THB 8,010,095,812.02
	= 2.68 percent
4. The equity issued as consideration for the assets criterion	= Number of shares issued as consideration for the assets × 100 / Number of paid-up shares of the Company
	= This criterion is not applicable as the Company is not issuing any equity as consideration for the assets.

The transaction size of such transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 7.41 percent. However, the Company has also had three other assets acquisition transactions within the past six months prior to the date on which the Board Directors resolved to approve such transaction as follows:

1. The acquisition of the ordinary shares in Plan B Media Public Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the nine months ended 30 September 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.15 percent;

2. The acquisition of the ordinary shares in Peer for All Company Limited where the transaction size of such transaction calculated based on the audited consolidated financial statements of the Company for the year ended 31 December 2021 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 0.003 percent; and

3. The acquisition of the ordinary shares in Nestifly Company Limited where the transaction size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022 and the total value of consideration criterion, which gives the highest transaction value, is equivalent to 7.49 percent.

In this regard, the aggregate transaction size of this transaction and such three other assets acquisition transactions calculated based on the total value of consideration criterion, which gives the highest transaction value, is equivalent to 17.32 percent, this transaction is, therefore, deemed a class 2 transaction under the Acquisition or Disposition Notifications, i.e. a transaction whose transaction size is equal to or more than 15 percent, but less than 50 percent, where the Company is required to disclose information on the transaction to the SET and send a circular to the shareholders within 21 days from the date of information disclosure to the SET.

1.4 Detail of Assets Acquired

The Company will acquire 140,070,200 ordinary shares or 34.67 percent of the total shares in TP upon completion of the transaction where key information on TP is as follows:

Name	Thai Parcels Public Company Limited
Date of incorporation	8 July 2021
Registration number	0107564000260
Type of business	Engaging in the delivery business and offering parcel delivery services in Thailand to both the business sector and individuals via business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C) models, as well as providing cash on delivery services
Registered address	No. 1010 Luang Phaeng Road, Khwaeng Thap Yao, Khet Lat Krabang, Bangkok 10520
Registered capital	THB 262,000,000
Paid-up capital	THB 202,000,000 divided into 404,000,000 ordinary shares with a par value of THB 0.50 per share

1.4.1 Nature of Business

TP is a public limited company incorporated in Thailand whose core business is the delivery business and offering of parcel delivery services in Thailand to both the business sector and individuals via business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C) models, as well as providing cash on delivery services, with distribution centers and drop-off points located throughout all regions of Thailand.

1.4.2 Key Financial Information

Key financial information of TP is based on the audited financial statements of TP for the years ended 31 December 2019, 2020, 2021 and the reviewed financial statements of TP for the three months ended 31 March 2021 and 2022, the details of which are as follows:

Summary of the statement of financial position

Details	Unit : THB Million				
	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2021	31 Mar 2022
Total assets	366.55	526.48	621.34	494.36	660.01
Total liabilities	126.38	217.08	203.46	291.30	239.72
Retained earnings (loss)	67.17	136.40	41.37	30.06	43.78
Total shareholders' Equity	240.17	309.40	417.88	203.06	420.30

Summary of the profit-loss statement

Details	Unit : THB Million				
	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Mar 2021	31 Mar 2022
Total income	578.95	709.52	538.81	136.47	117.32
Total expense	(542.12)	(581.86)	(513.53)	122.80	114.91
Net profit (loss)	36.83	127.66	25.29	13.66	2.41

1.4.3 Board of Directors and Shareholders

Board of Directors

Pre-transaction	Post-transaction
1. Mr. Chalermchai Chinavicharana	1. Mr. Chalermchai Chinavicharana
2. Mrs. Watsa Chinavicharana	2. Mrs. Watsa Chinavicharana
3. Miss Phacharaporn Chinavicharana	3. Miss Phacharaporn Chinavicharana
4. Mr. Pathrlap Davivongsa Na Ayudhya	4. Mr. Pathrlap Davivongsa Na Ayudhya

Pre-transaction	Post-transaction
5. Mr. Varanyu Suchivoraphanpong	5. Mr. Varanyu Suchivoraphanpong
6. Mr. Wichit Sangthongsathit	6. Mrs. Warangkana Kalayanapradit
7. Mr. Phairat Watcharasathapornpong	7. Mr. Phairat Watcharasathapornpong
8. Mr. Pongdith Potchana	8. Mr. Pongdith Potchana
9. Mr. Pongsutti Phuensane	9. Mr. Pongsutti Phuensane

Shareholders

Name	Pre-transaction		Post-transaction	
	No. of Shares	Percent	No. of Shares	Percent
1. Mrs. Watsa Chinavicharana	187,389,800	46.38	187,389,800	46.38
2. Mr. Sura Khanittaweekul	26,500,000	6.56	26,500,000	6.56
3. Miss Sutida Mongkolsuthree	17,500,000	4.33	17,500,000	4.33
4. Mr. Pongsak Thamthatchadari	10,000,000	2.48	10,000,000	2.48
5. Mr. Perajed Suwannapasri	8,000,000	1.98	8,000,000	1.98
6. Mr. Buncha Phantumkomol	8,000,000	1.98	8,000,000	1.98
7. Miss Waminon Chinavicharana	1,400,000	0.35	1,400,000	0.35
8. Mr. Pathrlap Davivongsa Na Ayudhya	1,400,000	0.35	1,400,000	0.35
9. Mr. Nuntiwat Pongjarern	1,000,000	0.25	1,000,000	0.25
10. Mr. Varanyu Suchivoraphanpong	800,000	0.20	800,000	0.20
11. Mr. Niti Panyawisitkul	800,000	0.20	800,000	0.20
12. Mr. Wichit Sangthongsathit	600,000	0.15	600,000	0.15
13. Miss Phacharaporn Chinavicharana	540,000	0.13	540,000	0.13
14. The Seller	140,070,200	34.67	0	0
15. The Company	0	0	140,070,200	34.67
Total	404,000,000	100.00	404,000,000	100.00

1.5 Total Value of Consideration and Payment Terms

1.5.1 Total Value of Consideration

The total value of consideration for the transaction will not exceed THB 214,307,406 as detailed in item 1.3.2.

1.5.2 Payment Terms

The Company will pay all of the Share Purchase Price of THB 214,307,406 in cash to the Seller on the Completion Date after all the conditions precedent under the SPA are fulfilled or waived by the relevant parties and the completion obligations under the SPA have been undertaken as detailed in item 1.3.1. In this regard, the Company has placed THB 42,861,481.20 in cash to the Seller as collateral for the performance of the obligations under the MOU and the SPA, where the Seller will return the collateral to the Company if the transaction is completed or in the case where the conditions precedent of the Seller under the SPA are not fulfilled due to the Seller's acts or omissions and the Seller has not received a waiver from the Company within the Completion Date or the date that the parties may mutually agree.

1.6 Value of Assets Acquired

The value of the shares in TP acquired by the Company as a result of the transaction will be equivalent to the total value of consideration as detailed in item 1.5.1

1.7 Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the transaction is derived from the purchase price negotiated and agreed between the Company and the Seller. Moreover, the Company has determined the Share Purchase Price by using the discounted cash flow approach and has relied upon the assumptions from the due diligence exercise conducted by Orion Advisory Company Limited, the Company's financial advisor, where the fair value of 100 percent of TP was appraised to be in the range of THB 806.21 million – THB 1,779.73 million and the fair value of 34.67 percent of TP was appraised to be in the range of THB 279.51 million – THB 617.03 million, which were based the assumptions of five-year cash flow projection with the discount rate of TP in the range of 8.67 to 8.76, taking into account the potential, business plan, competitiveness and future growth of TP.

1.8 Expected Benefits of the Company

It is expected that the transaction will allow the Company to obtain the following benefits:

1. Increase the opportunity to generate revenues and returns to the Company in the long run since TP's business has the potential and opportunity to grow and create value to the Company in the future.
2. Diversify the Company's investment risks, which will help promote the Company's potential to create stability for its business operations and generate returns and benefits to all shareholders of the Company in the long run.
3. Create synergy between the companies within the Company's group as TP's business can increase the Company's group's capabilities and expand the scope of service offerings in the logistics and warehousing business, which will lead to opportunities to generate good returns for the Company and its shareholders in the future.

1.9 Source of funds

The Company will use its own internal cash flows from the disposal of the ordinary shares in the subsidiaries operating the out of home media business to enter into the transaction.

1.10 Opinion of the Board of Directors

After taking into consideration the Share Purchase Price appraised by the financial advisor of the Company as detailed in item 1.7, the Board of Directors unanimously resolved to approve the transaction since it considered and viewed that the transaction and the value of consideration was appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in item 1.7 and 1.8 above.

1.11 Opinion of the Audit Committee

The Audit Committee did not have a different opinion from that of the Board of Directors as mentioned in item 1.10 above.
