



**AQUA CORPORATION**

**AQUA CORPORATION PUBLIC COMPANY LIMITED**

(Registration No. 0107547000397)

[Translation]

Ref: AQUA-118/SET-021/22

1 August 2022

Subject: Renting out the asset of the subsidiary

To: The President

The Stock Exchange of Thailand

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

Aqua Corporation Public Company Limited (the “Company”) would like to inform the resolutions of the Board of Directors’ Meeting of the Company No. 7/2022 held on 27 July 2022 at 4.30 p.m. The meeting resolved to approve Mantra Assets Company Limited, which is a subsidiary in which the Company holds 99.99 percent of shares (“MANTRA”), to enter into the property lease agreement with Thonburi Rehab Center (THR) Company Limited (the “Lessee”) by which Mantra will rent out the land together buildings located at Huai Sai Subdistrict, Mae Rim District, Chiang Mai Province to the Lessee to be used as business establishment and/or addition medical establishment in the type of medical establishment pursuant to the law on medical establishments and narcotics treatment and rehabilitation centers, with total rental of Baht 2,448,632,044.65 for the total lease term of 30 years from 1 September 2022 to 30 August 2052 by which such lease term will be divided into 3 periods of 10 years each. The Lessee will make a promise to MANTRA to extend the lease term until it reaches the total lease term of 30 years.

In this regard, this transaction is not considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions 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 (2003) (as amended) (the “Notifications on Connected Transactions”). Nevertheless, such transaction is considered a transaction of asset disposal pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset 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 or Disposal of Asset B.E. 2547 (2004) (as amended) (the “Notifications on Acquisition or Disposal of Assets”). The size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022 according to the total value of consideration criterion, which is the basis used for the calculation and results in the highest



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transaction size of 30.57 percent. The Company has not had any other transactions of disposal of assets within the past 6 months prior to the Board of Directors' Meeting of the Company No. 7/2022.

Therefore, the transaction of renting out the asset of MANTRA is considered Class 2 transaction according to the Notifications on Acquisition or Disposal of Assets, i.e., the transaction of which the size is equal to or higher than 15 percent but lower than 50 percent. The Company is thus required to disclose the information memorandum on such transaction to the Stock Exchange of Thailand (the "SET") and send the circular notice to the shareholders within 21 days from the day that the Company discloses the information to the SET.

In this regard, the information of such transaction is detailed in the Enclosure.

Please be informed accordingly.

Sincerely yours,

(Mr. Chaipipat Kaewtrirat , Mrs. Warangkana Kalayanapradit)

Authorized Directors

Company Secretary

Ms. Orathai Nateruang

Tel. 0-2694-8804

[Translation]

Information Memorandum on the Disposal of Assets Transaction of Aqua Corporation Public Company Limited

The meeting of the Board of Directors of Aqua Corporation Public Company Limited (the “Company”) No. 7/2022 held on 27 July 2022 resolved to approve Mantra Assets Company Limited, which is a subsidiary in which the Company holds 99.99 percent of shares (“MANTRA”), to enter into the property lease agreement with Thonburi Rehab Center (THR) Company Limited (the “Lessee”) by which Mantra will rent out the land together with buildings located at Huai Sai Subdistrict, Mae Rim District, Chiang Mai Province to the Lessee to be used as business establishment and/or addiction medical establishment in the type of medical establishment pursuant to the law on medical establishments and narcotics treatment and rehabilitation centers, with total rental of Baht 2,448,632,044.65 for the total lease term of 30 years from 1 September 2022 to 30 August 2052 by which such lease term will be divided into 3 periods of 10 years each. The Lessee will make a promise to MANTRA to extend the lease term until it reaches the total lease term of 30 years.

In this regard, this transaction is not considered a connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions 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 (2003) (as amended) (the “Notifications on Connected Transactions”). Nevertheless, such transaction is considered a transaction of asset disposal pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rule on Entering into Material Transactions Deemed as Acquisition or Disposal of Asset 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 or Disposal of Asset B.E. 2547 (2004) (as amended) (the “Notifications on Acquisition or Disposal of Assets”). The size of such transaction calculated based on the reviewed consolidated financial statements of the Company for the three months ended 31 March 2022 according to the total value of consideration criterion, which is the basis used for the calculation and results in the highest transaction size of 30.57 percent. The Company has not had any other transactions of disposal of assets within the past 6 months prior to the Board of Directors’ Meeting of the Company No. 7/2022.

Therefore, the transaction of renting out the asset of MANTRA is considered Class 2 transaction according to the Notifications on Acquisition or Disposal of Assets, i.e., the transaction of which the size is equal to or higher than 15 percent but lower than 50 percent. The Company is thus required to disclose the information memorandum on such transaction to the Stock Exchange of Thailand (the “SET”) and send the circular notice to the shareholders within 21 days from the day that the Company discloses the information to the SET.

The Company would like to disclose the Information Memorandum on the entering into such transaction to the SET in accordance with the Notifications on Acquisition or Disposal of Assets as follows:

1. **Date/ Month/ Year of the Transaction**

After the Board of Directors' meeting resolves to approve the entering into the transaction, MANTRA will execute the property lease agreement (the "**Lease Agreement**") with the Lessee within August 2022.

2. **Parties Involved and Relationship with the Company**

**Lessor** : Mantra Assets Company Limited, which is a subsidiary in which the Company holds 99.99 percent of shares.

**Lessee** : Thonburi Rehab Center (THR) Company Limited

**Relationship with the Company** : The Lessee, as well as the connected persons of the Lessee and the ultimate shareholders of the Lessee, do not have any relationship with the Company and they are not the connected persons of the Company.

In this regard, the ultimate shareholders of the Lessee are as follows:

The shareholders of the Lessee (Information as of 4 July 2022)

No.	Shareholders	Number of Shares (shares)	Shareholding Percentage (percent)
1.	Ratchathani Phattanakarn (2014) Company Limited	750,000	75.00
2.	Thai Medical Glove Company Limited	149,800	14.98
3.	Mr. Patipat Suban Na Ayudhya	100,000	10.00
4.	Mrs. Piyapat Suban Na Ayudhya	100	0.01
5.	Mr. Sutham Siribunyawat	100	0.01

The shareholders of Ratchathani Phattanakarn (2014) Company Limited (Information as of 30 April 2022)

No.	Shareholders	Number of Shares (shares)	Shareholding Percentage (percent)
1.	Mrs. Jaruwan Vanasin	2,040,001	40.80
2.	Mrs. Navara Vanasin	1,000,000	20.00
3.	Mr. Kim Christian Wachtveitl	793,900	15.87
4.	Rajthanee Realty Company Limited	536,100	10.72
5.	Ms. Jidapha Phumput	379,398	7.58
6.	Rajthanee Associates Company Limited	228,600	4.57
7.	Mr. Wongpoom Vanasin	20,000	0.40
8.	Mrs. Kalaya Lertakkakorn	2,000	0.04
9.	Mr. Boon Vanasin	1	0.00001

Top 10 Shareholders of Thai Medical Glove Company Limited (Information as of 26 April 2022)

No.	Shareholders	Number of Shares (shares)	Shareholding Percentage (percent)
1.	Ratchathani Phattanakarn (2014) Company Limited	6,931,677	34.65
2.	Global Best Intertrade Company Limited	4,500,000	22.50
3.	Mr. Boon Vanasin	2,034,990	10.17
4.	Thonburi Healthcare Group Public Company Limited	1,333,333	6.66
5.	Mr. Prasan Limsukhawat	725,000	3.62
6.	Mr. Taksapol Peerawattanachart	725,000	3.62
7.	Mr. Liangchai Thongchaigullit	725,000	3.62
8.	Mr. Pairote Tangjitrumbon	725,000	3.62
9.	Mr. Boripat Wongprachum	600,000	3.00

No.	Shareholders	Number of Shares (shares)	Shareholding Percentage (percent)
10.	Ms. Jaruwan Vanasin	500,000	2.50

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

#### 3.1 General Characteristics of the Transaction

MANTRA, the subsidiary in which the Company holds 99.99 percent of shares, will rent out the land together with buildings to the Lessee. The key terms and conditions of the draft Lease Agreement can be summarized as follows:

**Owner of the land and buildings** : MANTRA is the owner of the land together with buildings under title deed numbers 44915 and 49088.

**Location** : Huai Sai Subdistrict, Mae Rim District, Chiang Mai Province

**Lease Term** : 30 years from 1 September 2022 to 30 August 2052 by which such lease term will be divided into 3 periods of 10 years each. The Lessee will make a promise to MANTRA to extend the lease term until it reaches the total lease term of 30 years (the leasehold will be registered within 90 days from the date of the Lease Agreement).

**Area** : 34 Rai 1 Ngan 62 Square Wah

**Rental objective** : To use as the business establishment and/or addiction medical establishment in the type of medical establishment pursuant to the law on medical establishments and narcotics treatment and rehabilitation centers.

**Leasehold of the leased property** : 1. The Lessee will be the one investing and pay expenses for improving, renovating and preserve the leased property together with equipment and utility to be in good condition and ready to be used in accordance with the purpose

2. The Lessee will procure or proceed to apply for a license and permit related to the operation of a rehabilitation center
3. The expansion, improvement and renovation of the building and structure in the leased premise in the rehabilitation center are deemed to be propriety right of the lessor

#### Rental and Deposit

##### Rental

- from 1 September – 31 December 2022 will be Baht 500,000 per month
- from 1 January – 30 April 2023 will be Baht 3,000,000 per month
- from 1 May – 31 December 2023 will be Baht 3,500,000 per month
- from 1 January – 31 December 2024 will be Baht 4,500,000 per month
- from 1 January – 31 December 2025 will be Baht 5,000,000 per month
- from 1 January 2026 until the remaining lease period, the rental will increase at the rate of 2.5 percent per year

### 3.2 Transaction Size

The total value of consideration which the Company will receive from entering into the transaction under the draft Lease Agreement is approximately Baht 2,448,632,044.65 which consists of the rental of Baht 2,448,632,044.65.

In this regard, the Company has calculated the transaction size according to the Notification on Acquisitions or Disposal of Assets 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 Basis	Calculation Method
1. The net tangible asset (NTA) value criterion	cannot be calculated
2. The net profit from operating from operating results criterion	cannot be calculated
3. The total value of consideration criterion	= $\frac{\text{Value of transaction paid or received} \times 100}{\text{Total assets of the Company}}$
	= $2,448,632,044.65 \times 100 / 8,010,095,812.02$
	= 30.57 percent
4. The equity issued as consideration for the assets criterion	cannot be calculated

Therefore, this transaction is considered Class 2 transaction pursuant to the Notifications on Acquisition or Disposal of Assets, i.e., the transaction of which the size is equal to or higher than 15 percent but lower than 50 percent. The Company is thus required to disclose the information memorandum on such transaction to the SET and sent the circular notice to the shareholders within 21 days from the day that the Company discloses the information to the SET.

#### 4. Details of the Disposed Assets

4.1 The land under title deed numbers 44915 and 49088 which is located at Mae Rim District, Chiang Mai Province and owned by the Company. The details of the land in the title deed which will be rented out are as follows:

	Title Deed Number	Land Number	Dealing File Number	Area
1.	44915	150	3261	32-1-59.90
2.	49088	911	3954	2-0-2.70
			Total	34-1-62.6



4.2 Structures on the land comprise the following items:

- (a) 36 patient buildings with the total usable areas of approximately 5,724 square meters
- (b) hospital and supporting-function zone totaling 12 buildings with total usable areas of approximately 6,152 square meters, dividing into 1 hospital, 1 administration building, 1 service building, 1 fitness and swimming pool, 4 lodges and 4 recreation buildings

**5. Total Value of Consideration**

Total value of consideration for the transaction is approximately Baht 2,448,632,044.65 as detailed in Clause 3.2.

**6. Value of Disposed Asset**

The value of disposed asset from the entering into the transaction is equal to the total value of consideration as detailed in Clause 5.

**7. Basis used for the Determination of Consideration Value**

Basis used for the determination of consideration value of the transaction is from rental that MANTRA and the Lessee has negotiated and agreed by which the entering into transaction under the Lease Agreement will be approximately Baht 2,448,632,044.65 which consists of rental at the amount of Baht 2,448,632,044.65.

**8. Expected Benefits for the Company**

The Company expected that the entering into such transaction will provide benefits for the Company as follows:

- 1. The liquidity of the Company will increase and it will support and strengthen the financial position of the Company.
- 2. Increase the opportunity to generate income and return to the Company in a long run as the lease term in the Lease Agreement is 30 years which will be divided into 3 periods of 10 years each. The Lessee will make a promise to MANTRA to extend the lease term until it reaches the total lease term of 30 years.

**9. Plan to Utilize Proceeds Obtained from the Disposal of Asset**

Currently, the liquidity of the Company is still sufficient. The Company has not yet specified the plan to utilize proceeds obtained from this transaction. Furthermore, as the current economic conditions have not recovered, the fact that the Company is able to hold more current assets in the type of cash is another way to increase financial strength of the Company.

**10. Opinion of the Board of Directors**

After taking into account the value of consideration valuated by the financial advisor of the Company as detailed in Clause 7 above, the Board of Directors unanimously resolved to approve the entering into the transaction as the Board of Directors viewed that the entering into the transaction and the value of consideration which will be obtained are appropriate, reasonable and beneficial for the Company and all shareholders of the Company in a long run as per the reasons specified in Clause 8 above.

**11. Opinion of the Audit Committee**

The opinion of the Audit Committee is not different from the Board of Directors as stipulated in Clause 10 above.