



No. RJH – SET 3/2023

2 March 2023

Subject : Notification of the acquisition of asset transaction.
To : The President
The Stock Exchange of Thailand
Attachment : Information Memorandum about the Acquisition of Assets (Schedule 2)

Rajthanee Hospital Public Company Limited ("**the Company**") would like to inform that the meeting of the Board of Directors No.2/2023 held on 2 March 2022 has resolved to approve the investment in newly established subsidiary in order to operate hospital business located on Rom-Klao road, Bangkok. Subsidiary's registered capital is THB 850 million and the Company will hold shares not less than 55% which equivalent to 467.5 million Baht. The transaction is an acquisition of asset transaction with details according to the information submitted.

Please be informed accordingly.

Yours Sincerely,

(Mr. Surin Prasithirun)
Managing Director



**Information Memorandum about the Acquisition of Assets (Schedule 2)
of Rajthanee Hospital Public Company Limited**

The Board of Directors' Meeting No. 2/2023 of Rajthanee Hospital Public Company Limited ("**the Company**") held on 2 March 2023 resolved to approve the investment in newly established subsidiary ("**Subsidiary**") in order to operate hospital business located on Rom-Klao road, Bangkok. Subsidiary's registered capital is THB 850 million and the Company will hold shares not less than 55% which equivalent to 467.5 million Baht.

The transaction is considered as the acquisition of assets in accordance with the Notification of the Capital Market Advisory Board No. Tor Jor. 20/2551 regarding Rules for Entering into Substantial Transactions within the Definition of an Acquisition or Disposal of Assets dated 31 August 2008 and its amendments, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure and Compliance by Listed Companies relating to Acquisition or Disposal of Assets B.E. 2547 dated 29 October 2004 ("**Notification on Acquisition or Disposal**").

The transaction value is THB 850 million which equivalent to 22.44% of the Company's total assets according to the consolidated financial statement ended on 31 December 2022. There were no other acquisitions for the past 6 months. This transaction is greater than 15% but lower than 50% of the Company's total assets. Therefore, the Company's Board of Directors is eligible to approve the transaction and the Company is required to disclose the information to the Stock Exchange of Thailand as well as to submit the information memorandum to the shareholders of the Company within 21 days from the date Company's information memorandum is disclosed.

1. Date of the Transaction

To establish Subsidiary within 30 June 2023 and to fully paid-up capital within 30 December 2025

2. The Parties Involved and Relationship with the Listed Company

Newly established company

Relationship with the listed company: None

3. General Characteristics of the Transaction

Investment in newly established subsidiary ("**Subsidiary**") in order to operate hospital business located on Rom-Klao road, Bangkok. Subsidiary's registered capital is THB 850 million and the Company will hold shares not less than 55% which equivalent to 467.5 million Baht.



4. Details of the Investment

Business 150-bed hospital located on Rom-Klao road, far from Keha Rom-Klao intersection about 1.5 km. Land area is over 11 rai. The hospital's patients will be under social-security welfare, self-pay, insurance, Automobile Accident Act and other types of claim. For self-pay, it will target middle-income clients.

Investment Cost Total investment cost is THB 850 million consists of :

Land	235
Buildings	460
Medical Equipment	120
Furniture & Fixtures, Office Equipment, etc	<u>35</u>
	<u>850</u>

Project Period Approximately 3 years

Investment Funding and shareholders The investment cost will be wholly funded by shareholders with registered capital of THB 850 million with shareholdings as below.

<u>Shareholders</u>	<u>% Shareholdings</u>
The Company	55
Ramkhamhaeng Hospital Plc.	7
Vibharam Hospital Co.Ltd.	7
Synphaet Co., Ltd	7
Minority Shareholders	<u>24</u>
	<u>100</u>

Board of Directors Directors representing the Company 4 persons, representing Ramkhamhaeng Hospital Plc.1 person, representing Vibharam Hospital Co.Ltd.1 person and independent director 1 person.

Competitors Hospital competitors in the radius of 10 km are

1. Ramkhamhaeng Hospital (Ram Nakara) located on Ramkhamhaeng road, Soi Ramkhamhaeng 162, Sukabhiban 3
2. Synphaet Seri-Rak Hospital located on Seri Thai road near Minburi intersection
3. Navamintr 9 Hospital located on Sihabaranukij road

Only Navamintr 9 Hospital that serves social-security patients. In addition, There is no hospital that located on Rom-Klao road

5. Total Consideration Value, Payment Term & Conditions

The Company will pay share price by cash.



Calculation of the Transaction Size The total project value is THB 850 million which equivalent to 22.44% of the Company's total assets according to the consolidated financial statement ended on 31 December 2022. There were no other acquisitions for the past 6 months..

6. Criteria used in Determining Prices

Share par value.

7. Benefits Expected to be obtained by the Company from the Transaction

- Project location is in prime area with condensed population. There are many housing estates with good purchasing power.
- Hospital competitors are far from the project about 10 km. and targeting high-income market which is different to the Company's. Only Navamintr 9 Hospital that served social-security patients as same as the Company. However, this hospital is located on another road of the project.
- Social security insurers under section 33 and 39 of no. 10 district (Minburi) are approximately 360,000 insurers whereas there is only one private hospital that serve social security patients.
- To diversify investment to other area than the existing location.

8. Source of Fund for the Transaction

- The source of fund to buy Subsidiary's shares will be 50% from the Company's operating cash flow and the remaining from bank's loan.
- The source of fund to develop project will be wholly from shareholders.

9. Conflict of Interest

The partner of this project is Ramkhamhaeng Hospital Plc. ("RAM") group holding shares in the Subsidiary 21%. Ram group is also operating hospitals in this neighborhood. Ramkhamhaeng 2 Hospital (operated under RAM) and Synphaet Seri-Rak Hospital (operated under Synphaet Co., Ltd.). However, the Subsidiary's target clients are social-security patients which are not RAM group's patients. For self-pay patients, the Subsidiary's target clients are middle-income market while RAM group are high-income market.

10. Opinions from the Board of Directors

Board of Directors considered that this investment will yield good returns with IRR of not less than 8%. In long-run, this investment will enhance the Company's competitive edge and expand brand awareness in the area other than Phra Nakorn Sri Ayudhya province.



11. Opinions from the Audit Committee and/or Directors that are different from the Opinions from the Board of Directors

- None -