



## AQUA CORPORATION

บริษัท อควา คอร์ปอเรชั่น จำกัด (มหาชน)  
(ทะเบียนเลขที่ 0107547000397)

(Translation)

No. AQUA-046/SET-013/23

7 July 2023

Subject: Sale of shares in Ethical Gourmet Company Limited and investment in Nomimashou Company Limited (**Amendment**)

To: The President  
The Stock Exchange of Thailand

Aqua Corporation Public Company Limited (“**Company**”) would like to notify the resolution of the Board of Directors’ Meeting No. 8/2023, held on 6 July 2023, at 14.00 hrs. The meeting resolved on the following substantive matters:

1. Acknowledge the resolution of the Executive Committee Meeting No. 11/2023 held on 6 July 2023 that approve the sale of all ordinary shares in Ethical Gourmet Company Limit (“**EG**”) in the amount of 350,000 shares or equivalent to 9.97 percent of the sold shares of EG to Mr. Sirutt Ratanapaitoon and/or the person designated by Mr. Sirutt Ratanapaitoon, at the price of THB 35,000,000.

In this regard, Mr. Sirutt Ratanapaitoon and/or the person designated by Mr. Sirutt Ratanapaitoon to be the buyer will not be connected person of the Company. Thus, the 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) (including any amendments thereof) (“**Notifications on Connected Transactions**”).

However, such transaction is considered a transaction involving the disposition of assets, according to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 (2008) Re: Rules on Entering into Material Transactions Deemed as Acquisitions or Dispositions 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 Acquisitions or Dispositions of Assets, B.E. 2547 (2004) (including any amendments thereof) (“**Notifications on Asset Acquisitions or Dispositions**”). The size of such transaction, calculated by reference to the Company’s reviewed consolidated financial statements ending 31 March 2023, based on the net tangible assets basis, which is the calculation basis resulting in the highest transaction value is 0.65 percent.



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The Company does not have any other disposition transaction in the part 6 months prior to the Board of Directors' resolution approve entering into the subject transaction.

In addition, as the Company disposes all of the ordinary shares held by the Company in EG, therefore, the meeting of the Board of Directors No. 8/2023 held on 6 July 2023 has passed a resolution to approve the amendment of loan agreement of the amount not exceeding THB 315,000,000 which has been approved by the meeting of the Board of Directors no. 10/2022 on 28 December 2022 to protect the interest of the Company such as by specifying that the principal and interest in the amount of approximately THB 110.5 million shall be repaid on the date of the execution. The new loan agreement has important details as follows:

Loan purposes	:	To use the loaned amount as working capital, funds for branch expansion, and for the business operations, including any relevant businesses of EG.
Principal amount	:	THB 315,000,000, comprising:  1. <u>Loan without right to receive repayment in the form of ordinary shares</u> : THB 198,300,000; and  2. <u>Convertible loans (which give the lender the right to receive repayment in the form of ordinary shares)</u> : THB 116,700,000.
Annual interest rates	:	1. <u>All loans under the previous agreement given during the period from 29 December 2022 to 30 June 2023 carry an interest rate of 6.70% per year.</u>  2. <u>Loan without right to receive repayment in the form of ordinary shares given during the period from 1 July 2023 to 30 March 2024 carry an interest rate of 12% per year.</u>  3. <u>Convertible Loans given during the period from 1 July 2023 to 28 December 2027 carry an interest rate of 7% per year.</u>
Loan agreement period	:	29 December 2022 – 29 December 2027



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Repayment details	:	The principal amounts, <u>with interest</u> , shall be paid by installments in the <u>amounts and within the periods specified in the agreement.</u>
Right of conversion	:	The Company has the right to <u>receive repayment of Convertible Loans (THB 116,700,000)</u> , together with the interest of such <b>Convertible Loans</b> , in ordinary shares in EG with the exercise of no more than <u>four</u> times <b>on the following dates 31 March 2024, 31 March 2025, 31 March 2026 and 29 December 2027.</b>  In this regard, the right of conversion is the right of the Company which the Company may exercise the right or not exercise the right. In the case that the Company does not exercise the right, the Company will receive the loan and the interest in cash pursuant to the time specified in the agreement.
Value and nature of the security	:	9,209,605 ordinary shares in Domino Asia Pacific Co., Ltd., amounting to 91.18% of all its ordinary shares, worth THB 315 million.  <u>When the debtor repays the Loan without right to receive repayment in the form of ordinary shares and interest specified in the agreement in full, the Company will return 4,058,605 shares to the debtor, and the remaining 5,151,000 shares, amounting to 51% of Domino Asia Pacific Co., Ltd.'s registered capital, will remain as security for the loans.</u>

#### Note

#### Steps taken prior to making the decision to provide financial assistance

#### In making the decision to provide financial assistance

1. The Company has certain policies, procedures, and criteria for providing financial assistance. The Company considered the operational capabilities of EG's subsidiaries, i.e., Domino Asia Pacific Company Limited and DK Wow Venture Company Limited, all of which engage in businesses relating to food, which is one of the basic necessities of life. Furthermore, the Company took into consideration the possible economic recovery, and the possibility that consumers' behavior is returning to normal. In addition, the Company adjusted the interest rate to be appropriate and is not inferior to the benefit that the Company is entitled prior to the



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- previous loan agreement.
2. The Company assessed EG's ability to repay debts from EG's net cash flows and its Internal Rate of Return (IRR). The Company also appraised the value of the security, and it is of the opinion that the approval of the Transaction, together with the proposed loan amount, will be in the best interests of the Company's shareholders.
  3. The entering into this loan agreement is merely an amendment of loan agreement of the amount not exceeding THB 315,000,000 which has been approved by the meeting of the Board of Directors no. 10/2022 on 28 December 2022, therefore, the source of the loan amount is the same as the previous loan agreement i.e. the Company's cash flows from the proceeds of the sale of ordinary shares in its subsidiary that engages in an out of home media business, proceeds from the issuance and offering of bonds, in accordance with the resolutions of the Annual General Meeting of Shareholders for the year 2017, held on 25 April 2017, as amended with respect to the maximum amount by the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2022, and cash flows from the Company's operations. This loan does not affect the Company's financial status and liquidity.
  4. Regarding risk management from the provision of the loan:
    - 1) The Company specifies a security of 9,209,605 ordinary shares in Domino Asia Pacific Co., Ltd., amounting to 91.18% of all its ordinary shares, worth more than the loan and although the number of security shares will be reduced from the payment of loan by the debtor pursuant to the terms of the agreement, the remaining security shares will worth more than the outstanding loan.
    - 2) The Company has the option to convert the convertible loan to receive repayment in the form of ordinary shares of EG, at the discretion of the Company. If the Company does not exercise such right, the Company is entitled to receive such loan on the due date. This allows the Company to choose to be a shareholder or a creditor of EG.
  5. The reason the Company does not call for the return of all loan upon the sale of all ordinary shares in EG by the Company is that the previous loan agreement has a specific date for the repayment and EG has not breached any provision in the previous loan agreement. However, to protect the interest of the Company, the Company negotiated for the return of the principal and interest in the amount of approximately THB 110.5 million and the adjustment of the interest rate to be appropriate and is not inferior to the benefit that the Company is entitled prior to the previous loan agreement. At the same time, this amendment also maintains good



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relationship between the Company and EG as not calling for the return of all debts immediately will allow EG to have cashflow for the business operation.

#### Opinion of the Board of Directors in relation to the provision of financial assistance transaction

The Board of Directors Meeting No. 8/2023, held on 6 July 2023, has carefully considered the details of the amendment of the loan agreement and have the opinion that the transaction is reasonable as it reduces exposures of the Company from the fact that the Company disposes all of shares in EG by specifying that certain part of the loan and interest are due prior to the due date under the previous loan agreement as well as the adjustment of interest rate to be appropriate and is not inferior to the benefit that the Company is entitled prior to the previous loan agreement. However, to maintain relation with EG, the Company does not terminate the loan agreement and call for all debts immediately so that EG still has cashflow for the business operation. The Company still has the right to convert the convertible loan to receive repayment in the form of ordinary shares of EG in the future if the operating result of EG is satisfactory to the Company.

2. Acknowledge the resolution of the Executive Committee Meeting No. 11/2023 held on 6 July 2023 that approve the investment in Nomimashou Company Limited (“Nomi”) by purchasing ordinary shares accounting for 100 percent of all ordinary shares of Nomi, which operates a restaurant business under the name of “Ramen Desu”, with the purchase price is THB 110,500,000, from EG. This transaction is not a connected transaction under the Notifications on Connected Transactions. In this regard, EG has a duty to use the money received from the sale of shares in the amount of THB 110,500,000 to pay part of the payment of the principal and interest of the new loan agreement between the Company and EG.

The purchase price of THB 110,500,000, which also includes the consideration for the transfer of debt owed by Nomi to the seller to be transferred to the Company, comes from the negotiation between the parties. In regard, the Company calculated the price from the forecasted income of Nomi.

However, such transaction is considered a transaction involving the acquisition of assets, according to the Notifications on Asset Acquisitions or Dispositions. The size of such transaction, calculated by reference to the Company’s reviewed consolidated financial statements ending 31 March 2023, is 1.29 percent, based on total value of the consideration basis, which is the calculation basis resulting in the highest transaction value.



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Prior to the Board of Directors' resolution to approve entering into the subject transaction, the Company conducted three transactions involving acquisitions of assets within the past six months, i.e., (1) the investment in Chalernpat Corporation Co., Ltd., of which the size of the transaction calculated by reference to the Company's audited consolidated financial statements ending 31 December 2022, based on the total value of the consideration basis was 5.82 percent; (2) the investment in Eastern Power Group Plc., of which the size of the transaction calculated by reference to the Company's audited consolidated financial statements ending 31 December 2022, based on the total value of consideration basis was 0.58 percent; and (3) the investment in At East Property Co., Ltd. of which the size of the transaction calculated by reference to the Company's reviewed consolidated financial statements ending 31 March 2023, based on the total value of consideration basis was 1.29 percent.

Therefore, as the aggregated size of the subject transaction and the previous acquisition transactions in the past 6 months prior to the Board of Directors' resolution to approve entering into the subject transaction, based on the total value of consideration basis, which renders the highest transaction size is 9.95 percent which is less than 15 percent, the Company has no duties under the Notifications on Asset Acquisitions or Dispositions.

Please be informed accordingly.

Sincerely yours,

(Mr. Chaipipat Kaewtrirat and Mrs. Warangkana Kalayanapradit)

Authorized Directors