

Ref. IM1-LE-CS-18-08-03

August 14, 2018

Subject Notification of Change in Objectives of IPO Proceeds Utilization

(Additional Information on Necessities and Comments from the Board of Directors)

Attention The President of the Stock Exchange of Thailand

Masterkool International Public Company Limited (“the Company”) offered 120,000,000, ordinary shares (IPO) at 1.80 Baht per share on September 23, 2015, after deduction of underwriting fee and other relevant expenses, resulting the net IPO proceeds of 205,744,400.00 Baht (Two hundred and five million seven hundred forty four thousand and four hundred Baht) as detailed in the Prospectus for the Offering of Newly Issued Shares of the Company.

One of the initiative purposes of the IPO Proceeds Utilization was building a new warehouse in the same area of the Company’s factory in Panasnikhom District, Chonburi for termination the warehouse retail contract of warehouse in Patumthani. After the IPO, the Company has changed its aim due to the business expansion, such initiative purpose does not meet the needs the business which continuous grows.

The Company has considered and revised its new direction of warehouse management by prolonging the warehouse contract of the warehouse in Patumthani and implementing Warehouse Management System as solutions for warehouse and delivery management efficiency. Besides, the Company has co-planned on its finished goods with the manufacturers. On the other hand, the Company has continued 5 projects of product research and development proceeding in R&D pipeline; which require both R&D funds and working capital; in which R&D products has considered serving both domestic and international markets.

For above mentioned necessities, the Management, therefore, proposed the matter to the Board of Directors for consideration of changing of Objectives of IPO Proceeds Utilization. The Meeting has considered and agreed that the proposed 5 future-products which on R&D process possibly meet customer target’s needs and also managerial changes of warehouse. Therefore, the Board of Directors’ Meeting No. 4/2018 held on August 14, 2018 resolved to approve the change of objectives of IPO Proceeds Utilization by reducing the investment budget on warehouse expansion in amount of 26,700,000 Baht and using this amount to develop new products and used as working capital of the company. Details are as follows:-

(Million Baht)

Previous Objectives in IPO Filing				New Objectives approved			
Objectives	Amount	Estimated period for the use of proceeds	Outstanding Amount as of June 30,2018	Objectives	Amount	Estimated period for the use of proceeds	Outstanding Amount as of June 30,2018
1. To build the Company's new warehouse	30,000,000	During 2016-2017	26,700,000	1. To build the Company's new warehouse	3,300,000	During 2016-2017	0
2. To use for developing new products	30,000,000	During 2016-2017	0	2. To use for developing new products	45,000,000	During 2016-2018	15,000,000
3. To use as working capital	145,744,400	During 2015-2017	0	3. To use as working capital	157,444,400	During 2015-2018	11,700,000
Total amount	205,744,400	-	26,700,000	Total amount	205,744,400	-	26,700,000

Please be informed accordingly.

(Mr. Noppachai Veeraman)

Managing Director