

**Information Memorandum of the Offering of the Newly Issued Ordinary Shares
to the Existing Shareholders in Proportion of Shareholding**

According to the Board of Director's Meeting of Masterkool International Public Company Limited ("the Company") No. 3/2564, held on 31 March 2021, at 9:00 am – 11:00 am, has approved to propose to the Annual General Meeting of Shareholders to approve the increase its capital from 120,000,000 Baht to 180,000,000 Baht by issuing ordinary share in amount of 240,000,000 shares to the existing shareholders in proportion of shareholding at par value of 0.25 Baht per share.

Therefore, the Company hereby notify information regarding the Offering of the Newly Issued Ordinary Shares to the existing shareholders in proportion of shareholding, details as follows:

1. Details of the share offering

- 1.1 Increase the Company's registered capital in the amount of 60,000,000 Baht from the registered capital of 120,000,000 Baht to the registered capital of 180,000,000 Baht by issuing new ordinary shares in the amount of 240,000,000 shares at the par value of 0.25 Baht and approve the amendment of the Memorandum of Association of the Company No. 4 regarding the registered capital of the Company in order to be consistent with the increase in the Company's registered capital.
- 1.2 Allocation of the newly issued ordinary shares of the Company to the existing shareholders in accordance with their shareholding proportion (Right Offering) of 240,000,000 shares at a par value of 0.25 Baht per share, offering price of 0.45 Baht per share at a ratio of 2 ordinary shares per 1 newly issued ordinary share by setting the date for determining the names of persons entitled to be allocated of the newly issued ordinary shares (Record Date) on April 29, 2021.

For subscription of the newly issued ordinary shares, the shareholders may express their intention to subscribe for additional shares in excess of the allocated rights at the same price. In the event that there are shareholders subscribing to the newly issued ordinary shares more than the remaining shares after the allocation, such remaining shares shall be allocated in the shareholding proportion to each oversubscribing person. The allocation process of such shares shall be repeated until all newly issued ordinary shares are allocated.

The allocation of newly issued ordinary shares in any case in excess of the rights above, there must not result in any shareholders holding shares in breach of the foreign shareholder restriction as prescribed in the Articles of Association of the Company which, as of present, allows a foreign shareholding ratio not exceeding 49 per cent of the total issued and paid-up shares of the Company.

2. Objectives of the capital increase and plans for utilizing proceeds

To be utilized as working capital for operation of the Company's existing business.

3. Effects on Existing Shareholders from the Issuance and Offering of the Newly Issued Ordinary Shares to Existing Shareholders

3.1 Effect to the share price (Price Dilution)

$$\begin{aligned}
 \text{Price Dilution} &= \frac{(\text{pre-offering market price} - \text{post-offering market price})}{\text{pre-offering market price}} \\
 &= \frac{(1.35 - 1.05)}{1.35} \\
 &= 22.22\%
 \end{aligned}$$

where by

pre-offering market price = Market price per share on 30 March 2021 which equals to 1.35 Baht per share (data from SETSMART of the SET)

post-offering market price =
$$\frac{(\text{market price} \times \text{number of paid-up shares}) + (\text{offering price of newly issued ordinary shares to the existing shareholders} \times \text{number of newly issued shares offered to the existing shareholders})}{(\text{number of paid-up shares} + \text{number of newly issued shares offered to the existing shareholders})}$$

$$\begin{aligned}
 &= \frac{(1.35 \times 480,000,000) + (0.45 \times 240,000,000)}{(480,000,000 + 240,000,000)} \\
 &= 1.05 \text{ per share}
 \end{aligned}$$

3.2 Effect to shareholding proportion (Control Dilution)

After the offering and the allotment of the newly issued ordinary shares by Right Offering, the shareholding ratio will change as follows:

The formula for calculating control dilution = $Q_r / (Q_o + Q_r)$ where;

Q_o = Number of existing shares: 480 million shares

Q_r = Number of additional new shares offered by Right Offering: 240 million shares

$$\begin{aligned}
 \text{Therefore, Control Dilution} &= Q_r / (Q_o + Q_r) \\
 &= 240 / (480 + 240) \\
 &= 33.33\%
 \end{aligned}$$

3.3 Effect to earning per share (EPS Dilution)

EPS dilution is equal to effect to shareholding proportion (Control Dilution). However, fund received from the offering of new shares will be used in investment and will return in profit to the shareholders and eventually increase the earning per share.

3.4 Worthiness to shareholders trading off with the effect on voting right

This capital increase will reduce earning per share by 33.33 per cent in the beginning. However, fund received from the offering of new shares will be used in investment and will return in profit to

the shareholders and eventually increase the earning per share. The Company is confident that earning per share will be higher than the present rate.

4. Opinion of the Board of Directors towards the issuance, offering and allocation of the new shares

4.1 Background and rationale of the capital increase

Issuance of new share capital to offer by Right Offering

- (1) To be utilized as working capital for operation of the Company's existing business.
- (2) To repay the Company's debt to reduce the financial costs

4.2 Plans for utilizing proceeds received from the capital increase and feasibility

The Company will use the fund received to be used as working capital of the current business and aim to repay the Company's debt to reduce the financial costs and expect that the fund will be fully utilized in year 2021.

4.3 Rationality of the capital increase and adequacy of the source of fund

In order to have working capital for the operation of the current business, have fund to pay the debts of the Company and have sufficient fund for expanding new business. The fund received should be sufficient for investment in the year 2021.

4.4 Foreseeable effects on business operation, financial position and performance of the Company

The Company's shareholders' equity will increase significantly and more steadily. Return on business operations will help generating profit for the Company.

4.5 Rationale of the price determination and reasonableness of the offering prices to the existing shareholders

The offering price to the existing shareholders is 0.45 Baht which is a price close to the current book value of the Company

5. Director with vested interests and have no voting right during the Board of Directors' meeting

None

6. Opinion of the Audit Committee and/or Independent Directors as opposed to the opinion of the Board of Directors in Clause 4 above

None

7. Representation of the Board of Directors for the capital increase

- (1) In the event that the Board of Directors of the Company does not perform its duty in good faith and with care to preserve the interests of the Company pertaining to the capital increase, if breach of duty causes damage to the Company, the shareholder may claim compensation from such director on behalf of the Company pursuant to Section 85 of the Public Limited Company Act B.E. 2535 (and as amended). If such breach of duty causes the director or the related person to obtain undue benefits,

the shareholder may exercise the right to claim for return of such benefits from the director on behalf of the Company subject to Section 89/18 of the Securities and Exchange Act B.E. 2535 (and as amended)

The Company certifies that this information memorandum is accurate and complete

Yours sincerely

- *Noppachai Veeraman* -

(Mr. Noppachai Veeraman)

Managing Director