

Information Memorandum in relation to the Allotment and Offering of Newly Issued Ordinary Shares to Investors in Private Placement

According to the Board of Directors Meeting of JCK Hospitality Public Company Limited (the "Company") No. 1/2019, held on February 28, 2019, has resolved to approve for submission to the Shareholders meeting for consideration and approval of the allotment of capital increase ordinary shares of the Company in the amount not exceeding 62,527,766 shares, with the par value of Baht 0.25 per share for offering in entirety or in portions for offering in lots from time to time to investors in private placement categorized under the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement which such persons are not connected persons of the Company, whereby the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer of the Company shall have the authority to determine the offering price of the shares at the best market price in accordance with the market condition during the offering period.

Therefore, the Company has prepared the Information Memorandum in relation to the Allotment and Offering of Newly Issued Ordinary Shares to Investors in Private Placement which consists of the important information effected to the decision of shareholders for consideration and approval of the increase of registered capital of the Company and the allotment and offering of newly issued ordinary shares to investors in private placement as follows:

1. Details of offering of newly issued ordinary shares to investors in private placement

The Board of Directors Meeting of the Company No. 1/2019 has resolved to approve for the allotment of capital increase ordinary shares of the Company in the amount not exceeding 62,527,766 shares, with the par value of Baht 0.25 per share for offering in entirety or in portions for offering in lots from time to time to investors in private placement categorized under the Notification of the Capital Market Supervisory Board No. Tor Jor. 72/2558 Re: Approval for the Listed Companies to Offer Newly Issued Shares to Investors in Private Placement, whereby the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer shall have the authority to determine the offering price of the shares at the best market price in accordance with the market condition during the offering period to the investor(s) and shall not lower than one of the following price:

- (1) The weighted average of share price trading on the Stock Exchange of Thailand for not less than 7 consecutive trading days but not exceeding 15 consecutive trading days prior to the determination date of the offering price of such shares in each time ("Market Price"), whereby such weighted average of share price is required to use the average price of shares trading in each day. Provided that, the determination date of offering price is required to backward not exceeding 3 trading days prior to the first date of offering shares to the investor(s). However, the Board of Directors of the Company may determine the discount on the offering price but shall not exceed 10% of such Market Price.
- (2) The price which is determined by the book building method surveyed by the securities company.

In this regard, the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer shall offer the entire shares within the period not exceeding 12 months from the date of the Shareholders meeting of the Company has resolved for the approval of such offering shares.

For the allotment and offering of capital increase ordinary shares of the Company above, the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer and/or the person(s) who is authorized by the Board of Directors and/or the Executive Committee and/or Chairman and/or Chief Executive Officer and/or Deputy Chief Executive Officer shall have the authorities to consider the fixing of other details regarding the allotment and offering of capital increase ordinary shares, such as searching of investors in private placement; fixing of the terms, conditions and details regarding the allotment and offering of capital increase ordinary shares and/or allot newly issued ordinary shares as consideration for the acquisition; negotiation, entry into agreement and execution of relevant documents and agreements regarding the allotment and offering of capital increase ordinary shares; and execution of applications for permission and necessary and relevant evidence

regarding such allotment and offering of capital increase ordinary shares, including determining other conditions and details in issuing and offering of such increased shares as deemed appropriate, as well as the authority to correct wording or contents for minutes of shareholders' meeting or Memorandum of Association and/or others application and/or the various actions necessary in compliance with the order of Registrar in relation to the registration of registered capital increase with Department of Business Development, Ministry of Commerce from time to time in accordance with the payments of the subscriber(s) in each time, including listing the increased shares the Market for Alternative Investment (MAI) and submission of information and documents to the Securities and Exchange Commission, the Stock Exchange of Thailand, Ministry of Commerce or other relevant authorities.

The allocation of newly issued ordinary shares to investors in private placement above in any case shall not enable any investors to hold the Company's shares in an increasing nature reaching or crossing the point where a tender offer must be made, as prescribed in the Notification of the Capital Market Supervisory Board No. Tor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, or in violation of the foreign limit as specified in the Company's Articles of Association.

2. Objectives of issuance of capital increase shares and plans for utilizing the capital increase fund

To be used as a working capital, paying debt, and to be reserved fund for the improvement of current branches and for the branch expansion in the future.

However, in order to reduce risk of inadequate investment in the development of the projects, the Company has a policy to use money that received from the offering of newly issued ordinary shares to investors in private placement as a working capital, paying debt, and to be reserved fund for the improvement of current branches and for the branch expansion. The Company expects that the capital received from the capital increase at this time will help strengthen the financial stability of the Company and when combined with the Company's existing assets and the revenue generated from the current business operations of the Company, will enable the Company to achieve its objectives and its specified plans for utilizing the fund.

3. Effect to existing shareholders which may occur from the offering of newly issued ordinary shares to investors in private placement

(Effect to existing shareholders which may occur from the offering of newly issued ordinary shares to investors in private placement are as specified in attachment 1, capital increase report form, clause 8.)

4. Opinion of the Board of Directors of the Company

Reason and necessity of capital increase

The Board of Directors is of the opinion that the capital increase and the allotment of the said capital increase shares to investors in private placement will be the option for the Company to raising fund, enhance liquidity and swiftness of funding to catch up with the market condition and external factor which can be changed dramatically, and also benefit the Company's business operation in financial liquidity and reserve for the time when the Company is necessary to expand the investment. Including, it will reduce financial cost of the Company in the case of paying debt, as well as strengthen the Company's financial strength and stability, and also adjust the Company's capital structure to be more appropriate, and preserve debt to equity ratio to be in proper level which will help enhance loan capability, and also support the company's liquidity and effect the lower of financial cost. The Company could use the money receiving from the capital increase to generate income and develop the Company's business, which could benefit the Company and shareholders in the future. Moreover, the issuance and offering of newly issued ordinary shares via private placement in amount of 10% of the Company's paid-up capital with the discount not exceeding 10% of the market price at the offering period could only cause a little effect to shareholders in dilution effect.

Feasibility of plans for utilizing the fund received from the offering shares

The allocation of newly issued ordinary shares in this time could increase the raising fund options to the Company which will be more flexible. For each issuance and offering of shares, the board of directors shall consider the necessity to use the capital at that time, benefit that the Company will receive, including effect that might cause to shareholders, and also compare the benefit and financial cost with other funding method such as loan from financial institution or issuing bonds.

Reasonableness of the capital increase, plans for utilizing the fund received from the offering shares and project to be operated including sufficiency of source of fund

The Board of Directors is of the opinion that by increasing the reserve method of capital funding to be used as working capital and expand the Company's business will help the Company to reduce liquidity risk that might occur in the future, and also make the Company have sufficient capital to support for the improvement of current branches and for the branch expansion, and could be used as reserved capital to expand the investment in the future. The offering of shares via private placement in this time still does not have the specification in the exact amounts of shares and the exact offering price, therefore the Company could not estimate the number of capitals receiving in this time yet, in which each offering will depend on the necessity to use the capital at each period and on the market condition at that time. However, the issuance and offering of shares in this time that require the shareholder approval, the board of directors will consider it with cautious and take into account of the necessity and most benefit to the Company and shareholders.

Expected effect incurred to the business operation of the Company, financial status and performance results of the Company due to the capital increase and operation in accordance with the utilizing plan or project


The Board of Directors is of the opinion that the allocation of newly issued ordinary shares in this time will benefit the Company's business operation, and strengthen financial strength and stability, as well as enhance the liquidity of the Company including these shall make the Company has lower financial cost. This also enables the expansion in the investment and the business operation of the Company. As a result, the business operation of the Company has a tendency to growth in the future. In addition, this capital increase will help reduce the debt-to-equity ratio of the Company and increase the potential for borrowing loans in the future.


5. Certification of the Board of Directors of the Company regarding the capital increase

In the case where the directors of the Company do not perform their duty with honesty and care to preserve the benefit of the Company in relation to the capital increase, if such omission of performance causes damage to the Company, the shareholders are entitled to file a lawsuit to claim for damages from such director on behalf of the Company as specified in Section 85 of the Public Limited Company Act B.E. 2535. In addition, if such omission of performance causes a director or his/her related person to obtain undue benefit, the shareholders shall be entitled to file a lawsuit to reclaim for benefits from such director on behalf of the Company as specified in Section 89/18 of the Securities and Exchanges Act B.E. 2535.

The Company hereby certifies that the information contained in this report is accurate and complete in all respects.



Signature  Authorized Company Director
(Mr. Chotiwiw Taechaubol)
Director

Signature  Authorized Company Director
(Mrs. Rachanee Siwawej)
Director