

## **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. 1/2022, held on February 28, 2022, 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 155,973,373 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 shall 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 and has resolved to approve for submission to the shareholders' meeting for consideration and approval of the allotment of newly issued ordinary shares in the amount of not exceeding 546,745,361 shares, with the par value of Baht 0.25 per share or equal to 35.05% of the current paid-up capital of the Company to be reserved for the conversion of the convertible debentures issued and offered to specific investors, Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") who are not related person under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, and this offering of the Convertible Debentures is considered as an offering to no more than 10 specific investors within four-month period as specified in clause 43 (1) of the Notification No. TorJor. 17/2561 Re: Application for and Approval of the Offering for Sale of Newly Issued Debt Instruments.

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. 1/2022 has resolved to approve for the allotment of capital increase ordinary shares of the Company in private placement as follows:

1.1 The amount not exceeding 155,973,373 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 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. Provide 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.

In this case, in the event that the offering price in any period of which the discount is calculated from the market price does not exceed 10% of the market price, results in the offering price being lower than the par value of the Company's ordinary shares, then can

use the said offering price but not less than Baht 0.01 per share, except in the case where the law prohibits the Company from issuing shares lower than the par value. The par value of the Company's ordinary shares shall be considered as the offering price.

- (2) The price which is determined by the book building method surveyed by the securities company.

This allocation of newly issued ordinary shares to investors via Private Placement in General Mandate must be completed within the next date of the Annual General Meeting of Shareholders which be determined by the company or within the date of the Annual General Meeting of Shareholders which be determined by the law, whichever date is earlier.

For the allotment and offering of capital increase ordinary shares of the Company above, the Board of Directors 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 SEC, the SET, the 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. TorJor. 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.

- 1.2 The amount not exceeding 546,745,361 newly issued ordinary shares or equal to 35.05% of the current paid-up capital of the Company to be reserved for the conversion of the newly issued Convertible Debentures to specific investors, namely Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") which is not related person under the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions, and this offering of the Convertible Debentures is considered as an offering to no more than 10 specific investors within four-month period as specified in clause 43 (1) of the Notification No. TorJor. 17/2561. The details of the allocation are as follows:

- (a) The amount not exceeding 280,000,000 newly issued ordinary shares, which are allocation of additional newly ordinary shares from the allotted to reserve for the conversion of the Convertible debentures No.1 (CD No.1). Currently, there are 8,246,626 shares remaining. When including the aforementioned remaining shares, the Company will have a total of 288,246,626 shares reserved for the conversion of Convertible debentures No.1 (CD No.1).
- (b) The amount not exceeding 266,745,361 newly issued ordinary shares, which are allocated to reserve the conversion of convertible debentures No.2 (CD No.2) in accordance with the resolution of the 2022 Annual General Meeting of Shareholders in this time.

In addition, the Conversion Price will not lower than 90 percent of market price whereas the market price shall be calculated based on the weighted average price of the Company's shares trading on the Market for Alternative Investment (MAI) for not less than 7 consecutive trading days but not exceeding 15 consecutive trading days prior to the date that the holder of the Convertible Debentures exercise the right of conversion and the weighted average price is calculated from the weighted closing price by the trading volume of each consecutive business day (Floating Conversion Price). However, in the event that at any period of conversion, the result of the conversion price is calculated until the conversion price is lower than the par value of the Company's ordinary shares, then can use the said conversion price but not less than Baht 0.01 per share, except in the case where the law prohibits the Company from issuing shares lower than the par value, therefore the par value of the Company's ordinary shares shall be deemed the conversion price. Therefore, if the conversion price calculated above is lower than the par value of the Company's shares. The Company must issue additional compensation shares for the calculation of all shares issued at par value is based on the conversion price.

The allocation of the newly issued ordinary shares in (a) and (b) above in the total amount of not exceeding 546,745,361 shares, when combined with the remaining 8,246,626 shares issued to reserve for the conversion of the Convertible debentures No.1 (CD No.1) and 223,315,246 shares reserved for the exercise of warrants (JCKH-W1, then equal to 49.90% of the current paid-up capital of the Company as of the Board of Directors' Meeting No. 2/2522 on February 28, 2022, which is not more than 50% of the of the current paid-up capital of the Company as of that date.

(Details appeared in the Summary of the important terms and conditions of the Convertible Debentures No.2 to be issued by the Company to AO Fund and AO Fund 1: Attached 7)

## **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 receive 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 Attached 5, capital increase report form, clause 8. and the effect to existing shareholders which may occur from the conversion of the Convertible Debentures are specified in Attached 7: Summary of the important Terms and Conditions of the newly issued Convertible Debentures No.2 to be issued by the Company)

## **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. 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 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 and/or to invest in new businesses which are related to or support the current businesses 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. Moreover, in the event that the Company has issued the convertible debentures and the convertible debenture holders do not exercise their conversion rights in the specified time. The Company expects that business conditions in the next three years will improve from the current that its business has been significantly impacted by the Covid-19 epidemic, and it is expected that the company will have sufficient cash flow to reimburse the Convertible Debentures. The gain return from operations in the restaurant business or new projects launched in which the company has used the fund from convertible Debentures for business operation or expansion, or cash flow from the financial institution would return to support the credit facility to the Company again if the business conditions recover to normal. Furthermore, the Company, if necessary, may offer new ordinary shares to shareholders or investor via private placement, as the option. Nevertheless, the Company will consider the appropriateness during that time in making decisions. By taking its into account the maximum benefits to the company and shareholders.


## 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 Securities and Exchanges 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.Athawut Taechaubol )

Signature  Authorized Company Director  
( Mrs. Rachanee Siwawej )