



No. MGT/ELCID/21/012 (REVISED)

September 16, 2021

Subject: Notification of purchase of Green Leaf Chemical Co., Ltd ordinary shares.

To : President  
Stock Exchange of Thailand

Attachment: Information Memorandum on Assets Acquisition of Megachem (Thailand) PCL.

The Board of Directors' Meeting No. 4/2521 of Megachem (Thailand) Public Company Limited ("**Company**") which was held on September 15, 2021 has approved the purchase of ordinary shares of Green Leaf Chemical Co., Ltd. ("**GLC**"), a limited company incorporated under the law of Thailand engaged in business of import and distribution of chemical materials for manufacturing of cosmetics, supplementary food, perfume including providing of service of clinical testing for efficiency and safety of cosmetic and other consumer products, at the ratio of 55 percent of total issued and paid up shares of GLC in order to expand the investment of the Company covering the distribution of chemical products for manufacturing of cosmetics, supplementary food and perfume. The investment above shall be made by purchase shares from the existing shareholders who have no relationship with the Company. The total investment value for purchasing of shares of GLC is THB 82,500,000.

The said transaction is considered as the acquisition of assets which having the size of the transaction is 12.91 percent based on the total value of consideration, which is lower than 15 percent. Therefore, these transactions are not within the scope of the Notification of the Capital Market Supervisory Board No. Tor.Chor. 20/2551 Re. Rules and Entering into Material Transactions Deemed as Acquisition or Disposal 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 the Acquisition and Disposition of Assets B.E. 2547. However, the Company still has the duty to disclose such information in accordance with the Regulations of the Stock Exchange of Thailand Re: Rules Conditions and Procedure Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2560.

In addition, the Board of Directors Meeting also approved to appoint Chief Executive Officer or other person authorized by the Chief Executive Officer to have the power to execute the agreement and carry out any action related and/or connected to the purchasing of the shares of GLC according to the scope of investment conditions approved by the Board of Directors' Meeting.

However, the said transaction is not considered as the Connected Transaction according to the Notification of the Capital Market Supervisory No. Tor. Chor. 21/2551 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 and the amendment thereto. Therefore, the Company has no duty to comply with the said notifications.

Please be informed accordingly.

Yours Sincerely,

(Mr. Vitthaya Inala)  
Chief Executive Officer

Megachem (Thailand)  
Public Company Limited  
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## Information Memorandum on Assets Acquisition

### 1. Information Memorandum under Account 1

#### (1) Date of the transaction

After the Board of Directors' Meeting of the Company approved the investment in GLC, the purchase of ordinary shares is expected to be completed within 30 days from the date of approval.

#### (2) Parties involved and their relationship with the listed company

**Seller:** H.T. Holding Co., Ltd. (Miss Hatsaya Thienthong holds shares in the amount of 99.00 percent of total shares) sells shares at the ratio of 33.33 percent of issued and paid-up ordinary shares amounting to 1,300,000 shares.

PS Miracle Holding Co., Ltd. (Miss Pranee Suecharoenkij holds shares in the amount of 98.00 percent of total shares) sells shares at the ratio of 8.33 percent of issued and paid-up ordinary shares amounting to 325,000 shares.

Folium Co., Ltd. (Miss Warin Thititamcharoen holds shares in the amount of 98.00 percent of total shares) sells shares at the ratio of 13.33 percent of issued and paid-up ordinary shares amounting to 520,000 shares.

**Buyer:** Megachem (Thailand) Public Company Limited

The Sellers and Buyer have no relationship and after completion of shares purchase, GLC will be a subsidiary company of the Company.

#### (3) General characteristics of the transactions

Currently, GLC has registered capital amounting to THB 39,000,000, divided into 3,900,000 shares with the value of THB 10 each. The Company will purchase ordinary shares at the ratio of 55 percent of total issue and paid-up shares of GLC or equivalent to THB 82,500,000. The said transaction is considered as the acquisition of assets having the size of transaction which calculated in accordance with the Notification of Acquisition or Disposal as follows:

Calculation Basis	Formulas	Transaction Size	
1. Net Tangible Assets (NTA)	(Proportion of shares held in subsidiary companies x NTA of GLC) / NTA of the Company and subsidiary companies	$55\% \times 75.36^1$ 423.66	9.78%
2. Net Profit	(Proportion of shares held x net profit from the operation of GLC) / net profit of the Company and subsidiary companies	$55 \times 12.96 / 97.60^2$	7.30%
3. Total value of consideration	Value of consideration paid / Total assets of the Company and subsidiary companies	$82.50^3$ 639.21	12.91%
4. New shares offering	Shares issued for buying / shares issued and paid-up by the Company	No issuance of shares for assets acquisition	



- Note:
1. Net tangible assets of GLC as of December 31, 2020 equals to shareholders equity – intangible assets = THB 75.36.
  2. Net profit of the Company and subsidiary companies is calculated from net profit of 4 quarters backward from the 2<sup>nd</sup> quarter of 2021.
  3. Total value of consideration equals to the value of ordinary shares of GLC purchased by the Company amounting to THB 82.500,000.

When calculating transaction based on the highest value comparing with the consolidated of the Company and subsidiary companies as of June 30, 2021, the size of total transactions is 12.90 percent according to the total value of consideration.

**(4) Details of assets being acquired**

Name of the company	Green Leaf Chemical Co., Ltd.
Address	15/8-15/9, Patthana Chonabot 3 Road, Klong Song Ton Nun, Lad Krabang, Bangkok
Registered capital	Baht 39,000,000, divided into 3,900,000 ordinary shares with the value of THB 10 each.
Shareholders structure before the transaction	H.T. Holding Co., Ltd. holds shares at the ratio of 33.33 percent of total shares of GLC.  PS Miracle Holding Co., Ltd. Sells shares at the ratio of 33.33 percent of total shares of GLC.  Folium Co., Ltd. Sells shares at the ratio of 33.33 percent of total shares of GLC.
Shareholders structure after the transaction	The Company holds shares at the ratio of 55 percent of total shares of GLC.  PS Miracle Holding Co., Ltd. holds shares at the ratio of 25 percent of total shares of GLC.  Folium Co., Ltd. holds shares at the ratio of 20 percent of total shares of GLC.
Type of business	Import and distribution of chemical materials for manufacturing of cosmetics, supplementary food, perfume including providing of service of clinical testing for efficiency and safety of cosmetic and other consumer products
Board of Directors before the transaction	Board of Directors of GLC consists of 3 directors which are: 1. Miss Pranee Suecharoenkij 2. Miss Warin Thititamcharoen 3. Miss Hatsaya Theanthong
Board of Directors after the transaction	Board of Directors of GLC consists of 5 directors which are: 1. Mr. Vitthaya Inala 2. Mr. Varit Inala 3. Mrs. Busaraporn Prathoomrat 4. Miss Pranee Suecharoenkij 5. Miss Warin Thititamcharoen



Shareholders structure **before** the transaction as at September 15, 2021

Shareholders	Amount of shares (Registered capital THB 39,000,000)	Percentage of Shares issued
1. H.T. Holding Co., Ltd.	1,300,000	33.33
2. PS Miracle Holding Co., Ltd.	1,300,000	33.33
3. Folium Co., Ltd.	1,300,000	33.33

Shareholders structure **after** the transaction

Shareholders	Amount of shares (Registered capital THB 39,000,000)	Percentage of Shares issued
1. Megachem (Thailand) PCL.	2,145,000	55.00
2. PS Miracle Holding Co., Ltd.	975,000	25.00
3. Folium Co., Ltd.	780,000	20.00

Summary of financial position of Green Leaf Chemical Co., Ltd.

The financial information of GLC as of December 31, 2018 – 2020 which has been audited and certified by the certified public accountant shall be as follows:

Summary of financial positions of GLC

Unit: Million

Description	2018	2019	2020
<b>Assets</b>			
Cash or cash equivalents	20.39	28.41	11.65
Temporary investment	2.05	2.08	0.00
Account receivables and other receivables	39.37	36.90	27.16
Inventory	35.51	31.93	33.47
Long term investment	4.48	4.51	6.64
Plant and equipment	76.38	71.96	65.55
Assets under financial lease	6.47	5.53	4.59
Other non-current assets	2.19	2.15	2.15
<b>Total assets</b>	<b>186.84</b>	<b>183.47</b>	<b>151.21</b>
<b>Liabilities</b>			
Overdraft and short term loan	47.52	41.57	35.54
Account payables and other payables	8.90	9.79	8.33
Current portion of long term loan	6.27	6.29	5.79
Other current liabilities	2.20	3.63	2.28
Long term loan	27.61	21.33	19.75
Other non-current liabilities	4.31	5.42	4.16
<b>Total liabilities</b>	<b>96.81</b>	<b>88.03</b>	<b>75.85</b>
<b>Shareholders' equity</b>			
Total shares issued and paid-up	39.00	39.00	39.00
Reserves	0.30	3.90	3.90
Retained earnings	50.73	52.54	32.46
<b>Total shareholders' equity</b>	<b>90.03</b>	<b>95.44</b>	<b>75.36</b>





Description	2018	2019	2020
<b>Revenue</b>			
Sales revenue	197.36	176.18	160.41
Other revenue	1.90	4.04	3.84
<b>Total revenue</b>	<b>199.26</b>	<b>180.22</b>	<b>164.25</b>
Costs of sales	131.95	115.30	103.36
Selling and administrative expenses	43.31	48.82	42.38
<b>Total expenses</b>	<b>175.26</b>	<b>164.12</b>	<b>145.74</b>
Net profit before financial cost and tax	24.00	16.10	18.51
Financial cost	4.28	3.28	2.46
Tax	4.16	2.91	3.09
<b>Net profit</b>	<b>15.56</b>	<b>9.91</b>	<b>12.96</b>

**(5) Value of assets acquired**

The purchase of ordinary shares of GLC is THB 82,500,000.

**(6) Criteria for determination of consideration value**

As per the purchase price agreed by the parties, the financial advisor, Grant Thornton Services Ltd., has evaluated the value of ordinary shares of GLC based on Discount Cash Flow Model by calculating from the business of distribution of chemical materials for manufacturing of cosmetics, supplementary food, perfume including providing of service of clinical testing for efficacy and safety of cosmetic and other consumer products.

**(7) Expected benefits for the Company**

The investment in GLC conforms with the business plan and policy of the Company which focus on the expansion of current business and investment in other businesses which have potential and fast growing in the future, including reinforce the durability and increase the capability of competition in the market. That will expand and create value added including increase efficiency and business benefit to the Company and the shareholders. The Company expects the benefits to be received for this transaction as follows:

- (a) The purchase of GLC's shares will increase the capability of competition to the Company because GLC is appointed by the top manufacturer of foreign countries to be the distributor for distribution of chemical materials for manufacturing of cosmetic, supplementary food and perfume in Thailand. Therefore, that will support the Company and GLC to be the leading in business of distribution of chemical products in Thailand.
- (b) The purchase of GLC's shares will support the expansion of chemical distribution business of the Company to be more comprehensively. Furthermore, the Company expects the opportunity to develop and increase the expansion of other businesses further from business of GLC in the future.

**(8) Sources of fund for purchase of ordinary shares of GLC**

The Company will use its working capital for purchase ordinary shares at the ratio of 55 percent of total issued and paid-up shares of GLC.

**(9) Type and detail of security to be issued**

- None -



**(10) Conditions for the transactions**

- None –

**(11) Transaction with related party or connected party which hold shares from 10 percent of total shares of the Company with voting right**

- None –

**(12) Opinion of the Board of Directors relating to the entering into the transactions**

The Board of Directors' Meeting No. 4/2021, held on September 15, 2021 has considered the pros and cons of entering into the said transactions and unanimously resolved that the said transaction will increase the potential of the Company and subsidiary companies to be expanded rapidly and increase the capability to competition with other operators which will be beneficial for the Company, subsidiary companies and shareholders. Therefore, the Board of Director's Meeting unanimously approved the Company to purchase ordinary shares of GLC at the ratio of 55 percent of total issued and paid-up ordinary shares.

**(13) Opinion of Audit Committee and/or directors of the Company that is different from the Board of Directors' opinion**

None. The Audit Committee considered and agreed with the Board of Directors of the Company.

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