

**Information Memorandum of Provision of The Financial Assistance to Non-related Party
by The Brooker Group Plc**

To : The President
The Stock Exchange of Thailand (SET)

Re : Provision of The Financial Assistance to Non-related Party

On 13 November 2017, The Board of Directors of The Brooker Group Plc (“Company”) had the resolution during the Board of Directors’ meeting No. 4/2017 to provide the financial assistance to the non-related party by authorizing the Investment Committee or the person delegated by the Committee to enter into the financial assistance to the non-related party under the framework and conditions pre-approved by the Company’s Board of Directors.

The Company entered into Loan Agreement of which dated 8 January 2018 in order to provide the financial assistance to Khun Sorapoj Techakraisri. The conditions for the release of the loan proceeds were in accordance with those previously approved by the Company’s Board of Directors as well as those additionally specified by the Investment Committee. On 25 January 2018, all conditions in precedence for the release of the loan have been completed. As a result, the Company had to abide to release the loan of 580,000,000 Baht to Khun Sorapoj Techakraisri.

In accordance to the Regulations of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company no. 6 (2010) the listed company has to disclose the provision of financial assistance that has a material transaction size of more than 3% of the listed company’s net tangible assets. Therefore, the Company would like to provide details as follows:

1. The transaction date

25 January 2018

2. The parties involved

Lender : The Brooker Group Plc

Borrower: Khun Sorapoj Techakraisri is not the connected person as defined in pursuant to the Notification of the Stock Exchange of Thailand Re: Rules, Procedures and Disclosure of Information Concerning the Connected Transaction of the Listed Company B.E. 2547.

Detail of Khun Sorapoj Techakraisri “Khun Sorapoj”

Contact Address: 87/2 CRC Tower All Season Place 45th Floor Unit no.3 Wireless Road, Lumpini Pathumwan Bangkok

Position: He is the major shareholder and Chief Executive Officer of Pace Development Corporation Public Company Limited (“PACE”), holding 1,361,174,032 shares, equivalent to 36.22% of PACE’s existing paid-up shares based on PACE’s shareholding information on 21 December 2017

(The Record Date of the shareholders that are entitled to subscribe PACE's rights offering shares)

3. The general characteristics of the transaction :

Background

On 7 November 2017, PACE's Board of Directors Meeting passed the resolution to propose its extraordinary shareholders' meeting to consider and approve the capital restructuring plan of the Company by the provision of the sources of fund of PACE. Part of the capital restructuring plan is an offering of the newly-issued ordinary shares of not exceeding 7,516,056,394 shares, at the par value of Bt 1/share to its existing shareholders proportionate to their respective shareholding (Rights Offering) at the allocation ratio of 1 existing share per 2 newly-issued ordinary shares at the offering price of Bt 0.50/share. PACE's existing shareholders that subscribe and are allocated the newly-issued ordinary shares will be entitled to receive the Warrant # 1 and Warrant # 2 to purchase PACE's ordinary shares ("PACE-W1" and "PACE-W2") without cost.

The Brooker Group Plc was informed by Khun Sorapoj that he would like to subscribe PACE's capital increase shares per his rights. He also requested us to introduce the potential investors to provide loan for him, and also requested for the Company's consideration for granting loan. Therefore, the Company contacted the potential investors. The loan proceeds from the Investors in aggregation to that from the Company matched the proceeds required for K. Sorapoj's subscription per his rights, which is Bt 1,361,174,032

For the Company's loan, our Board of Directors passed the resolution to approve the amounts of Bt 580,000,000 million on 13 November 2017 subject to certain conditions precedence. For instances, PACE's Extraordinary General Meeting of Shareholders shall approve the capital increase by means of Rights Offering; Khun Sorapoj must have the proven rights to subscribe PACE's rights offering shares. He has to sign on the loan agreement and undertakes to complete other relevant conditions as well as procure certain procedures in order to arrange the securities collateral. The remaining balance of Bt 781,174,032 will be provided by other investors. (Note: The loan agreement as well as collateral arranged with the Company are all separated from those with other investors).

Furthermore, the Company's Board of Directors authorized the Investment Committee or person designated by the Investment Committee to continuously follow up PACE's news in order to appropriately consider the amounts of loans to be given. The Investment Committee was also empowered to set other conditions as deemed appropriate in order to ensure that the loan granted has sufficient collateral and supported with concrete measures for risk mitigation ie. the measures that enable to confiscate the collateral in case there is a default.

On 14 December 2017 PACE's Extraordinary General Meeting of Shareholders passed the resolution to approve the capital increase and allocation of capital increase by means of Rights Offering as well as other agendas accordingly approved with board's resolution. According to the information on SET's online system, as of 1 December 2017, the date to record the names of the shareholders that are entitled to subscribe for the newly-issued ordinary shares (Record Date), Khun Sorapoj held 1,361,174,032 shares of PACE or equivalent to 36.22% holdings. According to PACE information, Khun Sorapoj has the

rights to entitle 2,722,348,064 shares at offering price 0.50 Baht per share total amounting to 1,361,174,032 Baht.

The conditions precedence were completed on 25 January 2018 Therefore, the Company released the loan proceeds.

Summary of Loan's Key Terms

- (1) Loan repayment and term: The bullet payment shall be made at the end of the 2-year anniversary from the loan agreement date.
- (2) Interest 15 % p.a. monthly payable
- (3) The collateral is PACE securities for the value of 1.5X of the loan value. The Company has the right to obtain additional securities in case the market price of the collateralised securities becomes lower than the agreed reference point as stated in the loan agreement.
- (4) Other procedures as the Company deemed appropriate and agreed by the Borrower in order to mitigate our risk in relation to providing loan

Value and Size of The Transaction

Principal and expected benefit received throughout loan term	Amount	Remark
Loan principal	Bt 580,000,000	The Borrower has to repay the whole amount of loan principal of loan repayment due not more than two years.
Interest	Bt 174,000,000 Bt (for 2-year period)	15% p.a. monthly payable
Transaction value	Bt 754,000,000	Principal + Interest
Transaction size	*31% of The Company's consolidated net tangible assets (NTA) as of 30 September 2017	The Company's consolidated net tangible assets (NTA) as of 30 September 2017 was Bt 2,433,169,900.27

4. Reasons for Entering into The Transaction

The Company considered the factors as follows:

- 1) The Borrower is the high net-worth person and has a good reputation with potential financial capability to repay loan and make the interest payment
- 2) The Company can adopt necessary mechanisms to ensure that (i) the loan provided to Khun Sorapoj is in line with the foresaid loan objectives ie. to subscribe PACE's shares under the Rights Offering and (ii) the delivery of shares to be pledged can be made as planned (which is achieved by the co-operation with relevant parties)

- 3) The Company will earn interest income from such loan at the interest rate higher than that of our borrowing cost
- 4) During the past 6 months, the Company has provided the financial assistance in the form of providing loan for the amount of Bt 300 mn to Pace Food Retails Co., Ltd. "Pace Food" (which the Company made the disclosure of such financial assistance on 21 August 2017). Pace Food is the 100% wholly-owned subsidiary of PACE. Pace made the corporate guarantee of such loan. Therefore, the Bt 580 mn loan to Khun Sorapoj collateralized by PACE's securities can be deemed as having the same source of risk exposure ie. PACE's financial status. However, the Company has followed up on news related to PACE continuously. It is viewed that if the capital restructure plan and other plans which PACE disclosed via SET online system during the past 2-3 months become success, PACE will receive proceeds to the capital which will enhance potentiality and confidence in relation to having the repayment of both loans and interest payments in accordance to the specified schedule. The proceeds received will be real and not simply the accounting effect. Unlike the proceeds, other matters may only have the accounting impact such as assumptions and projections.
- 5) The Company required the Borrower to provide the collateral at the value of approximately 1.5 times of the loan as a measure for risk mitigation in case of diminishing in value of the collateral in the future for whatever reason. Furthermore, the executed loan agreement does not allow the return of collateral as long as the loan principal is not repaid.

5. Procedure for consideration The Financial Assistance

5.1 Policy, procedure and principles for granting the financial assistance

Both borrowing and lending are part of the Company's business, which are consistent with the Company's Objectives registered at the Ministry of Commerce. The objective of lending is to obtain the return at the rate higher than the general interest rate obtained from deposit at bank. The key principle is that the benefit from the Transaction is higher than the Company's financial cost.

5.2 Approval authorization and financial assistance amount

On 13 November 2017, the Company's Board of Directors approved to provide the financial assistance to Khun Sorapoj. In doing so, the Board provided the framework and conditions to the Company's Investment Committee in order to grant such financial assistance. This included the loan amount, the return, the loan term, the collateral and other conditions, and continuation for following up on PACE's information that is released via SET online system. The Investment Committee members are as follows:

- 1) Khun Chan Bulakul: Chairman of Investment Committee
- 2) Khun Anake Kamolnate: Investment Committee Member
- 3) Khun Varut Bulakul: Investment Committee Member

5.3 Factors in consideration for the repayment capabilities

The Borrower is a high net worth person and a major shareholder of PACE. The Company has the right to demand for other assets from Khun Sorapoj. He can also use the dividend proceeds from PACE (if any) to repay loan. The Company can sell the securities under collateral in case of default. In addition, the Company can demand for additional collateral in case the securities value is lower than the reference point.

5.4 Management of risk which may incur from entering into the financial assistance and effect on the Company financial status

Khun Sorapoj has to deliver the PACE's securities as a pledge against the loan at the value of approximately 1.5 times of the loan value. This mechanism is to mitigate the risk that may arise from providing this financial assistance. Furthermore, the return of collateral will not be made as long as the loan principal is not repaid. In addition, the Company has the right to obtain additional securities in case that the market price of PACE securities fall from the reference point per agreed on the loan agreement.

In view of the trading liquidity, the average daily trading volume of PACE listed shares during July until December 2017 was approx. 80 million shares and there were 27 days during such period, which the daily trading value was more than Bt 100 million. The average daily trading value (1-24 January 2018) is Bt 37 million.

5.5 Source of fund for granting the financial assistance

The Company was granted the credit facilities from the commercial bank in Thailand and has working capital. As of 30 September 2017, The Company had cash at bank for the amount of Bt 190 million and had the short-term investment which was in the form of trading securities ie. shares and investment units at the value of Bt 1,518 million.

5.6 Benefits received

Received the interest income which are, in total, higher than the Company's cost of credit facilities as discussed on item 3.

Yours sincerely,
THE BROOKER GROUP PLC.

(Mr. Chan Bulakul)
Chief Executive Officer