



THE BROOKER GROUP PUBLIC COMPANY LIMITED

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14 March 2018

Subject: Utilisation of excess liquidity by investment in shares of the listed company

To: The President
The Stock Exchange of Thailand

The Brooker Group Plc (the “**Company**”) would like to report the subscription of the capital increase ordinary shares of Millcon Steel Public Company Limited (“**MILL**”) for the amount of 100,000,000 shares with the par value Bt 0.40/share, at Bt 1.50/share, equivalent to the total value of Bt 150,000,000. The subscription date will be within 19 March 2018.

Reference is made to MILL’s Annual General Meeting of Shareholders No.1/2017 dated 28 April 2017. Such Annual General Meeting of Shareholders passed a resolution for the capital increase and the allocation of the newly issued shares not exceeding 200,000,000 shares to specific persons on a private placement basis. The said resolution was released via the SET’s online system on 2 May 2017. MILL has also reported the allocation of the private placement shares via the SET’s online system on 14 March 2018. The allotment was made to the Company for the amount of 100,000,000 shares to the Company (the “**Subscription of the Private Placement Shares**”). Accordingly, the Company had duty to disclose the information clearly.

Such Subscription of the Private Placement Shares is the utilization of the excess liquidity by investing in the ordinary shares of the listed company by cash payment. However, on the share subscription date, such Private Placement Shares will have not been listed securities. MILL will subsequently process to list such Private Placement Shares issued for the Company for the amount of 100,000,000 shares. As of 31 December 2017, the Company’s cash and cash equivalents in the Statement of Financial Position (Consolidated Financial Statement) was at Bt 450 million whereas the Company’s consolidated total liabilities as of 31 December 2017 was Bt 197 million.

The Company does not intend to intervene or participate in MILL’s operation. In case that the allocation of capital increase by means of private placement is per MILL’s disclosure through SET online system on 14 March 2018, after such allotment of Private Placement Shares, the Company will hold 2.35% of MILL’s total paid-up shares after the completion of private placement.

The Company considered the fundamental value of MILL by considering MILL’s financial performance. The liabilities to equity ratio was approx. 2 times whereas price to book based on the book value as of 31 December 2017 was 1.03 times. The Company’s Investment Committee deemed appropriate to utilize the excess liquidity by subscribing such capital increase shares which is consistent with the Company’s policy.

Though the Subscription of the Private Placement is considered utilize of the excess liquidity and not the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Stock Exchange of Thailand in respect of the Disclosure of Information and the Performance of the Listed Company in Acquisition and Disposition of Assets, 2004 (“Notification of Acquisition or Disposition of Assets”).

However, in order to disclose the significance of the transaction clearly, the Company would like to refer to the calculation method under the Notification of Acquisition or Disposition of Assets:

Criteria	Formula	Transaction Size
1.Net Tangible Assets (NTA) value	Percentage of acquired shareholding in MILL x (MILL’s NTA/ the Company’s NTA)	= (2.35% x 5,556,820,153.87) / 2,425,687,528.33 = 5.38%
2.Net Profit after taxes from normal business operation	Percentage of acquired shareholding in MILL x (MILL’s Net profit after taxes / the Company’s Net profit after taxes	= (2.35% x 146,945,848.42) / 339,589,992.26 = 1.02%
3.Total value of payment	Payment for acquiring Mill’s ordinary shares / the Company’s total assets	= 150,000,000 / 2,699,027,157.30 = 5.56%
4.Value of Issued Securities by the Company	Not application due to no share issuance for acquisition of assets	No calculation

According to the Stock Exchange of Thailand’s Announcement in relation to Rules, Conditions and Process in listing ordinary shares and preferred shares to be the listed securities 2015, the Announcement specified the Silent Period for the investors that receive the allocations of shares or other convertible securities by means of private placement in case that private placement price is less than 90% of the market price whereas the market price refers to the weighted average trading price for the period of 7-15 consecutive trading days before the first day of allotment of such securities to the investor or the fair price determined by the financial advisor under the approval list of SEC in case of there is no trading activity.

Therefore, if the price of Subscription of the Private Placement Shares at Bt 1.50/share is less than 90% of the market price defined per the Announcement mentioned above, which requires such Private Placement Shares to be subject to the Silent Period, the Company is willing to comply with the regulation.

Please be informed accordingly.

Yours sincerely,

Mr. Chan Bulakul

Chief Executive Officer