

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

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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 passed a 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 make a contract on providing the financial assistance to the non-related party under the framework and conditions pre-approved by the Company’s Board of Directors.

The Company has signed the Loan Agreement of which dated 8 May 2018 in order to provide the financial assistance to Mr. Ekkapong Na Ranong (“Khun Ekkapong”). The conditions for the release of the loan proceeds were in accordance with those previously approved by the Company’s Investment Committee. On 10 May 2018, all conditions in the release of the loan had been completed. As a result, the Company was obligated to release the loan of 80,000,000 Baht to Khun Ekkapong.

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 is obligated to disclose the provision of financial assistance that has a transaction size of not less than 3% of the listed company’s net tangible assets. Therefore, the Company would like to provide the details on the financial assistance as follows:

**1. The transaction date**

10 May 2018

**2. The parties involved**

Lender: The Brooker Group Plc

Borrower: Mr. Ekkapong Na Ranong (“Khun Ekkapong”) is not a 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 Mr. Ekkapong Na Ranong (“Khun Ekkapong”)

Address: 15<sup>th</sup> Floor, Cen World Tower, Rachadamri Road, Pathumwan Sub-district, Pathumwan District, Bangkok

Position: Khun Ekkapong is the Managing Director of a company incorporated in Thailand. He is responsible for the sale and marketing department in the

Thai company which provides education services by recruiting students from Thailand, Vietnam, Laos, and Cambodia to study language in its affiliates' language teaching institutes which are located in 6 countries, including USA, Canada, UK, Ireland, New Zealand and Australia.

The Thai company is an affiliate of the parent company incorporated in USA which has been founded since 1938 to provide educational services for students and staff in various organizations under its 39 language teaching institutes located in 6 countries, including USA, Canada, UK, Ireland, New Zealand and Australia. This American parent company is reputed in the educational service business, having revenue of approximately USD 1,516 million in 2017 and is a subsidiary of Graham Holdings Company, a listed company in the New York Stock Exchange in USA. Currently, the American parent company holds 100% shareholding in the Thai company.

### **3. The general characteristics of the transaction:**

#### Background

The Company had met Khun Ekkapong since 2010 as he was an executive of a private university of which the Company was appointed as the financial advisor for the sale and purchase transaction of the university. Currently, he is an executive of a reputed company in educational business as mentioned above. In addition, Khun Ekkapong is holding securities, including ordinary shares and investment units of mutual fund which were listed in the SET. Therefore, the Company considered Khun Ekkapong is a well-off, reliable person and has an exceptional potential financial capability to repay loan and make the interest payment which would provide the Company a suitable compensation.

#### Summary of Loan's Key Terms

- 1) The bullet payment shall be made at the end of the 1-year anniversary from the drawdown date.
- 2) Interest 12 % p.a. payable on monthly basis
- 3) Front-end fee value Bt 2.4 million
- 4) The collateral is the securities being traded in the SET with the value of 1.5 times of the loan value. The Company has the right to acquire additional securities in case the market price of the collateralised securities becomes lower than the agreed reference point stated in the loan agreement.
- 5) The Company may take other procedures which the Company deemed appropriate and agreed by the Borrower in order to mitigate the Company's 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 80,000,000	The Borrower has to repay the whole amount of loan principal with the loan repayment due no later than one year from the drawdown date
Interest	Bt 9,600,000 (for 1-year period)	12% p.a. payable on monthly basis
Front-end fee	Bt 2,400,000	
Transaction value	Bt 92,000,000	Principal + Interest + Front-end fee
Transaction size	3.81% of The Company's consolidated net tangible assets (NTA) as of 31 March 2018	The Company's consolidated net tangible assets (NTA) as of 31 March 2018 was Bt 2,415,853,532.25

#### **4. Reasons for Entering into The Transaction**

The Company considered the factors as follows:

- 1) The Borrower is a well-off, reliable person and has an exceptional potential financial capability to repay loan and make the interest payment.
- 2) The Company may adopt necessary mechanisms to ensure that (i) the loan provided to Khun Ekkapong is in line with his loan objectives i.e. used for his personal investment and (ii) the delivery of securities to be pledged can be made as designated.
- 3) The Company will earn interest income from such loan at the interest rate higher than that of the Company's borrowing cost as well as earning the front end fee.
- 4) The Company has designated 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 the diminishing in value of the collateral in the future for any 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 of the Financial Assistance**

##### **5.1 Policy, procedure and principles for granting a financial assistance**

A financial assistance by mean of both borrowing and lending are part of the Company's business, which are in accordance 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 the Financial Assistance amount

On 13 November 2017, the Company's Board of Directors (See list of the Company's Board of Directors in Annual Report 2017) had approved to provide the Financial Assistance to Khun Ekkapong. 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. 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 well-off and reliable person and has an exceptional potential financial capability to repay loan and make the interest payment. Moreover, the Borrower is an executive of a reputed company in educational business and a holder of securities, including ordinary shares and investment units of mutual fund which were listed in the SET.

The Company has the right to sell the securities under collateral in case of default. In addition, the Company has the right to demand for additional collateral in case the securities value is lower than the agreed reference point.

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

In order to enter into the loan agreement, Khun Ekkapong has to deliver the securities being traded in the SET 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 acquire additional securities in case that the market price of such securities fall from the reference point per agreed on the loan agreement.

## 5.5 Source of fund for granting the Financial Assistance

Working capital usage. As of 31 March 2018, The Company had cash at bank for the amount of Bt 299 million and had the short-term investment which was in the form of trading securities i.e. shares and investment units at the value of Bt 1,088 million.

5.6 Benefits received

The Company will receive the front-end fee and interest income, which are, in total, higher than the Company's cost of credit facilities as discussed on item 3.

Yours sincerely,

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(Mr. Chan Bulakul)  
Chief Executive Officer