

- Translation -

Information Memorandum of The Brooker Group Public Company Limited on Acquisition and Disposition of Assets

The Board of Directors Meeting of The Brooker Group Public Company Limited (**the “Company”**) No.4/2019 held on 6 November 2019 has considered and approved the acquisition of existing ordinary shares of YLP Company Limited (**“YLP”**) from Pace Development Corporation Public Company Limited (**“PACE”**) on 8 November 2019 at the amount of 1,257,999 shares which equal to 74 % of the total paid-up shares of YLP at a price of 203.69 Baht per share, paid-up value of 256,243,013.73 Baht. The Board of Directors designate the Company’s Chief Executive Officer, Mr. Chan Bulakul to make the negotiation, consider details in order to execute the definitive agreements in relation to share acquisition.

The acquisition of YLP shares is classified as acquisition of assets according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 20/2008 regarding Criteria for entering into significant transaction that is the acquisition or disposal of assets and Notification of the Board of Governors of the Stock Exchange of Thailand Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (Including Amendments) (collectively, **“Notification of Acquisition and Disposition of Assets”**) with a total transaction size equal to 9.39%, which is based on the Criteria on Total Value of Consideration, which is the highest result. Including any assets acquired of during the 6 months prior to this transaction date equal to 9.50%. Thus, the acquisition of YLP shares lower than 15% is classified as Class 3 transaction following Notification of Acquisition and Disposition of Assets.

PACE as a Seller of the existing ordinary shares of YLP has published this transaction, therefore, the Company, as a listed-company and a purchaser who will hold more than 10% of YLP’s issued shares, would like to disclose the information memorandum on the acquisition of assets to the Stock Exchange of Thailand (**“SET”**)

At present, the Company is still a creditor of Pace Food Retail Company Limited (**“PFR”**) with an outstanding debt 256,243,013.73 Baht (Calculated from outstanding loan principal and accrued interest upto 7 November 2019) Noted that PFR is one of PACE’s subsidiaries.

Background

In August 2017, the Company provided a loan to PFR 300 million Baht (**“300 million Baht Loan”**) guaranteed by PACE. The news publicly released on SET online system at that time. That 300 million Baht loan transaction requested YLP to pledge the number of shares at the same portion that the Company will purchase from this transaction, 1,257,999 shares, at 203.69 Baht per share.

On 31 May 2018, the Company received 120 million Baht as partial repayment to principal, therefore the remaining principal amount lower to 180 million Baht and the Company allowed PFR to pay interest when the remaining principal is due on 17 August 2019. Noted that even the Company received partial payment but never release pledge, the ordinary shares of YLP.

However, in June 2019, the company was contacted by PFR to extend the remaining loan payment due date to 30 June 2019. The company granted as PFR requested. Meanwhile, the company has begun to explore alternatives to receive the repayment of principal and accrued

interest in the form of tangible assets, which includes the consideration to receive repayment in form of ordinary shares of YLP that PACE has pledged to the Company. Considering that the condominium project that YLP currently developing at almost completion, the Windshell Naradhiwas Project. The Project has the strong potential by its 8 units reserved and 4 units transferred out of total 36 units since September 2019. Consequently, ordinary shares in YLP would be interested in value. The Company then starts negotiating with PACE on this matter and decide to give additional 50 million Baht loan to PFR on 5 October 2019. By the way, that additional loan was guaranteed by the same amount of YLP's ordinary shares pledged according to 300 million Baht Loan agreement, which was amended to cover this additional loan.

Thereafter, on 25 October 2019, PACE announced news about "Informing the additional of Notice of Default (Cross Default)" via online system of the Stock Exchange of Thailand. Therefore, the Company has to expedite the consideration of this transaction in order to protect the value of the loan and the benefits.

The Company was considered that all outstanding debts to PFR (Including this additional loan) together with accrued interest when converted to ordinary shares of YLP 1,257,999 shares at 203.69 Baht per share in total 256,243,013.73 Baht is appropriate.

Noted that additional 50 million Baht loan including accrued interest of 678,082.19 Baht equal to 2.46 % of the Company's net tangible assets according to reviewed financial statements of the Company as of 30 June 2019, in which the Company uses working capital financing loans. According to the financial statements of the Company mentioned above, the Company has cash and cash equivalents 163,517,177.23 Baht.

To trigger purchasing transaction of YLP shares from PACE, the Company will consider as PFR completely repaid the principal and accrued interest when PACE transfers the shares of YLP to the Company.

Details of transaction is as follows;

1. Date of the Transaction

To be completed within November 2019

2. Relevant parties and relationships with the Company

Buyer :	The Brooker Group Public Company Limited
Seller :	<p>Pace Development Corporation Public Company Limited</p> <p>Address: 87/2 CRC Tower, All Seasons Place 45 th Fl., Unit 3 , Wireless Road, Lumpini, Pathumwan, Bangkok 10330</p> <p>Company Profile: PACE operates high-end real estate development, lifestyle gourmet food & drink retail business under the trademark "Dean and DeLuca" under PFR, the subsidiary company. PACE now owns all Dean and Deluca branches in the United States and Thailand and currently on the process of development of the MahaNakhon Project on Narathiwat ratchanakharin Road which has mixed use 5-star hotel (The</p>

	<p>Bangkok Edition), Super luxury residential building (The Ritz-Carlton Residences Bangkok) and retail lifestyle (MahaNakhon CUBE, Retail Hill and Sky Observation Deck).</p> <p>Furthermore, PACE is also in the process of developing Nimit Langsuan, a condominium luxury grade on Lang Suan Road and MahaSamutr Project which is a holiday villa and country club located in Hua Hin, Prachuap Khiri Khan Province.</p> <p>*In April 2018, parts of MahaNakhon development, namely MahaNakhon CUBE & Observatory, and The Hotel, were sold to King Power MahaNakhon Company.</p> <p>Relationship to the Company: The Company is not a connected person according to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 21/2008 regarding Rules of Connected Transaction and Notification of The Board of Governors of The Stock Exchange of Thailand, Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (Including Amendments) (“Related Party Transaction”), therefore, this transaction is considered not a Related Party Transaction following Notification above.</p> <p>However, the Company currently hold PACE common shares in total 91,000,000 shares, which equals to 0.76% of total issued and paid-up shares of PACE. Moreover, the Company is a loan creditor of PFR, a subsidiary company of PACE. Currently, PFR owed to the Company in total of 256.24 million Baht as mentioned above.</p>
<p>Top 3 Seller's Shareholder (As of 8 May 2019)*</p>	<ol style="list-style-type: none"> 1) Mr. Sorapoj Techakraisri 38.90% 2) Mr. Wiwat Kraiphisitkul 6.92% 3) Korsak Chairasmisak 4.54%
<p>Director of the Seller's Company*</p>	<ol style="list-style-type: none"> 1) Mr.Kraithip Krairiksh - Chairman of the BoD/Independent Directors 2) Mr. Sorapoj Techakraisri - CEO/Director 3) Mr. Chumpol Techakraisri - Director 4) Mr. Pornson Patanasin - Director 5) Mrs. Ladda Siriwattanakosol - Chairman of Audit Committee 6) Mr. Prasert Patradhilok - Independent Director/Audit Committee 7) Mr. Wisit Kanjanopas - Independent Director/Audit Committee 8) Mr. Sarunthorn Chutima - Independent Director

* According to the information shown on www.set.or.th

3. General characteristics, type and size of the transaction

3.1 General characteristics, type of the transaction

The Company will purchase the existing ordinary shares of YLP from PACE as detailed below.

Seller:	Pace Development Corporation Public Company Limited
Amount of shares purchased:	1,257,999 shares (74% of the paid-up shares of YLP)
Price per Share:	203.69 Baht/share
Total Purchase Value:	256,243,013.73 Baht

3.2 Transaction size

The calculation of the transaction size according to the Notification of Acquisition or Disposition of Assets and refer to the financial statements of the Company for the 6 months period ended 30 June 2019 and the auditted financial statements of YLP ended at 31 December 2018 and management account ended at 30 June 2019, following 4 calculation criterias as follows;

Financial data for Calculation

The Company	30 Jun 2019 (mn THB)	YLP	YLP's Audited Financial Statement as of 31 Dec 2018 (mn THB)	YLP's Management Financial Statement as of 30 Jun 2019 (mn THB)
Shareholders' Equity	2,084	Shareholders' Equity	199	182
Deferred Tax Asset	25	Deferred Tax Asset	-	-
Intangible Asset	2,059	Intangible Asset	199	182
Net Profit for previous 12 mth	82	Net Profit for previous 12 mth	(35)	(30)
Total assets	2,729.43	Total assets	1,228.52	1,570.82

Calculation Criteria

Calculation Criteria	Calculation formula	Transaction size: YLP's Auditted Financial Statement as of 31 Dec 2018 (%)	Transaction size: YLP's Management Financial Statement as of 30 Jun 2019 (%)
1) Criteria on net tangible assets	(NTA of investment in company x Proportion acquired)/ NTA of the listed company (mn THB)	= (199x74%)/2,059 = 7.15	= (182x74%)/2,059 = 6.54
2) Criteria on net profit	N/A, can not be calculated since YLP had loss.	0	0
3) Criteria on total value of consideration	Value received/Total assets of listed companies (mn THB)	= 255.24/2,729.43 = 9.39	= 255.24/2,729.43 = 9.39
4) Criteria on comparison value of securities	N/A, can not be calculated due to not issuing shares to pay for assets	N/A	N/A

The transaction will have the maximum transaction size based on the criteria on total value of consideration equal to 9.39%. Anyhow, the Company has 1 acquisition transaction of other assets that occurred during 6 months prior to this transaction date on 30 Jun 2019 at 0.11%. Thus, total transaction size equal to 9.50%. Therefore, the size of transaction is calculated according to the criterion on total value of consideration. Therefore, the acquisition of YLP's existing ordinary shares is classified as Class 3 according to the Notification of Acquisition or Disposition of Assets.

4. Details of the Purchased Assets

The Company will purchase the existing shares of YLP from PACE. YLP is a limited company incorporated on 9 Nov 2007, company ID 0105550118130 which head office located at 87/2 CRC Tower All Season Place Fl.45 room No.4 Wireless Rd., Lumpini, Pathumwan, Bangkok, 10330

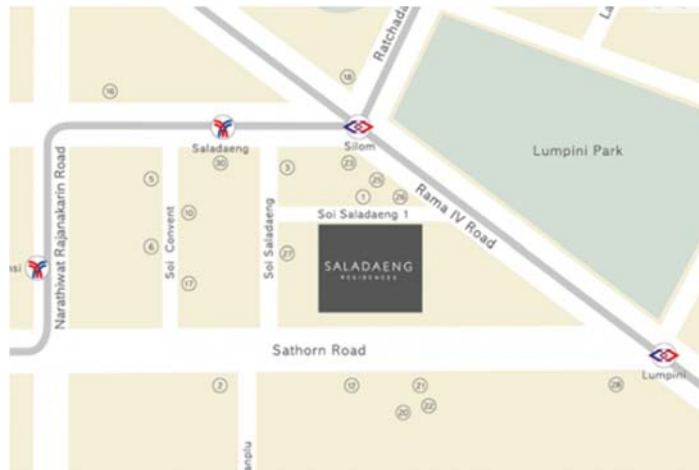
At present, YLP (According to Copy of affidavit 26 Sep 2019) has registered capital of 170 million Baht (par value of 100 Baht per share) and paid up capital of 170 million Baht, consisting of 1,700,000 ordinary shares

YLP is engaged in the real estate development, previously succeed Saladaeng Residences, a 25-storey condominium with 132 units, total value of 2,300 million Baht, and now currently develop a residential project called Windshell Narathiwas, a 28-storey double ceiling condominium with 36 units and useable area 31,034 sq.m. (saleable area 18,476 sq.m.) total project value 2,800 million Baht.

4.1 General information of YLP

Name	YLP Company Limited		
Registered date	9 Nov 2007		
Company ID	0105550118130		
Address	87/2 CRC Tower All Season Place Fl.45 45 room No.4 Wireless Rd., Lumpini, Pathumwan, Bangkok, 1033		
Shareholder details from Shareholder's book as of 19 April 2019	<u>Shareholder (Before transaction)</u>	<u>Share (s)</u>	<u>%</u>
	1) Pace Development Corporation Public Company Limited	1,699,998	100.00
	2) Mr. Pornson Patanasin	1	0.00
	3) Miss Rosarin Ritdee	<u>1</u>	<u>0.00</u>
	total	<u>1,700,000</u>	<u>100.00</u>
Director list from Copy of Affidavit as of 26 September 2019	1) Mr. Chotiphol Techakraisri 2) Mr. Sorapoj Techakraisri 3) Mr. Chumpol Techakraisri		
Business type	Real estate development for sales		

Previous Project



Saladaeng Residences – 28-storey residential building (All units sold out since 2015)

Location: Soi Saladaeng, Silom

Land Area: 584 sq. wah

Total Units: 132

Sellable Area: 13,087 sq.m.

Unit Size: 60 – 390.39 sq.m.

Project Value: 2,291 million Baht

Current Project



Windshell Naradhiwas – 28-storey residential building

Location: Near Naradhiwas Rd. and BTS Chong Nonsi Station

Land Area: 2 Rais

Total Units: 36 Bare Shell Units (4 units already transferred)

Sellable Area: 18,476 sq.m.

Unit Size: 453 - 634 sq.m.

Project Value: 2,800 million Baht

Source: Seller provided information and the Company has site visit

4.2 Shareholder Structure and Director

4.2.1 Shareholder Structure

Shareholder Structure BEFORE the Acquisition Transaction

<u>Shareholder</u>	<u>Share (s)</u>	<u>%</u>
1) Pace Development Corporation Public Company Limited	1,699,998	100.00
2) Mr. Pornson Patanasin	1	0.00
3) Miss Rosarin Ritdee	1	0.00
total	<u>1,700,000</u>	<u>100.00</u>

Shareholder Structure AFTER the Acquisition Transaction

The Company will hold 74% shares in YLP as follows:

<u>Shareholder</u>	<u>Share (s)</u>	<u>%</u>
1) The Brooker Group PLC	1,257,999	74.00
2) MCL Property Company Limited* (MCLP)	441,999	26.00
3) Mr. Varit Bulakul	<u>2</u>	<u>0.00</u>
total	<u>1,700,000</u>	<u>100.00</u>

* Connected Person to the Company by its common major shareholder, Mr. Varut Bulakul, Mr. Varit Bulakul and Miss Varintorn Bulakul, and its common director and executive, Mr. Varut and Mr. Varit Bulakul. However, the transaction that the Company purchase the ordinary shares of YLP does not meet criteria of Related Parties Transaction according to;

(1) The Company will purchase shares from PACE, an independent public company with no common director. The Company holds only 0.76% of the shares in PACE.

(2) YLP already has a sufficient financial support from a financial institution, therefore the Company has no need to provide any financial assistance to YLP.

The main objective of the share purchasing transaction is to let the Company convert its loan and accrued interest into YLP's share. The Company aims to hold shares in YLP on short term basis only. [However, if the Company consider sell YLP shares in the future, the Company will always follow the criteria of Notification of Acquisition and Disposition of Assets.](#)

The purchase price of ordinary shares of YLP payable by the Company is 203.69 Baht per Share, while MCLP is 208.88 Baht per Share.

[As the MCLP's share acquisition of 26% is quite similar to the Company's transaction in common because MCLP accepted debt conversion from its debter, PFR, by acquiring 26% ordinary shares of YLP instead while MCLP's share purchase price is a bit higher.](#)

Noted that the Company also got confirmation from MCLP that MCLP has no plan to manage or receive any benefits from YLP (no management fee or any other fees). The acquisition of MCLP's shares has the only objective in receiving debt repayment in form of YLP shares.

4.2.2 Director and Management

The current Board of Directors of YLP before transaction is shown in the table under Section 4.1 However, after the acquisition of YLP's shares, the Company has considered and assigned Mr.Varit Bulakul becoming non-authorized director of YLP (not authorized director). However, the Company has no plan in changing executives of YLP, as executives are proficient and skilled in the real estate development business. Furthermore, the YLP's board of directors and current management are the same as when the YLP completed the Saladaeng Residences project, which now successfully sold out 100%.

The Company, on behalf of major shareholder of YLP, is still responsible for reporting the unit sales and construction progress as YLP.

Moreover, one of the Company's subsidiaries, Binswanger Brooker (Thailand) Ltd., as an agent and a real estate consultant, has some experience and well familiar with real estate business so the Company decided to receive debt repayment by holding shares in YLP, which still has potential project, in order to protect the value of the loan and the benefits that should be received and might loss.

However, the Company has no direct experience in managing and developing real estate business. Therefore, the Company has no plan to change the YLP executive and management who will responsible for a day-to-day operation, but the company still has its obligations to update the ongoing progress (if any).

4.2.3 Financial Information of YLP

YLP Company Limited Income Statement (Unit: mn THB)	2016	2017	2018	Jan – June 2019 ¹
Revenue from sales of residential units	-	-	-	-
Interest income	3.08	0.85	0.12	0.09
Other income	10.61	-	0.01	0.02
Total revenue	13.69	0.85	0.13	0.11
Cost of sales of residential units	-	-	-	-
Selling expenses	(2.18)	(24.30)	(15.27)	(7.81)
Administrative expenses	(14.22)	(16.16)	(17.75)	(8.39)
Total Expenses	(16.40)	(40.46)	(33.02)	(16.20)
Profit (loss) before finance cost and income tax	(2.70)	(39.61)	(32.89)	(16.09)
Finance cost	(0.30)	(1.25)	(2.00)	(1.09)
Profit (loss) before income tax	(3.00)	(40.86)	(34.89)	(17.18)
Income tax	-	-	-	-
Profit (loss) for the period	(3.00)	(40.86)	(34.89)	(17.18)
<i>Remark¹ based on internal financial statement of YLP</i>				

YLP Company Limited Statement of Financial Status (Unit: mn THB)	2016	2017	2018	Jan – June 2019^{/1}
Cash and cash equivalents	68.37	34.09	61.75	86.93
Cost of real estate development for sales	486.66	695.85	1,127.72	1,469.02
Advance payments for construction	-	68.41	35.12	11.98
Other current assets	0.83	0.53	0.29	0.27
Total current assets	555.86	798.88	1,224.88	1,568.20
Deferred loan procurement fees	8.20	-	-	-
Building improvement and equipment	4.29	6.97	3.62	2.47
Other non-current assets	0.93	0.89	0.02	0.15
Total non-current assets	13.42	7.86	3.64	2.62
Total assets	569.28	806.74	1,228.52	1,570.82
Short-term loans from financial institution	267.87	268.26	268.81	269.00
Trade and other payables	22.06	54.01	128.90	66.66
Advances and deposits received from customers	-	103.31	196.86	213.80
Other current liabilities	4.63	1.39	1.98	1.37
Total current liabilities	294.56	426.97	596.55	550.83
Loan from parent company and accrued interest expenses	-	47.09	209.21	240.23
Long-term loans from financial institution	-	94.00	200.74	555.65
Reserve for employee benefits	0.02	0.03	0.03	0.11
Other non-current liabilities	-	4.81	23.04	42.23
Total non-current liabilities	0.02	145.93	433.02	838.22
Total liabilities	294.58	572.90	1,029.57	1,389.05
Issued and fully paid-up capital	170.00	170.00	170.00	170.00
Retained earnings (deficit)	104.70	63.84	28.95	11.77
Total shareholders' equity	274.70	233.84	198.95	181.77
Total liabilities and shareholders' equity	569.28	806.74	1,228.52	1,570.82
<i>Remark^{/1} based on internal financial statement of YLP</i>				

From the above information, a YLP's financial status as of 30 June 2019, YLP has total liabilities of 1,389.05 million Baht, while 213.08 million Baht out of total liabilities are liabilities in form of advance payment from customers (deposit) which was considered a normal practice of the real estate development company, 825 million Baht out of total liabilities are loan from financial institutes and the remaining 324 million Baht is considered other liabilities.

Regarding ongoing concern about the YLP's debt status, the Company has also inquired from YLP about the total liabilities at the end of September 2019 before this transaction. Loan from one of financial institution at 825 million Baht have been reduced to around 686 million Baht as PACE has disclosed additional information regarding the acquisition and disposal of assets through the online system of the Stock Exchange of Thailand on 12 November 2019. Therefore, the Company is confident that the debt of YLP is at a

manageable level by itself, as the reduced debt is due to sales progress of Windshell Naradhiwat project in Q3 (According to Background part of this Information Memorandum) brings YLP to partially repay debt owed to the financial institution.

4.2.4 Others

The Windshell Naradhiwas Project has sufficient source of fund to complete the construction. YLP still receive continuing financial support from one of reputable financial institution. Moreover, the Company will not be a guarantor of any loan in YLP.

Note that the Company has checked and requested necessary information before proceeding the share purchasing transaction and was informed that the construction of the Windshell Naradhiwas Project has been completed approximately 90% and 4 units have been transferred. The Project has already received the necessary licenses as summarize below;

Windshell Project – Licenses Received			Issue Date
1	Aor.6	Building construction certificate	4 June 2019
2	Aor.Chor.2	Condominium's title deed	2 July 2019
3	Aor.Chor.10	Certificate of condominium registration (common facilities)	2 July 2019
4	Aor.Chor.13	Certificate of registration of condominium juristic person	25 September 2019

Note: Reference from copy of document the Company requested and later received from PACE

From above information, the Company views that YLP can continue Windshell Naradhiwas Project with no further issue.

5. Value of Consideration and Payment

The value of consideration for the purchase of 1,257,999 YLP's existing ordinary shares at 203.69 Baht per share which equal to 256,243,013.73 Baht. The Company will convert all loan principal and accrued interest PFR owed to the Company as purchase value of YLP's existing ordinary shares.

Payment of YLP's existing ordinary shares	Baht
Loan principal to PFR	180,000,000.00
Additional Loan to PFR as of 5 October 2019	50,000,000.00
Accrued Interest (as of 7 November 2019)	26,243,013.73
Total value of shares to be paid	256,243,013.73
YLP's existing ordinary shares acquired	1,257,999 Shares
Baht/Share	203.69 Baht/Share
Owner Proportion	74.00%

6. The Value of the Assets to be acquired.

Total value of acquired assets calculated from the book value as of 31 June 2019 according to management account prepared by YLP management, it is equal to **1,570.82** million Baht and shareholders' equity is equal to **181.77** million Baht. The Company will purchase 1,257,999 shares of YLP at purchase price 203.69 Baht per share, representing 74% of the Company's share capital, from PACE at a value of 256,243,013.73 Baht.

7. Criteria to Determine the Value of Consideration

The company has considered the value of the shares by using the Discounted Cash Flow method for estimation. The assumption based on conservative principle by using a purchase price lower than the government's appraisal value, assuming all units consequently sold within next 3 years, thus the share value will fall around 205 Baht per share while the price of this transaction is 203.69 Baht per share.

8. The Benefits Expected to be Received by the Company

The Transaction is to receive shares as a loan repayment and acknowledge expected interest return on loan provided. This will maintain the value of the loan and the benefits to be received in the form of ordinary shares of YLP, which is considered a tangible asset.

9. Source of Funds to be used in Asset Acquisition

Please see clause No. 5.

10. The Condition to Enter into the Transaction

The Seller's Board of Directors shall approve the transaction, which the Company has already been informed that the Seller has completed this prior to the entry into the Transaction dated 8 November 2019

11. The Opinion of the Board of Directors Regarding the Transaction

The Board of Directors's meeting of No.4/2019, which held on 6 November 2018 approved the acquisition of YLP's existing ordinary shares from PACE. The Board of Directors has the opinion that the transaction is appropriate in terms of share acquisition price and the justification for entering into the transaction, which has the purpose of alleviate the loss of value of loan and relevant benefit. The transaction results in having the tangible asset in the form of shares in the Company that has the good potential project.

12. The Opinion of the Audit Committee and/or the Directors of the Company Which Differs from the Opinion of the Board of Directors of the Company in No.11

[None]