

-Translation-

**Information Memorandum of  
Bangpakong Terminal Public Company Limited  
Re: Allocation of Newly Issued Ordinary Shares to Existing Shareholders**

The Board of Directors of Bangpakong Terminal Public Company Limited No. 9/2017 held on 7 December 2017 ("the Board Meeting") passed a resolution to propose to the Extraordinary General Meeting of shareholders No. 1/2018 which is scheduled to be held on 8 February 2018 ("EGM") to consider and approve an increase of the registered capital from 592,371,171.68 Baht to 957,033,230.80 Baht, by issuing 536,267,734 newly issued ordinary shares at a par value of 0.68 Baht each, as follows;

Registered Capital Increase	364,662,059.12 Baht	536,267,734 shares
Divided into,		
- Right Offering	198,782,272.28 Baht	292,326,871 shares
- Private Placement	136,000,000.00 Baht	200,000,000 shares
- Right adjustment of BTC-W3	29,879,786.84 Baht	43,940,863 shares

The newly issued shares shall be allocated to the existing shareholders in proportion to respective shareholding at the ratio of 2 existing ordinary shares to 1 newly issued ordinary share, at the offering price of 0.90 Baht ("RO Price"). The existing shareholders are also granted oversubscription rights. In addition, the Board Meeting has approved to propose to the Shareholders Meeting for consideration and approval of the allocation of the remaining ordinary shares after the allocation and/or offering for sale to the existing shareholders in the right offering to Millcon Steel Public Company Limited ("MILL"), and the allocation of 200,000,000 newly issued ordinary shares at the offering price of 0.90 Baht under a private placement scheme, as well as for consideration and approval of the acquisition of new securities by MILL without the requirement to make a tender offer for all securities of the Company, as MILL wish to obtain a waiver from making a tender offer for all securities of the Company by virtue of a resolution of the Company's shareholders meeting (Whitewash).

The details regarding the right offering are presented in the Capital Increase Report Form (F53-4) (*Enclosure 2*), the Information Memorandum Re: Allocation of Newly Issued Ordinary Shares under a Private Placement (*Enclosure 4*) and the Information Memorandum Re: Allocation of Newly Issued Ordinary Shares to Existing Shareholders.

**1. Details of share issuance and offering**

Newly issued shares not over than 292,326,871 shares at par value of 0.68 Baht will be offered to the existing shareholders (Right offering) at the offering ratio of 2 existing shares for 1 newly issued shares, at the offering price of 0.90 Baht per share totaling not over than 263,094,184 Baht. The subscription period for the right offering shall be during 19-23 February 2018 (5 business days). The Company has specified a record date on 21 December 2017.

The existing shareholders are granted for oversubscription. The oversubscription shares will be allocated to such oversubscribing shareholders only after newly issued ordinary shares are allocated proportionately to all shareholders in the first round. In case there are remaining shares from the first round of right offering, the oversubscribed shares will be allotted to each shareholder expressed their intention to subscribe for the newly issued ordinary shares in excess of their rights, in proportion to their respective

shareholding. The unsubscribed shares will be proportionally allotted to each of oversubscribing shareholders who have not been fully allocated with shares until there is no remaining share.

The allocation of the oversubscription must not cause a proportion of foreign shareholders of the Company to exceed 49 percent of paid-up capital, and shall not cause any shareholder submitting for oversubscription to hold shares equal to or surpass a trigger point for tender offer in compliance to the Notification of the Capital Market Supervisory Board No. TorChor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers

In case of remaining share from the right offering, the Company shall offer the remaining shares to Millcon Steel Public Company Limited ("MILL") which is not a connected person of the Company at the same price as RO price. The details regarding the private placement are presented in the Information Memorandum Re: Allocation of Newly Issued Ordinary Shares under a Private Placement (*Enclosure 4*)

The issuance and offering of shares to the existing shareholders is uncertain until approved by the Extraordinary General Meeting of shareholders No. 1/2018.

## 2. Objectives of the issuance of shares

The Company is currently a port facilities and domestic transportation services provider which the Company offers port facilities for domestic cargo and bulk shipping. Customers can use the Company's warehouses as container depots prior to import-export via other ports. The Company as well provides transportation services from its port to customer locations and provides the service for factories in nearby location, goods loading service and other relevant services such as custom clearance, crane rental, truck and crane maintenance etc. The Company's major revenue comes from domestic transportation which, in 2016, revenue from the business accounted for 69 percent of total revenue, while revenue from port facilities contributed for 28 percent of total revenue.

The Company expected to receive 443,094,184 Baht from the right offering and the private placement offering which will be invested in current and new business of the Company as follows;

### The Company's current business operation

The Company shall expand its in-land transportation business by acquiring additional trucks and containers to serve its domestic transportation service. The Company plans to acquire more semi-trailer trucks (tractor head and trailer) and shipping containers to enhance its service capacity up to 1 million tons per year, by purchasing 40 22-wheels-semi-trailer trucks which 30 percent of down-payment equals to 42 million Baht approximately, and additional shipping containers which requires 18 million Baht of investment; totaling 60 million Baht. Moreover, the Company plans to spend 143 million Baht in port facilities and warehouses renovation and other projects supporting its core business.

### The Company's new business operation

The Company plans to offer custom clearance and non-vessel operating common carrier (NVOCC) services which will increase its competitiveness and chance to revive the Company from consecutive operating loss. The proceed from capital increase will be utilized as working capital for custom clearance and NVOCC services providing for import-export customers. The business can be initialized immediately after the capital increase. The Company will focus on offering the service for its port and transportation customers and factories. The business is expected to require 243 million Baht of working capital.

The estimated utilization of proceeds are as follows;

	Estimated utilization of proceeds	Amount (m.Baht)	Period

1	Acquiring truck (tractor heads and trailers) and containers to expand inland transportation service business	60.00	Within 1 year
2	Port and warehouse renovation	40.00	
3	Working capital for custom clearance and NVOCC services	243.09	
4	Other projects	103.11	Within 2 year
<b>Total</b>		<b>443.09</b>	

The Company plans to utilize the proceeds from the previous private placement totaling 19,890,000 Baht as the working capital for the business.

### 3. Potential impact of the issuance and allocation of shares offered

Potential impact of the issuance and allocation of shares offered to the specific investor under a private placement scheme affecting the existing shareholders such as price dilution, control dilution and earning per share dilution, can be calculated using 2 assumptions with the details as follows;

Assumption 1 The private placement investor and the existing shareholders fully subscribe for the newly issued shares.

Assumption 2 The private placement investor fully subscribes for the newly issued shares while none of the existing shareholders subscribes for the right offering.

#### 1.1. Price Dilution

$$= \frac{(\text{market price prior to the offering}^* - \text{market price after the offering}^{**})}{(\text{market price prior to the offering})}$$

##### Assumption 1

$$= \frac{(1.27 - 1.10)}{1.27}$$

$$= 13.32 \%$$

##### Assumption 2

$$= \frac{(1.27 - 1.10)}{1.27}$$

$$= 13.32 \%$$

\* Market price prior to the offering = weighted average price of the Company's ordinary shares traded in the Stock Exchange of Thailand for 15 consecutive business days prior to the Board of Directors Meeting No...../2017 held on 7 December 2017; between 15 November 2017 to 6 December 2017, which is equal to 1.27 Baht.

$$\underline{(\text{market price} \times \text{No. of paid up shares}) + (\text{offering price} \times \text{No. of shares offered})}$$

---

\*\*Market price after the offering = 
$$\frac{\text{(No. of paid up shares + No. of shares offered)}}{(1.27 \times 584,653,742) + (0.90 \times 292,326,871) + (0.90 \times 200,000,000)}$$

= 
$$\frac{(584,653,742 + 292,326,871 + 200,000,000)}{(584,653,742 + 292,326,871 + 200,000,000)}$$

= 1.10 Baht

## 1.2. Control Dilution

= 
$$\frac{\text{No. of shares offered}}{\text{(No. of paid up shares + No. of shares offered)}}$$

Assumption 1

= 
$$\frac{200,000,000}{(584,653,742 + 292,326,871 + 200,000,000)}$$

= 18.57 %

Assumption 2

= 
$$\frac{200,000,000 + 292,326,871}{(584,653,742 + 292,326,871 + 200,000,000)}$$

= 45.71 %

## 1.3. Earning Dilution

The issuance and offering of shares will not cause and impact on earning because the Company reported net loss from its performance.

## 4. Opinion of the Board of Directors

The Board of Directors No. 9/2017 held on 7 December 2017, with 5 out of 5 directors attending the meeting which achieved a quorum in accordance to the Company's regulation (The Company is currently recruiting appropriate person to fill up 4 vacant positions in the Board of Directors, which the total board seats are 9 members.). Among the directors attending the meeting, 3 out of 3 independent directors presented at the meeting. The Board of Directors had an opinion regarding the capital increase and offering of newly issued ordinary shares as follows;

### 4.1. Reasons and necessities for the capital increase

The Board of Directors had an opinion that the capital increase shall improve the Company's liquidity that is in urgent demand since the Company do not have sufficient working capital causing from the Company's consecutive operating loss. In 2014 – 2016, the Company had operating loss of 46.97 million Baht, 42.54 million Baht and 53.57 million Baht consecutively, and as for 9 months 2017, the Company presented operating loss of 40.31 million Baht. Moreover, the Company as well had retained loss

consecutively, which as at 30 September 2017, it presented retained loss of 1,477.80 million Baht. As a result, these constrains caused the Company to have a limitation in taking a loan from financial institutes and be unable to find an alternative source of funds for investment.

Moreover, the Company has an investment plan in in-land transportation, custom clearance and NVOCC service business which the Board of Director has considered that the businesses will improve the Company's revenue and need more investment capital. Thus, the Company considered the right offering and oversubscription, along with the private placement for newly issued shares and the remaining shares from the right offering which are to be offered to Millcon Steel Public Company Limited. The Board of Directors opined that the private placement offered to MILL will be beneficial to the Company. *(Please read the Information Memorandum Re: Allocation of Newly Issued Ordinary Shares under a Private Placement (Enclosure 4))*

#### **4.2. Feasibility of the plan to utilize proceeds from the offering for sale of shares**

The Board of Directors considered that the utilization plan of the proceeds from capital increase which is to be invested in domestic transportation business; the Company's current business, and custom clearance and NVOCC services, is appropriate and possible. The Board of Directors considered that the investment in in-land transportation business is the expansion of current business which the Company experienced and already has a customer base. In addition, with MILL is a business strategic partner and customer of transportation business, the Company will have stable income and be able to offer the service to new customers. As for the custom clearance service, the Company is currently providing the service to some customers and already has a business permission. Thus, the Company can start the new business immediately which will increase revenue and liquidity of the Company.

#### **4.3. Reasonableness of the capital increase, proceeds utilization plan, and projects to be implemented, and adequacy of the funding sources**

The Board of Directors opined that the capital increase and the utilization plan of proceeds are reasonable and appropriate with the Company's demand for capital. The Company has carefully and appropriately studied possibilities and appropriateness regarding the projects' financial and investment plan. The investment for in-land transportation business shall be paid for down payment of the semi-trailer trucks which the Company carefully considered appropriated seller. The investment in port facilities and warehouse shall be paid for renovation of the assets and equipment to support future operation. As for the working capital for the custom clearance and NVOCC services, the Board of Directors considered that though the business does not require an investment in fixed assets, it requires a lot of working capital. As for other projects, the proceeds shall be invested in projects supporting the Company's core business such as its operation management system etc. The Board of Directors considered that time frame and amount of proceeds required for each project is appropriate.

#### **4.4. Projected impact on the Company's business operation, financial position, and operating results as a result of the capital increase and implementation of the proceeds utilization plan or projects**

In short term, the Company will be beneficial from increasing its limited liquidity. The increase working capital for the new business will improve the Company's liquidity ration from 0.74 (as of 30 September 2017) to 6.26.

As for middle-term and long term effects, the Company will be able to improve its capability in in-land transportation and custom clearance and NVOCC services, and be able to provide integrated logistics service which will increase its revenue. The Company, moreover, will have MILL as a strategic partner and benefit from its support in terms of business knowhow from the directors who are MILL

representatives, financial support, and business transactions. As MILL group's business has continuously grow and business transactions has been gradually increasing, a demand for the Company's logistics service will be increase.

**5. Right to claim compensation if the Company's directors fail to perform their fiduciary duty**

If the Company's directors fail to perform duties in good faith and with due care to preserve the interest of the Company on matters relating to the increase of capital, thereby causing damage to the Company, the Company may claim compensation from the directors. If the Company fails to make such claim, any shareholders holding shares in aggregate not less than 5 percent of the total number of shares sold may notify the Company to make such a claim. If the Company fails to take action as notified by the shareholders, the shareholders may enter a lawsuit in court to claim compensation on behalf of the Company according to section 85 of the Public Limited Companies Act B.E. 2535 (as amended). Furthermore, if that failure to perform the duties causes the directors or any related persons to obtain undue benefits, any shareholders holding shares in aggregate not less than 5 percent of the total number of shares sold may notify the Company to bring a lawsuit against the directors for disgorgement of the benefits to the Company. If the Company fails to take action as notified by the shareholders within 1 month from the date of receiving the notification, the shareholders may enter a lawsuit against the directors on behalf of the Company for their disgorgement of benefits according to section 89/18 of the Public Limited Companies Act B.E. 2535 (as amended).

Best Regards,

*Mr. Thitisak Skulkroo*

(Mr. Thitisak Skulkroo )  
CEO