

-Translation-

No. 109 /2017

7 December 2017

**Information Memorandum of
Bangpakong Terminal Public Company Limited
Re: Allocation of Newly Issued Ordinary Shares under a Private Placement**

The meeting of 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 Company would like to inform the significant details regarding the allocation of the Company's newly issued ordinary shares under a private placement scheme are as follows;

1. Details of the allocation of newly issued ordinary shares to the private placement investor

The allocation of newly issued ordinary shares under the private placement scheme comprises of 2 parts which are;

- A. The allocation of the remaining ordinary shares after the allocation and/or offering for sale to the existing shareholders in the right offering and oversubscription (the "Remaining Shares") to MILL in the amount up to 292,326,871 shares, at the offering price of 0.90 Baht ("PP Price") which is equal to RO Price.
- B. The allocation of up to 200,000,000 newly issued ordinary shares under a private placement scheme to Millcon Steel Public Company Limited ("MILL") at the price of 0.90 Baht, totaling not over than 180,000,000 Baht of issuance value.

**1.1 Information of the private placement investor
Information of MILL**

Millcon Steel Public Company Limited ("MILL") founded on July 1998 with the initial registered capital of 50 million Baht. In 2007, MILL converted into a public company and became a listed company in mai stock exchange which MILL later registered in the Stock Exchange of Thailand (SET) instead.

At the present, MILL is a customer of the Company using port and transportation services and is not a connected person of the Company.

MILL currently is one of leading manufacturers and distributors of steel products in Thailand, and one of billet steel manufacturers using an electric arc furnace (EAF). MILL is also the first steel manufacturer in Thailand to produce billet steel with vacuum degassing technology (VD) which is highly demanded by downstream industries such as, construction, automobile and auto parts, packaging, electric equipment, furniture, and shipbuilding industry.

Moreover, MILL is also a one stop service center for steel products, offering various types of quality steel product to serve various demand of customers including steel bars and rods such as round bar, deformed bar, wire rod etc., and other steel products such as steel sheet, flat plate etc. The products are certified by industrial standards within the Country and overseas, adding value to construction materials. MILL also distributes its products to dealers throughout the country and is researching for a channel to reach retail customers.

MILL's shareholders

The name of top 10 shareholders of MILL as of 8 Jun 2017 are as follows;

	Major shareholders	No. of shares	Percent
1	General Engineering Public Company Limited	729,899,999	18.90
2	Mr.Sittichai Leeswadtrakul	726,982,220	18.82
3	Bangkok Bank Public Company Limited	300,000,000	7.77
4	Mrs. Nathatai Sawatyanon	122,636,600	3.18
5	Thai NVDR Co., Ltd	101,927,803	2.64
6	Danieli Co.,Ltd.	83,434,728	2.16
7	Mr. Wichai Wachiraphong	70,169,200	1.82
8	QUAM SECURITIES COMPANY LIMITED A/C CLIENT	58,839,800	1.52
9	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	58,110,000	1.50
10	Mrs. Suchada Lisawattrakul	56,322,300	1.40

MILL's Board of Directors

The Board of Directors of MILL as of 7 December 2017 comprises of the following members;

	Director	Position
1	General Winai Phattiyakul	Chairman of the Board / Independent Director / Chairman of Audit Committee
2	Mr.Sittichai Leeswadtrakul	CEO / Managing Director / Director
3	Pol.Gen.Soontorn Saikwan	Vice Chairman of the Board / Independent Director
4	Ms. Suttirat Leeswadtrakul	Director
5	Mrs. Nantaphat Thianprateep	Director
6	Ms. Jureerat Lapanavanich	Director
7	Mr. Sophon Pholprasith	Director
8	Mr. Vipoota Trakulhoon	Director
9	Mr. Pravith Horungruang	Director
10	Mr. Teerayuth Lertsirirankson	Director

11	Mr. Pratana Bongkojmass	Independent Director / Audit Committee
12	Mr. Apichart Chirabandhu	Independent Director / Audit Committee
13	Mr. Sakchai Tanaboonchai	Independent Director

Key Financial Information of MILL

Statement of Financial Position

Millcon Steel Plc. (Unit: Thousand)	Consolidated Financial Statement			
	Audited	Audited	Audited	Reviewed
	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Sep 2017
Assets				
Current Assets				
Cash and cash equivalents	223,810	468,684	563,985	682,998
Restricted deposits at financial institutions	456,969	433,404	507,055	602,993
Trade accounts and notes receivable	1,465,675	2,650,619	1,963,216	1,355,322
Short-term loans to related parties	-	2,550	-	156,300
Short-term loans to related parties	880,425	-	-	-
Inventories	2,262,555	2,297,533	3,392,413	4,481,288
Advances to suppliers for purchases of goods	941,928	697,058	497,517	143,010
Derivative financial instruments	5,663	12,497	64,132	4,492
Advances for related parties	-	-	-	11,416
Assets-held-for-sale	2,245,892	806,180	-	-
Other current assets	162,657	470,856	415,162	917,349
Total current assets	8,645,579	7,839,386	7,403,483	8,355,168
Non - current assets				
Available-for-sale investments	-	-	-	-
Investments in associated	177,305	174,673	390,682	50,177
Investments in joint-venture	-	-	-	278,762
Other long-term investment	19,249	19,249	-	-
Investment property	-	285,559	509,751	496,568
Property, plant and equipment	7,614,303	10,556,332	9,188,761	9,083,880
Intangible assets	18,705	14,838	12,313	7,239
Deferred tax assets	-	-	-	-
Goodwill	-	333,598	333,598	333,598
Other non-current assets	11,626	12,307	11,935	14,944
Total non - current assets	7,841,190	11,396,559	10,447,043	10,265,168
Total assets	16,486,770	19,235,946	17,850,527	18,620,336

Millcon Steel Plc. (Unit: Thousand)	Consolidated Financial Statement			
	Audited	Audited	Audited	Reviewed
	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Sep 2017
Liabilities and Shareholder's Equity				
Current liabilities				
Bank overdraft & short-term loans-Net	9,884,458	10,746,041	8,569,205	9,513,097
Trade accounts payable	514,044	691,680	914,282	1,706,535
Advances from customers for sales of goods	1,133,396	518,903	1,339,969	926,568
Current portion of long-term loans-Net	33,600	21,224	278,685	-
Current portion of liabilities under finance leases				1,819
- net	1,981	4,868	2,107	
Short-term loans from persons and related parties	-	11,754	-	-
Derivative financial instruments	1,652	-	322	26,343
Accounts payable for purchase of fixed assets	133,214	208	-	4,751
Income tax payable	-	104,557	2,253	1,235
Other current liabilities	127,626	201,955	296,301	184,671
Total current liabilities	11,829,974	12,301,194	11,403,127	12,365,019
Non-current liabilities				
Liabilities under finance leases	9,128	12,707	3,334	1,970
Deferred tax liabilities	96,043	229,721	236,203	217,569
Long-term loans-net	21,224	832,290	351,137	-
Retirement benefit obligations	18,613	34,442	33,641	36,445
Other non-current liabilities	9,600	7,680	-	-
Total non-current liabilities	154,611	1,116,842	624,317	255,984
Total liabilities	11,984,585	13,418,037	12,027,445	12,621,003

Millcon Steel Plc. (Unit: Thousand)	Consolidated Financial Statement			
	Audited	Audited	Audited	Reviewed
	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Sep 2017
Shareholder's equity				
Share capital				
Authorized share capital				
- Preferred shares 639,691,757 shares of at Baht 0.40 each	255,876	255,876	-	-
- Preferred shares 192,118,226 shares of at Baht 0.40 each	-	-	76,847	76,847
- Ordinary shares 3,114,489,886 shares of at Baht 0.40 each	1,245,795	-	-	-
- Ordinary shares 3,414,708,896 shares of at Baht 0.40 each	-	1,365,883	-	-
- Ordinary shares 3,862,348,930 shares of at Baht 0.40 each	-	-	1,544,939	1,544,939
Advance receive for shares	-	-	-	-
Premium on preferred shares	175,000	175,000	-	-
Premium on ordinary shares	1,636,956	1,636,956	313,152	313,153
	2,036,148	2,036,148	3,360,039	3,360,039
Retained earnings Appropriated - legal reserve				
Retained earnings Unappropriated	45,232	45,232	45,232	45,232
Other components of shareholders' equity	(89,958)	(747,883)	93,142	298,264
Premium on preferred shares	351,012	138,740	355,536	325,834
Equity attributable to owners of the parent	4,472,790	5,776,151	5,788,889	5,964,309
Non-controlling interests	29,394	41,757	34,192	35,024
Total Shareholder's equity	4,502,184	5,817,908	5,823,082	5,999,333
Total Liabilities and Shareholder's equity	16,486,770	19,235,946	17,850,527	18,620,336

Statement of Financial Performance

Millcon Steel Plc. (Unit: Thousand)	Consolidated Financial Statement			
	Audited	Audited	Audited	Review
	31 Dec 2014	31 Dec 2015	31 Dec 2016	30 Sep 2017
Revenue				
Sales of goods and services	10,368,651	12,330,524	19,213,593	15,575,240
Share of profits from associates	-	-	-	-
Other income	120,796	1,274,889	486,873	165,972
Total revenue	10,489,448	13,605,413	19,700,467	15,741,212
Expenses				
Cost of sales and services	(9,952,902)	(11,552,522)	(17,596,490)	(14,359,174)
Selling expenses	(119,156)	(139,017)	(281,301)	(236,574)
Administrative expense	(433,135)	(495,377)	(617,297)	(394,157)
Cost of shutdown	(132,643)	(58,676)	(146,183)	-
Other expenses	(246,007)	57,763	(10,927)	(29,972)
Financial cost	(741,896)	(628,901)	(599,800)	(488,497)
Share of profit (loss) of joint and associated company	(248)	(2,631)	(43,809)	(44,148)
Loss on loss of control of subsidiary	-	-	-	-
Total Expenses	(11,493,345)	(12,819,362)	(19,295,811)	(15,552,522)
Profit (loss) before income tax	(1,003,897)	786,051	404,656	188,690
Tax (expenses) income	482	(101,198)	(10,737)	15,592
Profit (loss) for the period	(1,003,414)	684,852	393,918	204,282
Profit (loss) attributable to:				
- Owners of the parent company	(998,679)	683,900	395,495	205,122
- Non-controlling interests	(4,731)	952	(1,576)	(840)
Profit (loss) for the year	(1,003,414)	684,852	393,918	204,282

1.2 Determination of the Private Placement Price and the market price

The prices offered for private placement and the remaining shares from right offering both equal to 0.90 Baht. The offering price is lower than 90 percent of a market price calculated using weighted average price of the Company's shares traded on the Stock Exchange during 15 working days prior to the date of which the Board of Directors' meeting passed a resolution to propose the private placement offering to the Extraordinary General Meeting of shareholders No. 1/2018, which the market price equaled to 1.27 Baht (From 15 November 2017 – 6 December 2017).

The Company considered appropriateness of the private placement price from its financial status and performance, in compare to peer companies and from a negotiation with the private placement investor or MILL. Even though the offering price of 0.90 Baht is less than 90 percent of the market price of the Company's ordinary shares, the Company offers an opportunity for the existing shareholders to maintain their shareholding proportion, as well as oversubscription. In addition, by determining the private placement price to be equal to RO Price, the new investor can be conveniently convinced to invest in the Company and, as a result, the Company will be able to successfully complete its capital raising as planned, to timely serve its urgent demand for working capital due to the lack of liquidity

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.

Price Determination Method	Price (Baht/share) ¹
Book value method as of 30 September 2017	0.63
Price per book value method, compared with 4 peer companies ² listed in SET (Information as of 5 October 2017).	0.53-0.64
Weighted average market price of the Company's shares, for the period of 1-12 months prior to 5 October 2017	0.99 – 1.16
Discounted Cash Flows ³	0.73-1.03
Private placement price offered to MILL	0.90

Note: 1.The evaluated prices presented in this information memorandum might be different from the evaluated prices as presented in the IFA report regarding the waiver from making a tender offer for all securities of the Company by virtue of a resolution of the Company's shareholders meeting ("IFA report")

2. An information of peer companies are of Jutha Maritime Plc. (JUTHA), Precious Shipping Plc. (PSL), RCL Plc. (RCL) and Thoresen Thai Agencies Plc. (TTA)

3. The discount cash flows method relied on assumptions regarding the estimation of revenue, COGS, expense and other factors; the same assumptions used in the IFA report which shareholders can read for further information on the assumptions. However, a price valuation using the weighted average cost of capital (WACC) method showed different results due to a different period of time which the Company's average daily returns ("Beta") showed significant change comparing to historical market returns for a period of one year prior to 5 October 2017 (the date of valuation agreement) which equaled to 1.106, while in the IFA report, the valuation based on the historical beta one year prior to 7 December 2017 (the date which the Board of Director appointed the IFA) which equaled to 1.394.

According to the previous information, though the PP price is lower than the market price, it is higher than the Company's book value as of 30 September 2017. Moreover, the Company has considered MILL's capability as a large listed company with financial capability to invest in the Company's capital increase shares. As of 30 September 2017, MILL had registered capital of 2,114,244,321.20 Baht and paid-up capital of 1,621,786,862.40 Baht. MILL's net profit for the period of 2015-2016 equaled 684.85 million Baht and 393.92 million Baht, and 204.28 million Baht for the period of 9 months 2017.

In addition, the Company has negotiated with MILL that after MILL invests in the Company's capital increase shares, the Company will be a major logistics and transportation service provider for MILL group. This will help the Company to strengthen its customer base and make the Company to be able to seek for additional business partners. Therefore, the private placement offered to MILL will bring growth and benefit to the Company and its shareholders.

1.3 Offering and allocation method

The issuance of newly issued ordinary shares offered to MILL can be divided into 2 parts:

1. An allocation of remaining shares from the right offering: Not over than 292,326,871 shares. In case of shares remained from the right offering and oversubscription by the existing shareholders, the Company shall consider to offer the remaining shares to MILL at the price of 0.90 Baht which equals to the RO price.
2. Private Placement offered to MILL: 200,000,000 shares at the price of 0.90 Baht per share.

Both parts of the private placement offered to MILL will be proposed to the Shareholders Meeting with clearly specified offering price which is lower than 90 percent of the market price. Thus, the Company is required to seek an approval from the Shareholders Meeting with the vote of not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote and no shareholders, with the aggregate voting rights of 10 percent or more of the total number of votes of the shareholders attending the meeting, object to the offer of the newly issued shares and the Remaining Shares to MILL. Prior to the private placement offering, the Company is required to submit an application for approval from the Securities and Exchange Commission ("SEC") in accordance to the notification of the Capital Market Supervisory Board relating to the private placement.

1.4 Condition of the offering

The private placements offered to MILL are under the following conditions;

1. MILL shall lock-up its allotted shares for 18 months from the date which the capital increase shares are traded on the Stock Exchange.
2. MILL shall send 2 representatives to be the members of the Company's board of directors.

Moreover, after the capital increase and new business investment according to the Company's plan, the Company shall become a major logistics service provider to MILL group.

2. Objectives of the issuance of shares

The objective of the issuance and allocation of newly issued ordinary shares is to invest in full-coverage logistic service business including; port facilities for cargo loading, discharging and handling, warehouses, inland transportation, customs and freight forwarding services, which will enhance competitiveness of the Company's logistic services and strengthen the Company's financial status to support the business. The Company, therefore, proposes the allocation of newly issued ordinary shares to the private placement investor which the Company will receive the capital of 482.64 million Baht with the details as follow;

	Share Allocation	No. of shares	Amount (Baht)
1	Right Offering	292,326,871	263,094,184
2	Private Placement	200,000,000	180,000,000
3	Reserved for right adjustment of BTC-W3	43,940,863	-*
Total amount of fund received from capital increase			443,094,184

Note: *As of 19 December 2017, there were 3,437,232,884 units of BTC-W3 warrants which the exercise ratio is 1 unit of warrant for 0.09188 common shares at the exercise price of 6.53 Baht per share.

2.1. Proceeds Utilization Plan

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
Total		443.09	

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

2.2. Detail of projects

a. The expansion of inland transportation service

Detail of the project

The Company currently has 17 semi-trailer trucks (tractor head and trailer) providing transportation service for factories and port customers. Revenue from in-land transportation service for the period of 9 months 2017 equals 52.6 million Baht.

The Company plans to invest 60 million Baht to purchase 40 22-wheels semi-trailer trucks, to enhance its service capacity up to 1 million tons per year. The Company expected to acquire the trucks within 2018 and expected to gain 260 million Baht of revenue from in-land transportation in 2018. The growth rate for the business is expected to be approximately 12 percent per year.

b. Custom Clearance & Non-Vessel Operating Common Carrier Service

Details of the project

The Company plans to offer custom clearance and freight forwarding service 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.

Expected returns

The Company shall expand logistics business to provide integrated services from port facilities, cargo loading, warehouse service, in-land transport and shipment, custom clearance to freight forwarding.

The Company expected that in 2018 the business shall generate 380 million Baht of revenue with gross profit margin approximately 20 percent. After the investment in both current and new businesses, the Company will be able to serve customer demand with integrated logistic service.

c. Other projects

Details of the project

The Company plans to invest approximately 100 million Baht in projects supporting its core businesses such as logistic management system development etc. to increase the Company's efficiency and capability.

2.3. Risks of the projects

1. Risk from major customer dependency

MILL is currently the Company's major customer in transportation business contributing 51.63 percent and 34.17 percent of the Company's total revenue during 2016 and 9 months 2017. According to the negotiation between the Company and MILL, after investing in the Company, the Company will provide logistics services for MILL group, as a result, MILL and its associated companies will become the Company's major customer. Thus, with MILL as a strategic partner and major customer, the Company will benefit from more stable income. However, the Company shall offer logistics and transportation services to customers in various industries, from its customer base and new customers, to lessen the major customer dependency.

2. Risks from Renewal of Licenses Related to Business Operations

Businesses of port facilities, in-land transportation, custom clearance, and freight forwarding require permission from related government agencies such as Harbor Department, the Ministry of Transport and the Customs Department. The validity of each type of permits varies, ranging between 1-15 years.

The regulations and conditions may change upon each renewal and this may affect the operational costs and business operations of the Company. However, due to the fact that the Company has sound operations and has strictly complied with the government's rules and regulations throughout the years, the Company's executives are confident that the Company will not have problems that hinder the renewal of its licenses to operate its 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.

3.1. 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.

$$\text{**Market price after the offering} = \frac{(\text{market price} \times \text{No. of paid up shares}) + (\text{offering price} \times \text{No. of shares offered})}{(\text{No. of paid up shares} + \text{No. of shares offered})}$$

$$= \frac{(1.27 \times 584,653,742) + (0.90 \times 292,326,871) + (0.90 \times 200,000,000)}{(584,653,742 + 292,326,871 + 200,000,000)}$$

$$= 1.10 \text{ Baht}$$

3.2. Control Dilution

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

Assumption 1

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

$$= 18.57 \%$$

Assumption 2

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

$$= 45.71 \%$$

3.3. 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 under the private placement scheme 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 as follows;

1. A chance to revive the Company from its negative operating outcome

By issuing capital increase shares, the Company shall have adequate capital for its investment in an integrated logistics service and which will enhance its competitiveness again. Since 2008, the Company ceased its service for international container vessels since the sedimentation of alluvial soil at the estuary causing the water course to be silted. The Company has to pay to dredge it up regularly. In addition to this, the impact of the national economic conditions has caused the number of imported and exported goods to decrease greatly. There has been no international cargo ships docking at the Company's port and the core business of the Company has been shifted to port facilities service for coastal vessels and breakbulk carriers that carry cargo through the Company's port. Therefore, by expanding in-land transportation business and custom clearance and NVOCC services, the Company will be able to increase its competition capability and be able to revive from its consecutive operating loss.

2. Becoming a strategic partner

By offering capital increase shares to MILL, the Company will gain a strategic partner who can support the Company's business operation with finance and business transactions, to strengthen the Company's customer base. Moreover, the partner also can introduce new business partners to the Company.

Therefore, with the investment from MILL, the Company will be able to grow and bring benefits to its business and its shareholders. As for related transactions to be occurred in the future, such transactions will be considered and approved carefully by the Board of Directors and shareholders in compliance to the regulations regarding the related transaction of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. To maintain the Company's current business management

For the investment in capital increase shares, MILL shall send 2 representatives as members of the Company's Board of Directors. However, MILL does not have an intention to alter the Company's objective in business operation, its organization and management structure, or its dividend policy, and wish to maintain

the Company's status as a listed company. Therefore, the Company will be able to continue its business operation without any effect on its management.

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.

4.5. Appropriateness of the Private Placement Price, and determination of the offering price

The Board of Director shall consider appropriateness of PP price from an opinion of the independent financial advisor.

4.6. Reasons and necessity for the private placement of newly issued ordinary shares

The Board of Directors has considered MILL's capability as a large listed company with financial capability to invest in the Company's capital increase shares. As of 30 September 2017, MILL had registered capital of 2,114,244,321.20 Baht and paid-up capital of 1,621,786,862.40 Baht. MILL's net profit for the period of 2015-2016 equaled 684.85 million Baht and 393.92 million Baht, and 204.28 million Baht for the period of 9 months 2017.

In addition, the Company has negotiated with MILL that after MILL invests in the Company's capital increase shares, the Company will be a major logistics and transportation service provider for MILL group. This will help the Company to strengthen its customer base and make the Company to be able to seek for additional business partners. Therefore, the private placement offered to MILL will bring growth and benefit to the Company and its shareholders.

However, in case that the issuance of capital increase shares is not approved by the shareholders' meeting, the Company will be unable to raise adequate amount of fund and might be unable to expand its business as planned, and consequently might have a lack of liquidity. The Board of Directors shall consider other alternatives to increase working capital for the Company, which may take a long time to seek a new business partner. The Company will have expense to proceed the process again and cannot guarantee the time required for the capital increase process to be completed or a success of the capital increase.

4.7. Worthiness of the benefits to be received from MILL, when compared to the offer for sale of newly issued ordinary shares to it, based on the impact on the Company's expenses and financial position as a result of the offer for sale of newly issued shares according to the financial standards relating to share-based payment

Share-based payment will be calculated using a market price of the day that the shareholders' meeting approve the private placement offering. However, after 7 December 2017 which the Board of Directors approved to propose the private placement to the shareholders' meeting, the market price of the Company's shares has been gradually decreased until it was equal to the PP price. Therefore, the Company expected that it is unlikely for an expense according to share-base payment will be occurred.

4.8. Shareholders' right to object to private placement of newly issued ordinary shares

The offering of newly issued ordinary shares to MILL will be proposed to the Shareholders Meeting with clearly specified offering price which is lower than 90 percent of the market price. Thus, the Company is required to seek an approval from the Shareholders Meeting with the vote of not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote and no shareholders, with the aggregate voting rights of 10 percent or more of the total number of votes of the shareholders attending the meeting, object to the offer of the newly issued shares and the Remaining Shares to MILL.

5. Certification of the Board of Directors

In considering and examining the information of MILL, the Board of Directors has conducted careful due diligence regarding the status of MILL and found that MILL is an investor with potential to invest and can invest in the Company in compliance to the Notification of the Securities and Exchange Commission Torchor. 73/2558.

6. 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,
Bangpakong Terminal Public Company Limited

Mr. Thitisak Skulkroo
(Mr. Thitisak Skulkroo)
CEO