

**Information Memorandum of  
Bangpakong Terminal Public Company Limited**

**Re: The waiver from the requirement to make a tender offer for all securities of the Company  
by virtue of the resolution of the shareholders' meeting (Whitewash)**

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 and oversubscription 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.

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.

MILL might hold the BTC' shares over than 25% of the total shares voting right of the Company, therefore MILL requires to tender offer for all securities of the company according to the Notification of the Capital Market Supervisory Board No. TorJor 12/2554 Re:Rules, Conditions and Procedures for the Acquisition of Securities for the Business Takeover; dated 13 May 2011(as amended)

The Company would like to inform the significant details regarding the waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash)

### 1. The name of applicants

Millcon Steel Public Company Limited ("Waiver") wish to obtain a waiver from making a tender offer for all securities of the Company by virtue of the resolution of the Shareholders Meeting ("Whitewash") in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorJor.36/2546.

### 2. Total number of votes of the shareholder who is not entitled to vote to approve the acquisition of new securities by the Applicants without requirement to make a tender offer for all securities of the Company

The resolution of Extraordinary General Meeting requires the votes not less than three-fourth of the total voting rights of the shareholders attend the meeting and qualified to vote.

### 3. Method of determination of price of the newly issued ordinary shares to be offered for sale, and reasons therefor

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) <sup>1</sup> |
|--|---------------------------------|
| Book value method as of 30 September 2017  | 0.63                            |
| Price per book value method, compared with 4 peer companies <sup>2</sup> 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 <sup>3</sup>   | 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, with the operating performance as follows;

| Statement of financial position           | Consolidated     |                  |                  |
|---|------------------|------------------|------------------|
|   | 30 Sept 17       | 2016             | 2015             |
|   | m. Baht          | m. Baht          | m. Baht          |
| Current assets                            | 8,355.17         | 7,403.48         | 7,839.39         |
| Non-current assets                        | 10,265.17        | 10,447.04        | 11,396.56        |
| <b>Total assets</b>                       | <b>18,620.34</b> | <b>17,850.53</b> | <b>19,235.95</b> |
| Current liabilities                       | 12,365.02        | 11,403.13        | 12,301.19        |
| Non-current liabilities                   | 255.98           | 624.32           | 1,116.84         |
| <b>Total liabilities</b>                  | <b>12,621.00</b> | <b>12,027.45</b> | <b>13,418.04</b> |
| Paid-up capital                           | 1,621.79         | 1,621.79         | 1,621.76         |
| Share premium                             | 3,673.19         | 3,673.19         | 3,673.10         |
| Retained earning                          | 343.50           | 138.37           | (702.65)         |
| Other component of shareholders' equity   | 325.83           | 355.54           | 138.74           |
| <b>Shareholders' equity</b>               | <b>5,964.31</b>  | <b>5,788.89</b>  | <b>5,776.15</b>  |
| <b>Liability and shareholders' equity</b> | <b>18,620.34</b> | <b>17,850.53</b> | <b>19,235.95</b> |

| Profit and loss   | Consolidated  |               |               |
|-------------------|---------------|---------------|---------------|
|                   | 30 Sept 17    | 2016          | 2015          |
|                   | m. Baht       | m. Baht       | m. Baht       |
| Total revenue     | 15,741.21     | 19,700.47     | 13,605.41     |
| Total expense     | (15,552.52)   | (19,295.81)   | (12,819.36)   |
| <b>Net profit</b> | <b>204.28</b> | <b>393.92</b> | <b>684.85</b> |

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

#### **4. Shareholders' right to object to the waiver of the requirement to make a tender offer for all securities of the Company**

The waiver might obtain the Company's shares up to 492,326,871 shares which cause waiver the voting right in the Company up to 492,326,871 votes or equivalent to 43.92% of total voting rights of the Company after the capital increase and cause the share portion of the waiver in the company exceeds 25% of total voting rights of the Company. In such case, the resolution of a shareholders meeting to approve the acquisition of new securities by the Applicants without requirement to make a tender offer for all securities of the Company (Whitewash) requires vote of not less than three-fourths of the total votes of shareholders who attend the meeting and have the right to vote.

## **5. Opinions of the Board of Directors**

### **a. Reasons and necessity 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.

**b. Reasons for the issuance and offer for sale of securities to the Applicants**

The capital increase will increase liquidity and timely serve the Company's 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.

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.

Moreover, after MILL invests in the Company's capital increase shares, the Company will be a major logistics and transportation service provider for MILL group, which will make MILL become an important customer of the Company since MILL's steel business greatly demands logistics service and will strengthen the Company's customer base. After the offering, MILL is willing to lock-up its allotted shares for 18 months from the date which the capital increase shares are traded on the Stock Exchange.

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.

**c. Relationship between the Applicants and the business, executives, persons with power of control, or major shareholders of the business, and material agreements between them**

None

**d. Benefits or impact of the Applicants' business management policy or plan, and feasibility of that policy or plan**

By offering capital increase shares to MILL, the Company will gain investment capital for its business operation and expansion. The Company will have a business partner for its logistics business which will strengthen its competitiveness in the future.

MILL shall consider representatives to be appointed as 2 directors of the Company (The Company currently has 5 directors from the total 9 board seats.). However, MILL does not have any plan or policy to change the Company's business policy or plan. The Board of Directors of the Company have full authority to make a decision for the Business's investment and management.

**e. Opinion as to whether it is appropriate for shareholders to grant approval for the Application to acquire newly issued securities without requirement to make a tender offer for all securities of the business, and reasons for this opinion**

For the reasons stated above, the Board of Directors is of the view that the Shareholders Meeting should consider granting approval for MILL to acquire new securities without requirement to make a tender offer for all securities of the Company (Whitewash).

Best Regards,

**Bangpakong Terminal Public Company Limited**

A handwritten signature in blue ink, consisting of a large circular initial followed by a series of loops and a long horizontal stroke extending to the right.

(Thitisak Skulkroo)  
Chairman of the Board Executive Committee