



## TIPCO ASPHALT PUBLIC COMPANY LIMITED



### MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

#### TIPCO ASPHALT PUBLIC COMPANY LIMITED

No. 1/2016 Wednesday 5<sup>th</sup> January 2016

Auditorium, 5<sup>th</sup> floor, Tipco Tower

The meeting was held on Wednesday 5<sup>th</sup> January 2016 at 10.00 hours at the Auditorium of the Company's head office, 5<sup>th</sup> Floor, Tipco Tower, No. 118/1 Rama VI Road, Samsen Nai, Phaya Thai, Bangkok 10400. Ms. Laksana Supsakorn, Chairman of the Board ("Chairman"), acted as the Chairman of the Meeting.

The Chairman declared the Meeting open and informed the Meeting that at this moment the total number of shareholders attending this Meeting was as follows:

- 132 in persons holding altogether 98,048,913 shares or amounting to 6.3509%,
- 126 by proxies holding altogether 943,260,109 shares or amounting to 61.0979%,
- 110 by proxies, holding altogether 78,506,020 shares or amounting to 5.0857%, sent by registered mail appointing Independent Directors to attend and vote on their behalf.
- Therefore, the total number of attendees were 368 persons, holding altogether 1,119,815,042 shares or amounting to 75.5339% of the Company's total number of shares (the Company had 7,923 shareholders and 1,543,850,070 shares in total), thereby constituting a quorum according to Article 33 of the Articles of Association of the Company which required shareholders and proxies attending the meeting of not less than 25 persons and holding shares altogether not less than one-third of the total number of shares issued of the Company.

The Chairman introduced to the Meeting the following Directors, the minutes recorder, financial advisors and legal counsel who attended the meeting:

#### Directors Present

- |                           |                                 |
|---------------------------|---------------------------------|
| 1. Ms. Laksana Supsakorn  | Chairman                        |
| 2. Mr. Nipphon Suthimai   | Chairman of the Audit Committee |
| 3. Mr. Somchit Serthin    | Chief Executive Officer         |
| 4. Mr. Chaiwat Srivalwat  | Managing Director               |
| 5. Mr. Chainoi Puankosoom | Independent Director            |

#### Independent Directors Witnessing the Vote Counting

- |                              |  |
|------------------------------|--|
| 1. Mr. Parnchalerm Suthatham | Audit Committee Member                       |
|                              | Nomination and Remuneration Committee Member |

#### Other Directors attending the meeting

- |                       |                    |
|-----------------------|--------------------|
| 1. Mr. Jacques Pastor | Vice Chairman      |
|                       | Executive Director |



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2. Mr. Koh Ban Heng
3. Mr. Sitilarb Supsakorn
4. Mr. Jacques Marechal
5. Mrs. Anne-Marie Machet

Nomination and Remuneration Committee Member  
Independent Director  
Executive Director  
Executive Director  
Corporate Governance Committee Member  
Independent Director  
Nomination and Remuneration Committee Member  
Corporate Governance Committee Member

### Directors not attending the meeting

1. Mr. Hervé Le Bouc Director
2. Mr. Jacques Leost Director
3. Mr. Philasip Suphapolsiri Chairman of the Corporate Governance Committee  
Audit Committee Member
4. Mr. Nopporn Thepsithar Chairman of the Nomination and Remuneration Committee  
Audit Committee Member

### Others who attended the meeting

1. Mr. Parama Saovabha Minutes Recorder from Rajah & Tann (Thailand) Ltd.
2. Mr. Tanachai Bunditvorapoom Financial advisor from Tisco Securities PCL
3. Mr. Taweechai Tangthanasup Financial advisor from Tisco Securities PCL
4. Ms. Dolnapa Chansitthichok Financial advisor from Tisco Securities PCL
5. Ms. Pailin Laiteerapong Financial advisor from Tisco Securities PCL
6. Mr. Somridchai Thang-harat Independent financial advisor from Apple Wealth Securities PCL
7. Mrs. Kanassamon Waisayawan Independent financial advisor from Apple Wealth Securities PCL
8. Mr. Kittichai Nakprasertkul Independent financial advisor from Apple Wealth Securities PCL
9. Mr. Krit Horpaophon Independent financial advisor from Apple Wealth Securities PCL
10. Mr. Sunyaluck Chaikajornwat Legal counsel from Weerawong, Chinnawat & Peangpanor Ltd.

### **The meeting started at 10:00 hours.**

The Chairman informed the meeting that the other directors who could not attend this meeting are abroad on a business trip.

The Chairman informed the meeting that there was a video recording of this meeting for future reference. The Chairman also informed of the method for voting that the Company had prepared the voting bar code ballots for computerized processing and gave to the shareholders in 3 categories. They contained three boxes for those who vote in favor of the resolution with the wording "Approved", those who vote against the resolution with the wording "Disapproved" and those who abstain with the wording "Abstained". The votes would be counted from the ballots of the votes against the resolution and the abstaining ballots to arrive at the votes in favor of the



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relevant resolution by deducting from the total number of votes attending the meeting with those votes against the matter and abstaining votes.

In casting the votes, the shareholders and proxies shall vote on ballots in accordance with their intentions and specify the number of votes on the ballots together with their signatures. For proxies whose votes have already been specified, they need not submit the ballots.

In voting, 1 share shall be counted as 1 vote. Collection of voting ballots would be made only for those "Disapproved" and "Abstained". For those "Approved" ballots, they would be collected at the end of the meeting.

According to Clause 34 of the Company's Articles of Association, the resolution of the meeting shall be passed by a majority of the votes of the persons attending the meeting and entitled to vote, except in certain agenda where the votes required to pass the resolution for such agenda shall require the number of votes as particularly specified in such agenda.

The Chairman then conducted the meeting according to the following agenda:

**Agenda 1**      **To consider and adopt the minutes of the Annual General Meeting of Shareholders No. 1/2015 held on 7<sup>th</sup> April 2015**

The Chairman presented to the meeting, for its consideration and adoption, the minutes of the Annual General Meeting of Shareholders No. 1/2015 held on 7<sup>th</sup> April 2015. Such minutes was prepared and completed within 14 days from the date of the meeting and was delivered to the Office of the Securities and Exchange Commission, The Stock Exchange of Thailand and the Ministry of Commerce and was posted on the Company's website, [www.tipcoasphalt.com](http://www.tipcoasphalt.com), on 20<sup>th</sup> April 2015. A copy of the minutes was provided to the meeting as the attachment to the invitation notice to this meeting. The minutes was considered correct and completed by the Board and was recorded in accordance with said meeting and therefore was appropriate to submit to this meeting to consider adopting the same.

The Chairman asked whether shareholders have any question or wish to amend anything in the minutes. There was no shareholder making any enquiry. The Chairman therefore asked the shareholders to vote and the Company's staff to collect the ballots from shareholders voting "Disapproved" and "Abstained" respectively.

The Chairman informed the meeting that there were 54 additional shareholders attending the meeting at the time of this agenda, holding altogether 7,262,624 shares, and therefore the total number of attended shareholders was 422 persons, holding altogether 1,127,077,666 shares.

The Chairman then informed the meeting that the votes required for passing a resolution under this agenda was majority votes of the shareholders attending the meeting and entitled to vote. Every shareholder was eligible to vote in this agenda. After collecting the voting ballots cast and checking the votes, the result was that:



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**RESOLUTION:** The meeting by majority votes resolved that the minutes of the Annual General Meeting of Shareholders No. 1/2015 be adopted as proposed as per the following voting details:

- 419 Shareholders voted "Approved" under this agenda, held altogether 1,122,257,766 shares, representing 99.8917% of the total number of shares attending this meeting and entitled to vote;
- 1 shareholdes voted "Disapproved" under this agenda, held altogether 5,000 shares, representing 0.0004% of the total number of shares attending this meeting and entitled to vote; and
- 3 Shareholders voted "Abstained" under this agenda, held altogether 1,211,600 shares, representing 0.1078% of the total number of shares attending this meeting and entitled to vote.

**Agenda 2** To consider and approve to increase the current registered capital of Baht 1,578,735,570 to the new registered capital of Baht 1,579,343,570 by 608,000 shares and allocate to reserve for exercising Long Term Incentive Program grant #1 (ESOP-W1) and #2 (ESOP-W2) which the ordinary shares reserved for the exercise of ESOP-W1 and ESOP-W2 were previously reduced in error by 101,000 shares and 507,000 shares, respectively at the par value of Baht 1 each, and the amendment to Clause 4 of the Memorandum of Association of the Company regarding the registered capital to reflect the increase of the registered capital

The Chairman asked the Managing Director (Mr. Chaiwat Srivalwat) to report this agenda to the meeting. The Managing Director reported to the meeting that the Company's report on the sale of securities (Form F53-5) submitted to the Stock Exchange of Thailand in the past shows 129,000 common shares remaining for the exercise of ESOP-W1 and 11,500 share remaining for the exercise of ESOP-W2, which should be increased by 101,000 shares and 507,000 shares, respectively, due to erroneous capital decrease in the past. Therefore, it is necessary for the Company to increase its registered capital by 608,000 shares and allocate those shares for the exercise of ESOP and amend Clause 4 of the Memorandum of Association to reflect the increase of the registered capital as follows:

### From

"Clause 4	Registered Capital	1,578,735,570 Baht	(One billion, five hundred and seventy-eight million, seven hundred thirty-five thousand, five hundred and seventy Baht)
	Divided into	1,578,735,570 Shares	(One billion, five hundred and seventy-eight million, seven hundred thirty-five thousand, five hundred and seventy shares)
	Value per Share	1 Baht	(One Baht)
	Categorized as		
	Ordinary Shares	1,578,735,570 Shares	(One billion, five hundred and seventy-eight million, seven hundred thirty-five



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			thousand, five hundred and seventy shares)
	Preference Shares	- none -	- none -"
<b>To</b>			
"Clause 4	Registered Capital	1,579,343,570 Baht	(One billion, five hundred and seventy-nine million, three hundred forty-three thousand, five hundred and seventy Baht)
	Divided into	1,579,343,570 Shares	(One billion, five hundred and seventy-nine million, three hundred forty-three thousand, five hundred and seventy shares)
	Value per Share	1 Baht	(One Baht)
		Categorized as	
	Ordinary Shares	1,579,343,570 Shares	(One billion, five hundred and seventy-nine million, three hundred forty-three thousand, five hundred and seventy shares)
	Preference Shares	- none -	- none -"

The Chairman asked the meeting whether any shareholder has a question or wish to enquire anything in this Agenda.

Mr. Hungchai Akkawasakun, a proxy from the Thai Shareholders Club, asked whether the amendment to the registered capital is a requirement for the long term incentive program ESOP-W1 and ESOP-W2 and asked about the exercise prices and the exercise period of ESOP-W1 and ESOP-W2, as well as the amount of the remaining units. The Managing Director responded that the amendment to the Company's registered capital is intended to correct a mistake, because there was an incorrect capital decrease in the past. In this regard, the Company had consulted with the Stock Exchange of Thailand. With respect to the long term incentive program, the Company issued 5 grants of warrants in the total amount of 60,000,000 units. For each grant, 12,000,000 units of the warrant will be issued, and the exercise price is based on the weighted average of daily trading price of the Company's ordinary shares for fifteen (15) consecutive trading days prior to the date of the Company's Board of Directors Meeting for each ESOP approval round. The said calculation method is based on the regulation from Stock Exchange of Thailand and the 5 grants of warrants were approved at by shareholders. Tenor for each warrant is 5 years. The exercise price for ESOP-W1 and ESOP-W2 is 6.219 Baht per share and 4.913 Baht per share, respectively with the silence period of the first 2 years for ESOP-W1 and ESOP-W2, which can be exercised in the remaining 3 years. For ESOP-W3, ESOP-W4 and ESOP-W5, the silence period is 3 years and the exercise period is the remaining 2 years. In conclusion, Managing Director summarized detail of 5 grants of warrants as follows:-

Description	Issue date	Vesting period	1 <sup>st</sup> exercise period	Last exercise period	Exercise price (Baht)
ESOP-W1	18 April 2011	After year 2 from the issuing date	28 June 2013	17 April 2016	6.219
ESOP-W2	18 May 2012		30 June 2014	17 May 2017	4.913
ESOP-W3	30 April 2013	After year 3 from the issuing date	30 June 2016	29-April 2018	5.306
ESOP-W4	30 May 2014		30 June 2017	29 May 2019	4.941
ESOP-W5	29 May 2015		30 June 2018	28 May 2020	8.57

The same proxy asked whether the Company plans to issue additional warrants to the employees. The Managing Director responded that the shareholders' meeting No.1/2015 approved the issuance of ESOP-W5 and the Company does not have any plan to issue another grant of ESOP.

The same proxy stated that the Company should not issue any more ESOP, but should reward its employees with bonus instead, which should be based on the Company's profitability. This is because the warrants negatively affect the sentiment of the shareholders who do not have full understanding, as the shareholders may not know when the warrants will be exercised. In addition, the exercise of the warrants by the Company's employees could create tax burden on the employees. Based on the foregoing, the exercise price should be 10 – 20% higher than the market price at the time of approval from the board of directors of the shareholders' meeting.

Mr. Chaisakul Srimontri, a proxy, asked about the percentage of common share reserved for the exercise of the warrants to the Company's registered capital, the exercise period of the warrants and the remaining warrants that have not been exercised. The Managing Director responded that there are 60,000,000 warrants in total, which can be converted into 60,000,000 common shares with the par value at 1 Baht per share, and the Company has a registered capital of 1,578,735,570 Baht which is equal to 1,578,735,570 shares. Currently, ESOP-W1 and ESOP-W2 are exercisable because the silence period has lapsed, and the remaining units of ESOP-W1 are not significant in number and can be converted into a few hundred thousand shares only. The silence period for ESOP-W3 will lapsed in June 2016.



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The Chairman asked the meeting whether other shareholder has a question or wishes to enquire anything in this Agenda. There was no other shareholder asking question or making an enquiry. The Chairman therefore asked the shareholders to vote and the officers would collect the ballots from shareholders voting "Disapproved" and "Abstained" respectively.

The Managing Director informed the meeting that there were 43 additional shareholders attending the meeting at the time of this agenda, holding altogether 1,391,657 shares, and therefore the total number of attended shareholders was 465 persons, holding altogether 1,124,866,023 shares.

The Chairman then informed the meeting that the votes required for passing a resolution under this agenda were not less than three quarters of the total number of the votes of the shareholders who are attending the meeting by proxy or physical presence and entitled to vote. Every shareholder was eligible to vote in this agenda. After collecting the voting ballots cast and checking the votes, the result was that:

**RESOLUTION:** The meeting by votes of not less than three-fourths of the total number of the votes of the shareholders attending the meeting and entitled to vote resolved to increase the current registered capital of Baht 1,578,735,570 to the new registered capital of Baht 1,579,343,570 by 608,000 shares and allocate to reserve for exercising Long Term Incentive Program grant #1 (ESOP-W1) and #2 (ESOP-W2) which the ordinary shares reserved for the exercise of ESOP-W1 and ESOP-W2 were previously reduced in error by 101,000 shares and 507,000 shares, respectively at the par value of Baht 1 each, and the amendment to Clause 4 of the Memorandum of Association of the Company regarding the registered capital to reflect the increase of the registered capital, as proposed by the Chairman as per the following voting details:

- 461 Shareholders voted "Approved" under this agenda, held altogether 1,123,649,923 shares, representing 99.8919% of the total number of shares attending this meeting and entitled to vote;
- No shareholders voted "Disapproved" under this agenda, representing 0.00% of the total number of shares attending this meeting and entitled to vote; and
- 5 Shareholders voted "Abstained" under this agenda, held altogether 1,216,100 shares, representing 0.1081% of the total number of shares attending this meeting and entitled to vote.

**Agenda 3** To consider and approve the proposed acquisition by the Company and/or its subsidiary for ordinary shares in five companies (collectively, the "Targets") from Colas S.A. ("Colas"), a major shareholder as of 1 December 2015, the latest book closing date, and considered as a connected person of the Company (the "Transaction") in which Apple Wealth Securities PCL is the Independent Financial Advisor (IFA) to provide opinions on the acquisition of the Targets

The Chairman asked the Managing Director to report this agenda to the meeting. The Managing Director reported to the meeting that the Company has a long-term plan every 5 years and the last business plan ends in 2015, where the 2015 Company's vision is to be able to sell 2 million tons of asphalt products, to become a



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leader in Asia Pacific and to be certified under the highest standards for corporate social responsibility. In this regard, the Company achieved these objectives at the end of 2014. Therefore, at the beginning of 2015, the Company's management had a brainstorming session to prepare a business plan for the next 5 years until 2020. The management has already asked for approval from the board of directors on the Company's mission and vision for 2020. The Company's mission for 2020 is "To be a globally preferred integrated asphalt and petroleum related products company" and the vision for 2020 is for the Company "To distribute 6 million tons of asphalt and petroleum products across 5 continents by 2020 in a sustainable and responsible manner". The Company has prepared 9 corporate strategies, one of which is to expand the asphalt business both domestically and internationally. The asphalt international market has a high growth rate, and the approximately 80% of the Company's total sales volume comes from the international market. Therefore, this business acquisition will increase the sales volume, market share, and competitiveness for the Company in the international market immediately. The Company approached several asphalt producers in the 2 countries, including Colas, but none of these asphalt producers wished to sell the business. In any event, Colas provided the Company with an opportunity to negotiate for the purchase of its business and submit an offer to purchase all of the Targets as a package. Therefore, the Company is not able to choose one or more Targets. At the meeting of the board of directors no. 6/2015 on 13<sup>th</sup> November 2015, the meeting approved the acquisition of the Targets by the Company and its subsidiaries from Colas, a major shareholder as of 1<sup>st</sup> December 2015, the latest book closing date, and considered as a connected person of the Company in which Apple Wealth Securities PCL. is the Independent Financial Advisor to provide opinions on the acquisition of the Targets at US\$ 61.80 million, which can be summarized as follows:

Target	Percentage of shares purchased	Country	Value of common shares (\$US million)	Amount of loan (\$US million)
<b>Asphalt business</b>				
- Raycol Asphalt Co., Ltd	38%	Thailand	7.00	-
- PT Asphalt Bangun Sarana ("ABS") and subsidiaries	100%	Indonesia	9.50	-
- Highway Resources Pte Ltd. ("HR") / (including Asphalt Distribution Co., Ltd. ("ADCo") which is a subsidiary)	100%	Singapore / Vietnam	20.00	-
<b>Vessel business</b>				
- Reta Link Pte Ltd. ("RTL")	100%	Singapore	0.80	4.50
- AD Shipping Pte Ltd. ("ADS")	100%	Singapore	12.00	8.00
		<b>Total value</b>	<b>49.30</b>	<b>12.50</b>

The Company asked the shareholders for consideration and approval to allow the Company and/or its subsidiaries to purchase common shares of the Targets from Colas, where the Company will determine the acquiring entity as the Company deems appropriate later on. The notice of the extraordinary general meeting of shareholders states that the acquiring entities are the Company and its subsidiaries. However, the Company asked the shareholders for approval to allow the Company and/or its subsidiaries to acquire common shares of





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the Targets, which does not affect the entry into the Transaction in any way and will not be inconsistent with approval from the board of directors and the audit committee, or the opinion of the independent financial advisor.

The Managing Director reported to the meeting that the entry into the Transaction with Colas, a connected person, is considered acquisition of assets as prescribed in the Notification of the Capital Market Supervision Board No. TorChor 20/2551 re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Securities Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Company Concerning the Acquisition and Disposition of Assets, 2004 ("Notification of Acquisition and Disposal of Assets"). The Company has to calculate transaction size based on the by Notification of Acquisition and Disposal of Assets rules. The transaction size based on total value of consideration paid method, which yields the highest value among four methods, is 13.61% (less than 15%). The Company is not required to disclose further information under the Notification of Acquisition and Disposal of Assets rules.

However, the Transaction is deemed to be a purchase or acquisition of the business of other companies pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 which requires to be approved by the Company's shareholders' meeting. In addition, the Transaction is considered as connected party transactions, as prescribed in the Notification of the Capital Market Supervisory Board No. TorChor 21/2551 re: Related Parties Transaction and the Notification of the Board of Governors of the Securities Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions 2003 ("Notification of Connected Transactions"). According to the calculation, the size of the Transaction with Colas equals to US\$ 61.80 million or equivalent to Baht 2,214.83 million or 23.86 of net tangible assets percent according to consolidated financial statements as of 30th September 2015, which is more than Baht 20 million and more than 3% of the net tangible assets of The Company and its subsidiaries. Therefore, The Company has prepared an Information Memorandum disclosing details relating to the Transaction to the Stock Exchange of Thailand ("SET"), and obtain shareholders' approval with a vote at least three-fourths of the total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders' equity. In addition, the Company has appointed Apple Wealth Securities Plc. as the Independent Financial Advisor ("IFA") to provide opinions in connection with the Transaction. The Managing Director informed the meeting that required information has been provided in Enclosure 2 of the notice to this meeting. In addition, the Company has appointed the following advisors in connection with the Transaction:



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Independent Financial Advisor	Apple Wealth Securities Plc.
Financial Advisor	Tisco Securities Plc.
Legal consultant and legal due diligence	Weerapong C&P
Appraisal of assets of Raycol Asphalt Co., Ltd.	American Appraisal Co., Ltd.
Appraisal of assets of the Targets in Vietnam and Indonesia	Thai Property Appraisal Lynn Phillips Co., Ltd.
Appraisal of Singapore-flagged vessels	Clarksons Valuations Limited
Advisor on valuation and tax and financial due diligence	PricewaterhouseCoopers

The Managing Director informed the meeting that the Company sent the "Notice to EGM" to this meeting on 21 December 2015, which complies with the requirements of the Stock Exchange of Thailand, and the Company also discloses required information, Information Memorandum, in Enclosure 2 and the opinion of the Independent Financial Advisor in Enclosure 3.

The Managing Director explained to the meeting the international sale is a major driver for the growth of the Company, which accounts for approximately 80% of the Company's total sales volume, and the compound annual growth rate (CAGR) of the international sale is at 44%, while the domestic sale grows at 4% from 2011 to 2014. In addition, the Company views that the International market with high growth potential is Asia Pacific continent. The Company has been exporting into Indonesia and Vietnam, but the Company does not have any physical presences in these two countries. Vietnam and Indonesia markets are expected to have significant investments in infrastructure and roads. Even though Indonesia and Vietnam are big markets, the Company's market share in 2014 is 10% in Vietnam and 19% in Indonesia, respectively. Therefore, business expansion into Vietnam and Indonesia is necessary for the Company to achieve the mission for 2020, and the acquisition of the Targets will also provide 2 additional vessels for the Company. The acquisition of business from Colas will allow the Company to immediately expand its business in the rapidly growing markets. The Managing Director explained the details of the Targets to the meeting as follows:

Country	Company	Business
Singapore	ADS	It owns a vessel with the carrying capacity of 3,690 tons
	RTL	It owns a vessel with the carrying capacity of 1,713 tons
Vietnam	HR (ADCo)	<ul style="list-style-type: none"> <li>It is the second biggest player, with the market share of 22%</li> <li>Total sale for 2015 is estimated to be 200,000 tons.</li> <li>It has strong and comprehensive distribution network.</li> <li>It owns a fleet of 70 trucks.</li> <li>It has 4 warehouses, 3 PMA plant and 3 asphalt emulsion plants.</li> </ul>
Indonesia	ABS	<ul style="list-style-type: none"> <li>Total sale for 2015 is estimated to be 90,000 tons.</li> <li>It owns a fleet of 50 trucks.</li> <li>It has 6 warehouses, 1 PMA plant and 3 asphalt emulsion plants.</li> </ul>
Thailand	Raycol (38%)	Producer and distributor of asphalt products



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After the acquisition, the Company will have a complete value chain of business in Indonesia and Vietnam from upstream to downstream, whereby the Company will enter the retail business in both countries. In addition, the Company's market share in Vietnam is estimated to increase from 9% to 31%, which is highest in Vietnam. In Indonesia, the Company's market share is estimated to increase from 8% to 34%, which is highest in Indonesia. The acquisition of business in Indonesia and Vietnam will result in an additional sales volume of 290,000 tons for the Company. In this regard, the Company's refinery still have 10 – 20% capacity remaining and should be able to produce asphalt products for sales in Vietnam and Indonesia without affecting the Company's existing supply chain. In addition, the acquisition will increase the Company's fleet of vessels as follows:

At present	After acquisition
Number of vessel: 7	Number of vessel: 9
Carrying capacity: 26,307 tons	Carrying capacity: 31,710 tons
Average age: 12.7 years	Average age: 12.0 years

Moreover, after the acquisition, the Company will have plants and warehouses as follows:

	At present	After acquisition
Refinery	1	1
Emulsion plants	14	20
PMA plants	16	20
Warehouses	7	17
Trucks	273	393
Vessels	7	9
Employees	1,072	1,448

The Managing Director reported to the meeting the purchase price of the Targets is justified according to key ratios as follows:

	Purchase price (US\$ million)	Purchase price to 2015 book value	Purchase price to 2015 profit	2558 EV/EBITDA
ADS	12.00	1.15x	9.51x	8.83x
Reta Link	0.80	0.67x	1.57x	5.63x
HR	20.00	1.65x	2.91x	2.76x
ABS	9.50	1.06x	6.87x	5.56x
Raycol	7.00	3.12x	7.00x	4.92x
Total	49.30	1.41x	5.55x	3.91x

The Managing Director also reported to the meeting about the source of funds for the acquisition that the Company's cash flow should be sufficient for the acquisition according to strong EBITDA. In the event of



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financing, the Company has no problem since current D/E ratio is below 1 and unused bank credit facilities are in abundance.

In summary, Acquisition of Targets will immediately increase the Company's sales volume by 15% (roughly 290,000 tons) and the Company will be able to fully utilize the production capacity of the refinery to serve incremental sales volume. After acquisition, the Company will become one of the leading players in Indonesia and Vietnam. In addition, the Company will utilize its expertise on special products in Thailand to introduce special products into Indonesia and Vietnam, the profit margin for the Company and the Targets will be higher. Finally, the Company will be able to reduce conflict of interest with Colas.

The Managing Director asked the Independent Financial Advisor to report its opinion on the Transaction to the meeting. The representative of the Independent Financial Advisor reported to the meeting the benefits and weaknesses of the Company's entering into the Transaction, comparing to the Company's not entering into the Transaction, as well as the valuation methods in comparison to the purchase price. The Independent Financial Advisor's conclusion is that the benefits of the Transaction outweighs the weaknesses and the purchase price for the Transaction is at a reasonable level. Therefore, the Independent Financial Advisor is of an opinion that the shareholders should approve the Transaction.

The Chairman reported to the meeting that the board of directors at the meeting no. 6/2015 determined that the acquisition is in line with the Company's mission and vision for 2020, and this acquisition will immediately increase the sales volume and market share in Vietnam and Indonesia for the Company's group, and will also increase the logistic capability and competitiveness of the Company's group. Moreover, the Company receives cooperation from Colas on the due diligence of the business to be acquired, the purchase price is within a reasonable range, and the rate of return is satisfactory. Therefore, after consideration of the benefits from the acquisition, the board of directors unanimously resolved to approve the acquisition of the Targets by the Company and/or its subsidiaries from Colas which shall be proposed to the EGM no. 1/2016 for approval.

The Chairman then invited questions from the shareholders in relation to this agenda.

Mr. Anuwong Sarakij, a shareholder, asked the Company about the source of financing for the acquisition of business. The Chief Executive Officer responded that the Company planned to use internal funding from its operation from 2015, which is expected to be 5 – 6 billion Baht and should be sufficient for this transaction. However, if necessary, the Company may make a short-term borrowing with the maturity between 1 – 2 months. This depends on the amount of cash at the time of the transaction. The same shareholder asked about the period for the rate of return, because the profit margin of the asphalt business is small. The Chief Executive Officer responded that the rate of return depends on the volume of asphalt products that the Company can produce for sale in Vietnam and Indonesia and expects to achieve an IRR of approximately 23%. This investment should not negatively affect the Company's current financial position. The same shareholder asked why Colas decided to sell the Targets to the Company, when the other asphalt manufacturers that the Company approached refused to sell their businesses. The Chief Executive Officer responded that although Colas sell the targets, Colas has still held 32% of shares in the Company and is able to implements a policy to make an investment in



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Vietnam and Indonesia through the Company. The Chief Executive Officer asked the Managing Director to further explain to the shareholder. The Managing Director explained that the Company began approaching Colas on the acquisition of the Targets at the beginning of 2015 and, at that time, Colas did not want to sell the Targets to the Company. The Company convinced Colas that Colas is in the retail asphalt distribution and manufacturing business in Vietnam and Indonesia which requires Colas to purchase products from other suppliers. Under the Company business model, the Targets in Vietnam and Indonesia will be able to purchase asphalt products from the Company at a lower price than other suppliers resulting in a higher profit. In addition, Colas acknowledged that the Company has expertise on retail business in a local market which can create additional value. In this regard, Colas will receive cash from the sale of the Targets and will still receive benefits from the Targets after the acquisition, because Colas owns 32% of the shares in the Company. Colas also has a policy that the asphalt business in Asia, except for Australia, will be conducted solely through the Company. The same shareholder asked whether Colas will incorporate a new company in this region to compete with the Company. The Chief Executive Officer responded that the sale and purchase agreement provides for a prohibition on competition, so Colas will not be competing with the Company. The same shareholder asked whether Colas plans to increase its share ownership in the Company. The Chief Executive Officer responded that the Company is not able to speak for Colas on this issue. However, Colas holds 32% of the shares, while the Company's limit on foreign ownership is 39% and current foreign shareholders proportion hits that limit. Therefore, Colas may not be able to increase its ownership. The same shareholder asked whether the Company is confident to do well in the petroleum business and whether Colas has any expectation on the Company. The Chief Executive Officer responded that Colas's main business is road construction, so Colas may not want the Company to enter into any business other than the asphalt business. However, from the Company's perspective, the Company has a refinery, and the by-products are diesel, naphtha and fuel oil, which can be sold, further processed or mixed with other type of oil, in order to produce products with higher values. Therefore, the Company's strategy to sell petroleum products does not mean that the Company will sell diesel or benzene in the retail market, but the Company will sell products that it is familiar with and those products come from the Company's own refinery. The same shareholder asked about the risk from foreign currency exchange, because the Company will make an offshore investment. The Chief Executive Officer responded that the Company is aware that Colas risk management and internal control are sound and conservative, because it practices and imposes similar credit and provision policies similar to those of the Company. In any event, the Company views that the risk of foreign currency exchange from Vietnamese or Indonesian currency into US Dollar is the most significant risk on this investment, but the Company will employ strategies and financial products to mitigate this risk as much as possible. The same shareholder asked whether this acquisition will affect the Company's business with government sectors in Vietnam and Indonesia, because the Company will become the market leader after the acquisition. The Chief Executive Officer responded that the Company has good relationship with other asphalt suppliers in these two countries, because the Company currently sells asphalt products to those suppliers. Moreover, the Company has already explained to these suppliers that the Company does not plan to compete with them, but would like to work with them to expand the market. The same shareholder asked whether there will be any issue for the repatriation of business profits from those countries to Thailand. The Chief Executive Officer responded that, at this moment, the Company does not foresee any issues with the repatriation of business profits into Thailand, because the Company understands that Colas has profits in these two countries and sends profits back to France.



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Mr. Niphan Jitworawanij, a shareholder, asked about the global production capacity and the global demand for asphalt products in the next 3 – 5 years, as well as the impact on the Company's profits from the crude price if the crude is at US\$80 per barrel or US\$20 per barrel. The Managing Director responded that the global demand for asphalt products was at 95.5 million tons in 2012 and is expected to be 121 million tons in 2017, and the demand growth mainly concentrates in Asia Pacific region. Therefore, the Company has decided that it should make investments in Asian countries. For the global production capacity, the Company understands that refineries in many countries in Europe, American and Asia produce less asphalt and focus on producing products with higher value, but the Company does not have any information on the global production capacity. The Managing Director responded that the Company is confident that the Company's market will grow at 5 – 15% per year. Therefore, the market in Asia Pacific still has high demand and continues to grow. With respect to the impact from crude price, the Managing Director explained that the crude price is not the only factor that affects the Company's profits. Although, the crude price is the main cost for the Company, the Company has purchased and was able to make profit when crude was at US\$110 per barrel in the past. This depends also on the price of asphalt products at that time. When the cost is higher, the price of asphalt products is also higher. Nonetheless, the price of asphalt products does not decline at the same rate as the decline in the crude price, because the demand for asphalt products in this region is still strong. As a result, the Company has high profit margin. In any event, the main factor is the demand for asphalt products in this region.

Mr. Hungchai Akkhawasakun, a proxy from the Thai Shareholders Club, asked whether Apple Wealth Securities PCL included the value of goodwill in its valuation of assets, who held the remaining 21% of the remaining shares in Raycol Asphalt Co., Ltd., whether the investment in cash will affect the Company's profitability, and whether Colas has any other interest other than its 32% ownership in the Company. The Chief Executive Officer asked the representative of the Independent Financial Advisor to respond to the first and last questions. The representative of the Independent Financial Advisor explained that the valuation does not include the value of goodwill and the information on share ownership of Raycol Asphalt Co., Ltd. is included in Enclosure 3. The Managing Director explained that the Company owns 41% of the shares in Raycol Asphalt Co., Ltd before the acquisition, Asiacol Co., Ltd owns 20% and Mrs. Riem Supsakorn owns 1%. The Chief Executive Officer explained about the Company's position on dividend that the Company will have cash from its 2015 operation of approximately 5 – 6 billion Baht. The Company plans to use one-third of cash to acquire the Targets in Vietnam and Indonesia. The Company used some of the cash to make interim dividends twice last year, and the Company will use some of the cash to upgrade or improve the refinery in Malaysia. The Company plans to use the remaining cash to repay short-term loans also. The amount of long-term loans is minimal. However, the Company views that the asphalt business is subject to significant fluctuation, so the Company tries to reduce debts as much as possible. Nonetheless, the Company always has dividend distribution to shareholders as a priority. If the Company does well during the first nine months in 2016, the Company will still pay dividends, but the Company cannot disclose the amount and the time of payment at this point.

The shareholder asked the Managing Director when the Company can record the operation of the Targets in the Company's financial statements. The Managing Director responded that the realization of the Targets' operation depends on the time of the closing of the acquisition. If the shareholders approved the Transaction today, the Company expects to be able to record the Targets' operation in the Company's financial statements in February.



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The same shareholder asked about the markets in Vietnam and Indonesia and whether the Targets have any backlog. The Managing Director responded that the markets in Vietnam and Indonesia have higher demand for asphalt products. Last year, the Company's sales volume in Indonesia exceeds the volume in China for the first time, and the demand for asphalt products in these two countries continue to grow. With respect to backlog, the Company would like to explain that the seasonality for the demand of asphalt products in each of these two countries is different from each other. That is, there will be a high demand for asphalt products in Indonesia during the last 7 months of the year. However, the demand for asphalt products in Vietnam mainly relies on the government's budget. In any event, the Targets in these two countries currently do not have any backlog, but the Company understands the trend and the timing for the demand of asphalt products in these two countries. The same shareholder asked whether the demand in Indonesia will slow down because Indonesia will host the 2018 Asian Game and heard that the Vietnamese government is interested in infrastructure investment but does not have sufficient funding and whether the lack of funding will affect the Company's business. The Managing Director responded that the Company does not foresee a slowdown in the demand in Indonesia and the Company has not heard about the lack of funding for infrastructure investment by the Vietnamese government. Nonetheless, the Company views this as good news, because it shows that the demand for asphalt products in these countries are still strong.

Mr. Sakchai Sakulsrimontri, a proxy, asked about the accounting treatment of this acquisition, when the transaction will be recorded on the financial statements and whether it will be positive. The Chief Executive Officer responded that, after the acquisition, the Company will own 100% of the shares in the Targets, so the Company will records and consolidate 100% of the operation, including the sales volume and profits, and this will be positive. The same proxy asked whether the Targets have already distributed dividends. The Chief Executive Officer responded that the Targets have not made a dividend payment, and the purchase price to be paid to Colas includes the Targets' retained earnings. The same proxy asked whether the Company plans to bring the Targets' profits back to Thailand, if the Targets are profitable. The Chief Executive Officer responded that the Company plans to repatriate profits into Thailand, and the Company has already considered this matter. The same proxy asked why the financial statements do not show dividend income. The Chief Executive Officer responded that the financial statements that the proxy referred to are the consolidated financial statements, but the Company's stand-alone financial statements show dividend income from its subsidiaries. The same proxy asked about the number of vessels that the Company owns. The Managing Director responded that the two Targets in Singapore own 2 vessels, one company per vessel. The same proxy asked whether the Company has any loans in US Dollar and in what amount. The Chief Executive Officer responded that the refinery in Malaysia borrowed funds in US Dollar, and the Company borrowed funds in US Dollar to purchase vessels, but those loans have not been fully repaid yet. In any event, the Company has revenue in US Dollar, so there should not be significant impact from the appreciation or depreciation of Thai Baht. The same proxy asked why the Company's financial statements show a significant amount of FX gain. The Chief Executive Officer responded that the Company enters into a number of hedging transactions. In this regard, the Company purchases crude in US Dollar, so when the Company borrows funds in US Dollar and the Thai Baht strengthens, the Company has FX gain on the financial statements. The same proxy asked whether the repatriation into Thailand is made in US Dollar or Thai Baht. The Chief Executive Officer responded that the Company repatriate funds in US Dollar. The same proxy asked why Colas has decided to sell the Targets, even though the Targets perform well. The



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Managing Director responded that Colas has several businesses in this region. The Company tried to persuade Colas to sell the Targets at the beginning of 2015, by explaining to Colas that if Colas sells the Targets in Vietnam and Indonesia to the Company, the Company would be able to create synergy for the entire group. That is, after the acquisition, the Company will have an additional sales volume of 290,000 tons from the Targets. Instead of Colas purchasing asphalt products from other supplier at the market price, the Targets could purchase asphalt products from Company at a much lower price, which can be sold with a higher profit which reflects the difference between the market price and the Company's cost for asphalt products. Colas understands the synergy, which Colas will realize the benefits indirectly from its 32% ownership in the Company. In addition, Colas is confident in the Company's expertise on the local markets and ability to create additional value.

Mrs. Waraporn Theerasaran, a shareholder, asked about the foreign currency exchange whether strong or weak Thai Baht would be more beneficial to the Company, and whether the Company has a policy to address FX fluctuation. The Chief Executive Officer responded that majority of the Company's revenue is in US Dollar. The revenue that is not in US Dollar is derived from domestic sale. However, the Company purchases asphalt from refineries in Thailand in Thai Baht for the domestic sale. Therefore, the Company's FX position is neutral. That is, when the Company has a debt in US Dollar, the Company will have revenue in US Dollar and the difference is the profit. As such, in the past, the fluctuation in foreign currency exchange does not have much impact on the Company's financial position. Also, it should be noted that gain or loss from foreign currency exchange does not exceed 100 million Baht. The Managing Director explained further that the impact from FX is limited, because the Company purchases asphalt for domestic in Thai Baht and sales in Thai Baht, and purchase asphalt for international in US Dollar and sales in US Dollar. In other words, it is natural hedge. The Chief Executive Officer added that the movement of foreign exchange rate between Thai Baht and US Dollar does not have much impact on the Company's business operation.

Mr. Supoj Prasobtham, a shareholder, asked whether Colas is the company that, as the Chairman referred to, were founded over 100 years ago and whether Colas is the company that the Company will work together to enter the international arena. The Managing Director responded that Colas is a company engaged in the business of road construction and asphalt products, which has significantly more experience than the Company. That is, the Company only has 52 types of asphalt products, while Colas has over 200 types of asphalt products. Therefore, the Company is able to leverage from Colas's experience and availability of various asphalt products, to make proposal to government agencies in Thailand, Vietnam or Indonesia. This is beneficial to the Company, because the Company does not have to conduct research and develop new products on its own. Therefore, the Company believes that the collaboration between the Company and Colas will continue to create synergy. Moreover, all new types of asphalt products in Thailand are the products that the Company introduces to the Thai government agencies. The Chairman stated that, in conclusion, the Company will still continue to work together with Colas.

There was no other shareholder asking question or making an enquiry. The Chairman therefore asked the shareholders to vote and the officers would collect the ballots from shareholders voting "Disapproved" and "Abstained" respectively.





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The Chairman then informed the meeting that the votes required for passing a resolution under this agenda were votes of not less than three quarters of the total number of the votes of the shareholders who are attending the meeting by proxy or physical presence and entitled to vote, excluding connected persons and/or shareholders with interests Connected persons and/or interested shareholders, which are Colas, holding 490,731,040 shares and Mr. Jacques Pastor, holding 800,000 shares.

The Managing Director informed the meeting that there were 26 additional shareholders attending the meeting at the time of this agenda, holding altogether 843,588 shares, and therefore the total number of attended shareholders was 491 persons, holding altogether 1,129,212,919 shares. After collecting the voting ballots cast and checking the votes, the result was that:

**RESOLUTION:** The meeting by votes of not less than three-fourths of the total number of the votes of the shareholders attending the meeting and entitled to vote resolved that the proposed acquisition by the Company and/or its subsidiary for ordinary shares in the Targets from Colas, a connected person, as proposed by the Chairman be approved as proposed by the Chairman as per the following voting details:

- 487 Shareholders voted "Approved" under this agenda, held altogether 632,962,471 shares, representing 99.8082% of the total number of shares attending this meeting and entitled to vote;
- No Shareholders voted "Disapproved" under this agenda, representing 0.00% of the total number of shares attending this meeting and entitled to vote; and
- 5 shareholder voted "Abstained" under this agenda, held altogether 1,216,000 shares, representing 0.1918% of the total number of shares attending this meeting and entitled to vote.

### Agenda 4      Other matters, if any

The Chairman asked whether any shareholder has a question or wish to enquire anything in this meeting. There were neither other matters additionally proposed nor further questions raised by the shareholders.

The Chairman, therefore, thanked the attending shareholders and declared that the meeting be adjourned.



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The meeting was adjourned at 12.30 hours.

Chairman of the Meeting

(Ms. Laksana Supsakorn)

Recorded by:

(Mr. Parama Saovabha)