



No. 10000/047/2023

6 June 2023

Subject Entering into the Asset and Tank & Terminal Management Contract for the Tank & Terminal Project in Phetchaburi Province

Attention Director and Manager
Stock Exchange of Thailand

Attachment Information Memorandum on Entering into the Asset and Tank & Terminal Management Contract between Asia Link Terminal Company Limited and Bangkok Fuel Pipeline and Logistics Company Limited which is considered as a connected transaction

As BCPG Public Company Limited (the “**Company**”) has notified the Stock Exchange of Thailand on 3 January 2023 with respect to the acquisition of all shares in Asia Link Terminal Company Limited (“**ALT**”) for an investment in oil terminal and seaport for the oil transport business in Phetchaburi Province, the Company would like to inform that the Company and the Seller, Pan Asia Storage & Terminal Company Limited, have completed all the conditions required under the Share Purchase Agreement (“**SPA**”) for closing and the Company completed the acquisition of all of ALT’s shares on 31 May 2023.

Consequently, the Company intends for ALT to enter into the appointment of Bangkok Fuel Pipeline and Logistics Company Limited (“**BFPL**”) as the Asset and Tank & Terminal Management Contract including operating the seaport and pipeline of ALT in Phetchaburi Province. BFPL is a subsidiary of Bangchak Corporation Public Company Limited (“**BCP**”). The transaction size is 410 million baht no more than 6 years in total of the contract life (starting 1 June 2023 to 31 May 2029). This transaction has been approved at the Board of Directors’ Meeting of the Company No.6/2023 dated 22 May 2023.

ALT and BFPL are connected persons where BCP is the major shareholder of both companies. BCP indirectly owns 57.18% in ALT via BCPG and directly owns 100% in BFPL. Hence, this transaction is considered a connected transaction under the category relating to assets or services and is 1.41% in transaction size under the criteria of Net Tangible Asset (“**NTA**”) (calculated based on financial statements as at the end of quarter 1 of 2023).

Since the transaction size is more than 0.03% but less than 3% of the Company's NTA, the Company must disclose information on such transaction to the Stock Exchange of Thailand along with the attachment herein.

Please be informed accordingly.

Sincerely,

- Signed-

(Mr. Niwat Adirek)

Chief Executive Officer and President

Office of CEO

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Information Memorandum on Entering into the Asset and Tank & Terminal Management Contract between Asia Link Terminal Company Limited and Bangkok Fuel Pipeline and Logistics Company Limited which is considered as a connected transaction

1. Date of Transaction 6 June 2023

2. Parties
 - Service Receiver Asia Link Terminal Company Limited (“ALT”) which is a subsidiary of BCPG Public Company Limited (the “Company”)

 - Service Provider Bangkok Fuel Pipeline and Logistics Company Limited (“BFPL”) which is a subsidiary of Bangchak Corporation Public Company Limited (“BCP”)

 - Relationship Connected persons where BCP is the major shareholder of ALT and BFPL

3. General Characteristics
 - Scope of Work ALT appoints BFPL as Asset and Tank & Terminal Management Contract for the Tank & Terminal Project in Phetchaburi Province to operate the assets including tank, terminal and pipeline

BFPL will manage all assets and operates the daily business operations with the following Scope of Work
 - Asset management of tank and terminal including oil storage, offload and transport and must meet the law and industrial standard
 - Maintenance activities and must meet industrial standard
 - Procurement of equipment and supplies
 - Marketing activities, being key contact with customer and preparing service agreement

- Internal administrative management such as permits, taxes, reporting, preparing supporting documents for accounting and CSR and PR activities support

Service Fee

Service Fee composes of two components which are

1. Monthly service fee of 4.3 million baht per month and escalated yearly based on Consumer Price Index (“CPI”)
2. In case a customer of ALT transports oil via truck, BFPL will receive 30% of the trucking revenue that ALT generates

Contract Term

3 years with right to extend for another 3 years, starting from 1 June 2023 to 31 May 2029 (no more than 6 years in total)

4. Total Compensation

4.1 Total Compensation

Total 410 million baht (calculated based on 6-year term)

- Monthly service fee for the entire contract term of 323 million baht (assuming CPI’s growth at 1.7% per year based on historical CPI growth rate)
- 30% of ALT’s total trucking revenue for the entire contract term of 87 million baht (assuming trucking revenue based on the customers’ highest possible trucking volume)

This transaction is relating to assets or services and is 1.41% in transaction size under the criteria of Net Tangible Asset (“NTA”) (calculated based on financial statements as at the end of quarter 1 of 2023)

4.2 Pricing Criteria

The service fee is priced by cost-plus, which is calculated from BFPL operating costs of servicing ALT under the agreement including staff costs, plus margin. Nevertheless, the Company compared BFPL’s service fee with other

service companies in oil industries and found that BFPL's service fee is in line with the market and appropriate

- 4.3 Payment Monthly payment upon invoice placed
5. Source of Payment ALT will use internal working capital generated from tank and terminal service revenues
6. Connected Person and Characteristics of Interests
- BFPL is a subsidiary to BCP who owns 100% shares in BFPL
 - ALT is a subsidiary to the Company who owns 100% shares in ALT and the Company is a subsidiary of BCP who owns 57.18% (BCPG Shareholder's detail as of 7 March 2023). Furthermore, BCP nominates two directors in the Company's board of directors, namely
 1. Pichai Chunchavajira Chairperson
 2. Chaiwat Kovavisarach Vice Chairperson
- In the Audit Committee's Meeting of the Company No.6/2023 dated 22 May 2023 (composing of independent directors who have no interest in entering into the transaction), a resolution to appoint BFPL per the above Scope of Work and Service Fee was passed. Afterwards, in the Board of Directors' Meeting of the Company No.6/2023 dated 22 May 2023, a resolution to appoint BFPL was likewise approved where the aforementioned directors who have interest were not present
7. Benefits to the Company BFPL is experienced and has expertise in managing tank and oil logistics via pipeline. Therefore, the Company believes that BFPL will effectively and efficiently manage the assets up to the international standard. Currently BFPL operates oil tank, terminal and pipeline which connects tank farm in Bang Pa-in, BCP's refinery and tank farm at Suvarnhabumi airport and Donmuang Airport

8. Opinions of the Company's
Board of Directors / Audit
Committee

The Board of Directors and Audit Committee have resolved to approve the engagement of BFPL by ALT to be the Asset and Tank & Terminal Manager which is of appropriate pricing and conditions