

**Information Memorandum on the Connected Transaction
of
Tipco Asphalt Public Company Limited (the “Company”)**

1. Transaction Date

The Company anticipates that the Share Purchase Agreement (SPA) will be entered into with the Seller by the second quarter of 2016.

2. The Related Parties

The Company and Asphalt Distribution Co., Ltd. (“ADCo”), a subsidiary in which the Company holds 100% percent of the shares, intend to acquire the business of two companies which engage in asphalt related businesses, Colas Vietnam Co., Ltd. (“CVN”) and Raycol Asphalt Co., Ltd. (“Raycol”) (collectively referred to as the “Targets”), from the connected persons, which are Colas SA (“Colas”), Mrs. Riem Supsakorn and Asiacol Co., Ltd. (“Asiacol”) (collectively referred to as the “Sellers”). The details are as follows:

2.1 Colas Vietnam Co., Ltd. (“CVN”)

The acquisition of CVN which is a Single Member Limited Liability Company established under the laws of Vietnam

According to Vietnamese law, an equity contribution in a Single Member Limited Liability Company will be in the form of chartered capital, without a number of shares and par value. In this acquisition, the Company will acquire CVN at the proportion of 100.00 percent of the chartered capital, with the details as follows:

Acquirer : Asphalt Distribution Co., Ltd. (a subsidiary of the Company)

Seller : Colas SA (“Colas”), a connected person of the Company

2.2 Raycol Asphalt Co., Ltd. (“Raycol”)

The acquisition of Raycol which is a subsidiary in which the Company holds 79.44 percent of its total shares

In this acquisition, the Company will acquire 20.56 percent of Raycol’s total shares, with the details as follows:

Acquirer : Tipco Asphalt Public Company Limited

(Translation)

- Seller : 1) 61,998 shares of Raycol, representing 0.56 percent of Raycol's total shares from Mrs. Riem Supsakorn, a connected person of the Company
- 2) 2,200,000 shares of Raycol, representing 20.00 percent of Raycol's total shares from Asiacol Co., Ltd., a connected person of the Company

3. Details of the Related Party and Their Relationship with the Company

3.1 Colas SA

Colas is a major shareholder of the Company. According to the information as at 4 March 2016 which is the latest closing date of the Company, Colas holds 490,731,040 shares of the Company, equivalent to 31.80 percent of the total shares with voting rights. In this regard, Colas proposes that the Company appoints: 1) Mr. Herve Le Bouc, 2) Mr. Jacques Leost, 3) Mr. Jacques Pastor, and 4) Mr. Jacques Marechal, as the directors of the Company.

3.2 Mrs. Riem Supsakorn

Mrs. Riem Supsakorn is the mother of Ms. Laksana Supsakorn and Mr. Sitilarb Supsakorn, directors of the Company. Mrs. Riem Supsakorn is also the mother in-law of Mr. Somchit Serthin, a director of the Company. In addition, as of 4 March 2016, Mrs. Riem Supsakorn holds 3,731,120 shares, representing 0.24 percent of the total voting rights of the Company.

3.3 Asiacol Co., Ltd.

Mrs. Riem Supsakorn and Colas are major shareholders of Asiacol, holding 64.00 percent and 36.00 percent of Raycol, respectively.

4. General Characteristics of the Transaction

4.1 Overview of the Transaction

The Company and its subsidiary intend to acquire the Targets from the Sellers, connected persons of the Company. The details are as follows:

The Targets	Percentage to Acquire	Total Value of the Transaction	Business
Colas Vietnam Co., Ltd. ("CVN")	100.00	▪ Value of chartered capital of USD 1.00 mm (approximately THB 35.36 mm).	CVN is a manufacturer and seller of asphalt emulsion in Ho Chi Minh City and Hai Phong, Vietnam.

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Raycol Asphalt Co., Ltd. (“Raycol”)	20.56	▪ Value of shares of USD 3.77 mm (approximately THB 133.27 mm).	Raycol is a manufacturer and seller of asphalt, emulsion and petroleum-related products. Raycol has a manufacturing plant in Rayong province.
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The entering into of such transaction is an asset acquisition transaction in both domestic and international markets, whose local currency is different according to the country of operation. In this information memorandum, the Company has converted local currency into THB and USD by using the exchange rate from Bloomberg as of 4 March 2016, as follows:

Currency	THB	USD	VND
THB 1.00		0.0283	630.444
USD1.00	35.360		22,292.500

The total value of the acquisition is USD 4.77 mm (approximately THB 168.63 mm).

4.2 Category of Connected Transaction

Asset acquisition transaction and connected transaction relating to assets or service.

4.3 Nature of Business of the Targets

The details of the Targets are as follows:

1) Colas Vietnam Co., Ltd. (“CVN”)

1.1) General Information

Address : No. 360, Hanoi Highway, Phuoc Long A Ward, District 9, Ho Chi Minh City

Business Operation : CVN is a manufacturer and seller of asphalt emulsion in Ho Chi Minh City and Hai Phong, Vietnam

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1.2) Chartered Capital Structure

As of 31 December 2015, CVN's chartered capital is VND 14,023.61 mm (approximately USD 0.63 mm). The details of the chartered capital as of 31 December 2015 are as follows:

No.	Name	%
1.	Colas SA	100.00
	Total	100.00

1.3) Summary of Financial Position and Performance

(Unit: USD mm)

Company Only	As of 31 December		
	2013	2014	2015
Total assets	0.97	1.02	1.03
Total liabilities	0.25	0.24	0.17
Total shareholder Equity	0.72	0.78	0.86
Total Revenue	2.46	3.00	2.19
Costs	2.14	2.57	1.73
Net Profit	0.04	0.07	0.07

2) Raycol Asphalt Co., Ltd. ("Raycol")

2.1) General Information

Address : 118/1 Rama VI Rd. Sam Sen Nai, Phaya Thai, Bangkok

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Business : Raycol is a manufacturer and seller of asphalt, emulsion and
Operation petroleum-related products. Raycol has a manufacturing plant in Rayong province.

2.2) Shareholding Structure

As of 12 January 2016, Raycol's paid-up capital is THB 111.00 mm consisting of 11.10 million shares with a par value per share of THB 10.00. The shareholders of Raycol as of 12 January 2016 are as follows:

No.	Name	Number of shares	%
1.	Tipco Asphalt Public Company Limited	8,818,000	79.44
2.	Asiacol Co., Ltd.	2,220,000	20.00
3.	Mrs. Riem Supsakorn	62,000	0.56
	Total	11,100,000	100.00

2.3) Summary of Financial Position and Performance

(Unit: THB mm)

Company Only	As of 31 December		
	2013	2014	2015
Assets	300.63	282.60	298.19
Liabilities	69.89	66.09	80.84
Shareholder Equity	230.94	216.50	217.35
Total Revenue	1,007.76	1,015.03	983.46
Costs	912.56	945.24	827.39
Net Profit	34.28	24.42	89.64

4.4 Objective of the Transaction

To amalgamate the Asphalt Emulsion business with ADCO, the Company's subsidiary which operates in the Vietnam market and to increase the shareholding in Raycol from 79.44 percent to 100 percent.

5. Total Value and Criteria Used in Determining the Value of the Transaction

Total Value of the Transaction : The total value to be paid as consideration for the Transaction is USD 4.77 mm (approximately THB 168.63 mm), the details of the value of the Targets are as follows:

(Unit: USD mm)

The Targets	Value of the Acquisition	Price to Book Value Multiple at Acquisition, As of 31 December 2015 (times)
1. CVN	1.00	1.16
2. Raycol	3.77	2.99
Total	4.77	2.25

Consideration Method : The Company will pay the consideration directly to the Sellers.

Closing Date : Share acquisition and payment is estimated to occur within the third quarter of 2016.

Criteria Used in Determining the Value of the Transaction : Mutually agreed between the sellers and acquirer based on terms and conditions by both parties. The Company compares the Transaction with book value and equity value by using various approaches such as, market comparable approaches. The Company has considered the agreed value of the Transaction reasonable as it is in

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the range of fair value evaluated by the abovementioned approaches.

6. Transaction Size

The Transaction is considered as the acquisition of assets as prescribed in Notification of the Capital Market Supervisory 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 Companies Concerning the Acquisition and Disposition of Assets, 2004 (“Notification of Acquisition and Disposal of Assets”). In addition, the Transaction is considered as a connected party transaction, as prescribed in 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 Connected Transactions 2003 (“Notification of Connected Transactions”). Details of the calculation of the transaction size are as follows:

6.1 Transaction Size According to the Notification of Acquisition and Disposal of Assets

According to the Notification of Acquisition and Disposal of Assets, transaction size is calculated from the Separate Financial Statements of CVN and Raycol as of 31 December 2015 as follows:

Key Figures from Financial Statements

(Unit: THB mm)

Item	The Company	CVN	Raycol	Total
Acquisition Percentage (%)	-	100.00	20.56	-
Total Assets	16,859.30	36.45	298.19	334.64
<u>Less</u> Intangible Assets	177.83	-	-	-
<u>Less</u> Total Liabilities	6,304.82	6.13	80.84	86.97
<u>Less</u> Non-controlling Interest	235.62	-	-	-
Net Tangible Asset (NTA)	10,141.03	30.32	217.35	247.67

(Translation)

Net Tangible Asset (NTA) at Acquisition Percentage	-	30.32	44.69	75.01
Profit Attributable to Shareholders of Each Company for the Last 12 Months	5,078.76	2.62	89.64	92.26
Profit Attributable to Shareholders of Each Company for the Last 12 Months at Acquisition Percentage	-	2.62	18.43	21.05

According to the Notification of Acquisition and Disposal of Assets, transaction size is calculated from the financial statements of CVN and Raycol as of 31 December 2015 with respect to the four criteria as follows:

Financial Information	Calculation	Total
1. Value of Assets, Acquired Method	$\frac{\text{NTA at Acquisition Percentage}}{\text{NTA of the Company}} = \frac{75.01}{10,141.03}$	0.74%
2. Net Profit Method	$\frac{\text{Profit Attributable to Shareholders at Acquisition Percentage}}{\text{Profit Attributable to Shareholders of the Company}} = \frac{21.05}{5,078.76}$	0.41%
3. Total Value of Consideration, Paid Method	$\frac{\text{Value of Consideration Paid}}{\text{Total Assets of the Company}} = \frac{168.63}{16,859.30}$	1.00%
4. Value of Issued securities	- No new shares issued -	

(Translation)

The maximum value of such asset acquisition transaction calculated based on the total value of consideration basis in accordance with the Notifications on Acquisition or Disposal is equivalent to 1.00 percent which is lower than 15 percent. Accordingly, the Company has no duty to disclose any additional information to the Stock Exchange.

6.2 Transaction Size According to the Notification of Connected Transactions

According to the Notification of Connected Transactions, the value used in the calculation is based on the total consideration paid or a book value or a market price value of the Targets, whichever is higher. The details are as follows

(Unit: THB mm)

Financial Information	Value
1. Total Consideration Paid	168.63
2. Book Value	75.01
3. Market Price Value	- None ^{1/}
The Value Used in Calculating Transaction Size	168.63

Note: Book value from audited financial statements of the Targets at acquisition percentage

^{1/} No market value since the Targets are not listed on the stock exchange

According to the Notification of Connected Transactions, when calculating the transaction size using total consideration paid of THB 168.63 mm, the transaction size is 1.66% of the Company's Net Tangible Assets as of 31 December 2015. The transaction size calculation can be demonstrated below:

$$\text{Connected Transaction Size} = \frac{\text{Total Consideration Paid}}{\text{NTA of the Company}} = \frac{168.63}{10,141.03} = 1.66\%$$

Since the connected transaction value exceeds 0.03% but does not exceed 3% of net tangible asset value of the Company, therefore, the Company has the duty to prepare an Information Memorandum disclosing details relating to the Transaction to the Stock Exchange and obtain approval from its Board of Directors' Meeting.

7. Financial Sources and Adequacy of Capital Flow

The Company will use its cash flow from its operations and/or loans from financial institutions. As such, at the payment date, the Company estimated that the payment will not affect the Company's liquidity and working capital since the Company will have adequate cash flow from its operations.

8. Characteristics and Scope of Interests of Connected Persons

The Sellers will receive the consideration of USD 4.77 mm (approximately THB 168.63) as owner of charter capital or shareholders of the Targets.

9. Directors Who Have Interest and/or are Connected Persons

The nominated directors who represent Colas consist of 1) Mr. Herve Le Bouc, 2) Mr. Jacques Leost, 3) Mr. Jacques Pastor, and 4) Mr. Jacques Marechal. The four directors are considered to have interests in the acquisition of CVN. As such, these directors, who have interest in the connected transaction, did neither attend the meeting nor have the voting right for the agenda to consider the acquisition of CVN.

The nominated directors who represent Colas, a major shareholder, consist of 1) Mr. Herve Le Bouc, 2) Mr. Jacques Leost, 3) Mr. Jacques Pastor, and 4) Mr. Jacques Marechal. In addition, directors who are close relatives of Mrs. Riem Supsakorn consist of 1) Ms. Laksana Supsakorn, 2) Mr. Sitilarb Suspsakorn, and 3) Mr. Somchit Sertthin. The seven directors are considered to have interests in the acquisition of Raycol's shares. As such, these directors, who have interest in the connected transaction did neither attend the meeting nor have the voting right for the agenda to consider the acquisition of Raycol's shares.

10. Opinion of the Board of Directors on the Transaction

Board of Directors Meeting No. 3/2016 of the Company, held on 11 April 2016, considered that the Transaction will benefit the Company and its shareholders in terms of i) Expansion of the asphalt emulsion business for the Company, and ii) Securing asphalt emulsion product sourcing in Vietnam. Moreover, the purchase consideration is reasonable.

11. Opinion of the Audit Committee and/or the Director which is Different from the Board of Directors' Opinion in Clause 10.

The Audit Committee and/or the directors of the Company did not have any different opinions from the Board of Directors.

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The Company hereby certifies that this information memorandum is true and correct in all respects.

Faithfully yours,

(Mr. Chaiwat Srivalwat)

Managing Director