



MILL 005/2012 (Revised)

Enclosure 2

March 26, 2012

Subject : Capital increase report form MillCon Steel Industries PLC. (Revised)
 Attention : The President
 The Stock Exchange of Thailand

Millcon Steel Industries Public Company Limited (“The Company”) Has informed details of summary of capital increase report form (F 53-4) of Millcon Steel Industries Public Company Limited as shown in details (“MILL 005/2012”) the company would like the revised details are as below;

2.1 Details of allotment of ordinary shares

From

Allotted to	Type/Number (shares)	Ratio (Old : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
2.1.1 DEG – DEUTSHE INVESTITIONS – UND ENTWICKLUNGSGESELLSCHAFT MBH (“DEG”) or Specific persons (private placement)	Not exceeding 255,000,000 ordinary shares	N.A.	Not lower than Baht 2.70 Please see Remarks No. 1	Subject to Board of Directors’ decision	Please see Remarks No. 2 and No. 3 below for further details
2.1.2 To support the Warrants issued and offered to the Private Placement (Details appear in the Attachment 1)	Not exceeding 213,000,000 ordinary shares	N.A.	Baht 2.70	Subject to Board of Directors’ decision	Please see Remarks No. 2 below for further details

To

Allotted to	Type/Number (shares)	Ratio (Old : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
2.1.1 DEG – DEUTSHE INVESTITIONS – UND ENTWICKLUNGSGESELLSCHAFT MBH (“DEG”) or Specific persons (private placement)	Not exceeding 255,000,000 ordinary shares	N.A.	Not lower than Baht 2.70 Please see Remarks No. 1	Subject to Board of Directors’ decision	Please see Remarks No. 2 and No. 3 below for further details

Allotted to	Type/Number (shares)	Ratio (Old : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
2.1.2 To support the Warrants issued and offered to the Private Placement (Details appear in the Attachment 1)	Not exceeding 213,000,000 ordinary shares	N.A.	<u>Offering Price THB 0 per unit and Exercise Price THB 2.70</u>	Subject to Board of Directors' decision	Please see Remarks No. 2 below for further details

3. Schedule for shareholders meeting to approve the capital increase and the allocation of shares

From

“The Annual General Meeting of Shareholder No. 1/2011 will be held on April 30, 2011, at 10.00 a.m. at **At the River Room, Lobby Floor, Chatrium Suite Bangkok Hotel 28 Chareonkrung Road, Bangkoklame Bangkok 10120** and arranged to specify the names of the shareholders entitled to attend the Annual General Meeting of Shareholder No. 1/2011 (Record Date) on April 10, 2012, as well as collecting the names of entitled shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by means of share register book closure and suspension of share transfer on April 10, 2012.”

To

“The Annual General Meeting of Shareholder No. 1/2011 will be held on April 30, 2011, at 10.00 a.m. at **At the River Room, Lobby Floor, Chatrium Suite Bangkok Hotel 28 Chareonkrung Road, Bangkoklame Bangkok 10120** and arranged to specify the names of the shareholders entitled to attend the Annual General Meeting of Shareholder No. 1/2011 (Record Date) on April 10, 2012, as well as collecting the names of entitled shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by means of share register book closure and suspension of share transfer on April 11, 2012.”

In details of capital increase report form (F 53-4). Completed version. Details are as below:

(F 53-4)

**Capital Increase Report Form
Millcon Steel Industries Public Company Limited
March 26, 2012**

We, Millcon Steel Industries Public Company Limited (“the Company” or “MILL”), Office 52 Thaniya Plaza Building 29th floor, Silom Road, Suriyawongse, Bangrak, Bangkok 10500, hereby report the resolutions of the Board of Directors Meeting No. 2/2012 held on March 23, 2012, in respect of a capital increase and shares allotment as follows:

1. Capital reduction and capital increase

The meeting of the board of directors passed a resolution approving the increase of a registered capital of the Company from Baht 1,037,058,770 to Baht 1,224,258,770 by means of the issuance of 468,000,000 ordinary shares with a par value of 0.40 baht each, totaling Baht 187,200,000

Capital Increase	Type of Share	No. of Share (Shares)	Par value (Baht / share)	Total (Baht)
<input checked="" type="checkbox"/> specifying the purpose of utilizing proceeds	Ordinary Shares	468,000,000	0.40	187,200,000
<input type="checkbox"/> General Mandate	-	-	-	-

2. Allotment of new shares

The Board of Directors' Meeting passed a resolution approving the allotment of not exceeding 468,000,000 ordinary shares with a par value of Baht 0.40 each; totaling Baht 187,200,000 the details are as follows:

2.1 Details of allotment of ordinary shares

Allotted to	Type/Number (shares)	Ratio (Old : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
2.1.1 DEG - DEUTSHE INVESTITIONS - UND ENTWICKLUNGSGESELLSCHAFT MBH ("DEG") or Specific persons (private placement)	Not exceeding 255,000,000 ordinary shares	N.A.	Not lower than Baht 2.70 Please see Remarks No. 1	Subject to Board of Directors' decision	Please see Remarks No. 2 and No. 3 below for further details
2.1.2 To support the Warrants issued and offered to the Private Placement (Details appear in the Attachment 1)	Not exceeding 213,000,000 ordinary shares	N.A.	Offering Price THB 0 per unit and Exercise Price THB 2.70	Subject to Board of Directors' decision	Please see Remarks No. 2 below for further details

Remarks No. 1

Selling price at not lower than 2.70 baht is the price that is not lower than 90 percent of the market price.

"Market Price" means the weighted average price of the shares of the Company in the Stock Exchange of Thailand for the past fifteen consecutive business days prior to the Board of Directors resolve to propose agenda to the Extraordinary General Meeting of Shareholders no. 01/2011 for approval the Company offering of shares between March 1, 2012 to March 22, 2012, which is equal to 2.50 baht (information from SETSMART in www.setsmart.com of SET).

Remarks No. 2

The Executive Committee, or the Managing Director or persons or a group of persons delegated by the Executive Committee, or the managing director, shall be authorized to consider and determine other details in relation to the shares allocation e.g., (1) each allocation of preferred shares or ordinary shares shall be made at one time or from time to time, offering period, offering price, payment of share price, conditions and other details in connection with the allocation of such preferred shares and ordinary shares, (2) to enter into negotiations, agreements, execution of relevant documents and contracts and take any action in connection with the allocation of such preferred shares and ordinary shares, (3) to file an application for approval or waiver and evidence which is necessary and relevant to the allocation of such preferred shares and ordinary shares, including to contact, submit such application, waiver, document and evidence to governmental authority or relevant authority, register such ordinary shares with the Stock Exchange of Thailand, and shall be authorized to take any other necessary and reasonable action in connection with such allocation of such preferred shares and ordinary shares.

Remarks No.3

DEG information are as follows:

DEG, member of KfW Bankengruppe, is one of the largest European development finance institutions for long-term project and company financing. For more than 45 years, DEG has been financing and structuring the investments of private companies in developing and transition countries. DEG invests in profitable projects that contribute to sustainable development in all sectors of the economy, from agriculture to infrastructure and manufacturing to services.

Shareholder: KfW Bankengruppe, Frankfurt am Main which a sole shareholder with 100 percent shareholding

Supervisory Board

Name	Title
1) Walter Scheel Honorary	Chairman
2) Gudrun Kopp	Chairwoman
3) Dr. Norbert Kloppenburg	First Deputy Chairman
4) Dr. Hans-Jorg Todt	Second Deputy Chairman

Board of Management

Name	Title
1) Bruno Wenn	Chairman
2) Dr. Michael Bornmann	Director
3) Philipp Kreutz	Director

2.2 Action to be taken by the Company when there are fractions of shares

- None -

2.3 Remaining shares not yet allocated

- None -

3. Schedule for shareholders meeting to approve the capital increase and the allocation of shares

The Annual General Meeting of Shareholder No. 1/2011 will be held on April 30, 2011, at 10.00 a.m. at **At the River Room, Lobby Floor, Chatrium Suite Bangkok Hotel 28 Chareonkrung Road, Bangkoklame Bangkok 10120** and arranged to specify the names of the shareholders entitled to attend the Annual General Meeting of Shareholder No. 1/2011 (Record Date) on April 10, 2012, as well as collecting the names of entitled shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by means of share register book closure and suspension of share transfer on April 11, 2012.

4. Approval of the capital increase/share allotment by relevant governmental agency and related conditions

4.1 The Ministry of Commerce: to register the increase of registered capital and paid-up capital.

4.2 The Stock Exchange of Thailand: to request approval for the newly issued ordinary shares to be listed on the Stock Exchange of Thailand.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

To support the exercise of warrant of the Company for the total value not exceeding 575,100,000 baht. The Company will use the money received from exercise warrant and the money received from issuance and sale of ordinary shares by 2.1.1 to invest in shares of the Ocean Profit Company Limited (OP) which is part of the financing plan for OP investing in wire rod plant acquisition project, used for working capital of the Company, repayment of debt and to support the expansion of the Company.

6. Benefits which the company will receive from the capital increase and share allotment:

6.1 Benefits gained from investment in shares of the OP

- The OP will become a subsidiary of the Company. This will result in the Company to fully control the OP and to recognize the outcome of OP in the consolidated financial statements of the Company.
- The Company will be able to acquire the assets of TSSI by the OP. This will increase the production and sale of steel wire. (Forward Integration)
- The OP, which will become a subsidiary of the Company, will purchase the assets of the TSSI (see 6.2). This will give the Company the opportunity to receive a dividend from the OP in the future.

6.2 Benefits from the acquisition of assets from Thai Special Steel Industry Public

Company Limited "TSSI"

- Create opportunities for business expansion and support the operations of the Group. The products of Green Mill Project of the Group such as special quality billets can be used as raw material for the production of special quality steel wires. The Group anticipates that the products will enable the Group to generate higher margin, and to be more variety to serve diversified needs of customers.
- Increase the production capacity of premium quality billets of the Group.
- Enhance the competitiveness of the Group to be the few specialty steel wire manufacturer in Southeast Asia who can produces its own raw material.
- Through improved only slightly, the assets will be ready for operations to produce special quality wire rod. This will be enable the Group to realize the operation outcome more quickly than establishing the new plant.
- This will be the choice of investment that is more appropriate and has lower cost than establishing the new plant.
- Expected cost advantage over than of imported special-grade wire rod. Import substitution, which is 750,000 tons / year in 2010(based on Iron and Steel Institute of Thailand).
- Relieve risks for overall operations of the group of companies as wire rod is normally less exposed to volatility than steel bar. This is a value-added products and broadening the base of the industry markets such as the automotive industry, Industrial machinery, and etc.

7. **Benefits which the shareholders will receive from the capital increase and share allotment:**

7.1 Dividend policy:

The policy of the Company and its subsidiary is pay a total dividend of not less than 40% of our net profit after tax and statutory reserve and various reserves as required by law. However, our board of directors may amend the dividend policy at any time to take into account the financial position and financial performance, capital investment, and any others necessary and appropriate for the operation of the company in the future.

7.2 Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from the year with the purchase of shares for the subscription of new shares and has been listed as shareholders of the Company.

7.3 Other

- None -

8. Schedule of action where the Board of Directors of the Company passes a resolution approving the allocation of new shares

- None -

9. Schedule of action where the Board of Directors of the company passes a resolution approving the capital increase or allotment of new shares:

Procedure	Date/Month/Year
Board of Directors' Meeting No. 2/2012	March 23, 2012
Record Date	April 10, 2012
Collecting names of entitled shareholders under Section 225	April 11, 2012
Annual General Meeting of shareholder no. 1/2012	April 30, 2012
Registration of capital increase with the Ministry of Commerce	Within 14 days from the day of shareholders meeting's resolution

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Please be informed accordingly.

Yours sincerely,

.....
(Mrs. Pirom Sawpayon)
Director