



บริษัท มิลล์คอนสตีลอินดัสทรีส์ จำกัด (มหาชน)

MILLCON STEEL INDUSTRIES PUBLIC COMPANY LIMITED

MILL 017/2013

May 3, 2013

Subject: Inform the share dilution in Million Miles Co.ltd.,

Attention: President of the Stock Exchange of Thailand

Millcon Steel Industries Public Company Limited ("Company") set up "Million Miles co.ltd, to expand a business transportation and logistics by registered company on 1st February, 2010 with share capital THB 5,000,000 at the par value of THB 10

Million Miles co.ltd. increased the company's registered capital in amount of THB 50,000,000. As a result the registered capital from THB 5,000,000 to THB 55,000,000 by issuing newly ordinary shares in amount of 5,000,000 shares at the par value of THB 10. Therefore, the company has the right in investment in these increasing ordinary shares 4,749,970 shares. Nevertheless, from the previous management in Million Miles, the company were not specialized in this skill due to the limited personal resource and time in management. Furthermore, the previous management team of Million Miles before increasing capital consisted of Board of director from the company and subsidiary. As a result, all BOD of Million Miles were resigned for making an opportunity to external experts to participate in this company. In addition to this logistic business required continuous investment, the company made the decision for the right offering in this subsidiary for decreasing the share capital .

Regarding to BOD meeting no.6/2012 on Nov 14th ,2012, the ,BOD approved for the refusal of the right offering in subscribing partial shares and also approved for the right in subscribing partial shares amount shares at amount of 1,340,002 shares at the par value of THB 10. At the result, the Company will hold share of subsidiary from 474,997 shares to 1,814,999 shares or 33 percent of paid up capital after increased capital. The amount of refusal subscribed share is 3,409,968 shares. The other shareholder who subscribe not to be related person with the Company's director and executive.

Then, Million Miles Company Limited increased its capital in the amount of **THB95,000,000**. At the result, register capital of Million Miles Company Limited will be increased from THB55,000,000 to THB150,000,000 by issuing increasing common share amount of 9,500,000 shares at the par value of THB 10 per share. The increasing common share will be allotted to existing shareholder at the holding portion of each existing shareholder with the offering price of THB 10 per share. In this case, the Company has been allotted the increasing common share at amount of 3,134,998 shares. The BOD meeting of the Company no.1/2013 held on 29 January 2013 approved for the refusal of the right of subscribe the whole increasing share of Million Miles Company Limited. At this result, the shareholding in Million Mile Company Limited of the Company will be 12.10 percent of paid up capital after increased capital. The amount of refusal subscribed share is 3,134,998 shares. The other existing shareholder who subscribe not to be related person with the Company's director and executive.

*The Shareholder Structure of Million Miles Co., Ltd*

Shareholders	Shareholding structure (registered capital 5,000,000 baht)	Ratio	Shareholding structure (registered capital 55,000,000 baht)	Ratio	Shareholding structure (registered capital 150,000,000 baht)	Ratio
Millcon Steel Industries PCL.	474,997 shares	95.00%	1,814,999 shares	33.00%	1,814,999 shares	12.10%
Platinum Transportation and Logistic Co., Ltd.	25,000 shares	5.00%	385,000 shares	7.00%	385,000 shares	2.57%
Ms. Suttirat Leeswadtrakul	1 shares	0.00%	1 shares	0.00%	1 shares	0.00%
Mrs. Pirom Sawpayon	1 shares	0.00%	-		-	
Mrs. Nantaphat Tinprateep	1 shares	0.00%	-		-	
Aero Sun Investments Limited			2,695,000 shares	49.00%	7,350,000 shares	49.00%
Mr. Chatchai Panjathanamongkol			605,000 shares	11.00%	5,450,000 shares	36.33%
Total	500,000	100.00%	55,000,000	100.00%	15,000,000 shares	100.00%

Financial Highlight of Million Miles Co., Ltd

	2555	2554
Total assets	330,935,364.00	78,541,153.00
Total liabilities	268,547,445.00	68,876,198.00
Shareholders' equity	62,387,919.00	9,664,955.00
Issue paid up capital	55,000,000.00	5,000,000.00
Retained earnings	7,387,919.00	4,664,955.00
Revenues	191,009,894.00	122,872,886.00
Cost of goods sold	-150,582,614.00	-112,036,158.00
Other revenues	615,657.00	166,302.00
SG&A	29,291,398.00	5,498,173.00
Net Profit	2,722,964.00	2,196,359.00

Calculation of the transection **between Company and Million Miles**

	*30/09/2012	31/12/2011
	Company	Million Miles
Total assets	13,642,808,000	78,541,153
Intangible assets	59,993,000	1,134,519
Total liabilities	10,248,311,000	68,876,198
Minority	3,301,177,000	-
NTA	3,301,177,00	8,530,359
Net profit	91,295,384	2,196,359

***Remark** The company had a 12 month period by fourth quarter 2011 included.



Calculation of the transection of MILL

NTA criterion	$\frac{\% \text{ NTA of Million Miles X 100}}{\text{NTA of the Company}}$	
	$\frac{(83\% \times 8,530,359) \times 100}{3,301,177,000}$	=0.21
Net profit criterion	$\frac{\% \text{ Net profit of Million Miles X 100}}{\text{Net profit of the Company}}$	
	$\frac{(83\% \times 2,196,359) \times 100}{91,295,384}$	=2.00
Total value of award criterion	$\frac{\text{Paid or Received X 100}}{\text{Total assets of the Company}}$	
	$\frac{(6,544,966 \times 10) \times 100}{13,642,808,000}$	=0.48

Furthermore, the company was diluted in Million Miles Co.,Ltd but did not affect the business of company since there was agreement between Million Miles and a company regarding to carriage service agreement and a lease agreement with Millcon Burapa Co.ltd as following details:

Summary of Carriage Service Agreement

- Service Provider Million Miles Company Limited
- Service Receiver Millcon Steel Industries Public Company Limited and its affiliates
- Period of Agreement From 1 January 2013 to 31 December 2016
- Service Carriage of scrap billet long steel or other goods
- Service fee Calculate on distance which the audit company has considered that the rate of service fee can be compared
- Amount of service fee Paid by Millcon Steel Industries Public Company Limited at amount of THB 113,666,734 paid by Millcon Burapa Company Limited at amount of THB49,271,945

Summary of Land Lease Agreement

- Lesser Million Miles Company Limited
- Lessor Millcon Burapa Company Limited



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- Premise Land title deed no.2571, empty land, acquire since 1994 , land no. 219, survey 1071 Tambol Mab Kha, Amphur Bang Khai, Rayong Province having an aggregate area not exceeding 10 Rai and 7 Sq. Wah,
- Period of lease 8 years 4 months starting from 1 September 2012 onward
- Rental fee THB16,000,000 for the whole period of lease
- Rental fee payment Payment on one time for improvement and development of land lease but not include building
- Rental terms Lesser agrees to transfer assets to Lessor

Both of mentioned agreement above have been considered and reviewed by audit committee of the Company and obtained the approval of entering into the transaction of relevant board of director meeting.

Please be informed accordingly,

Best Regards,

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(Ms. Pirom Saopayon)
Director