



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

MILL 037/2556

November 5, 2013

Subject: Preferred Share allotment to Private Placement ([Update](#))

To: The Director and Manager
The Stock Exchange of Thailand

According to the resolution of the Annual General Shareholders meeting No.1/2556, on 21 May 2013, in Agenda No.15 which approved Millcon Steel Public Company Limited (“Company”) to increase its registered capital by issuing newly 1,602,563,745 Ordinary Shares and newly 750,000,000 Preferred Shares (Group C Preferred Shares). Following by the Agenda No.17 of that meeting which approved the allotment and offering the newly issued 750,000,000 Preferred Shares by allocation and offering to Private Placement (as announced by Capital Market Supervisory Board No.24/2008 (and amended) and authorized the Board of Director of the Company or a person authorized by the Board of Director of the Company to specific the allocation and offering price. Following the Announcement of the Securities and Exchange Commission, the offering price shall not be lower than 90% of the market price, which be calculated on weighting average closing price of shares of the Company in the Stock Exchange of Thailand for at least 7 consecutive days but not exceeding 15 consecutive days before the first day of the offering to investors. In which case is the date when the Board of Directors has approved the allotment of shares (5 November 2013).

According to the Board of Director's meeting No.11/2556, on 5 November 2013, which had approved the specific allotment the amount of 344,827,586 of preferred shares to Private Placement, The details of the allotment as follow.

1. Number of specific investors who have been allocated this time:

Sequence	Investor Name	Number of Shares (Shares)	Offering Price (Baht)	Total Value (Baht)
1	Industrielle Beteiligung (Thailand) Co.,Ltd.	78,817,734	2.03	160,000,000
2	Mr. Tanarat Pasawongse	73,891,626	2.03	150,000,001
3	Mr. Nithi Nuangchumnong	19,704,433	2.03	39,999,999
4	Apical Assets Management Pte Ltd	152,709,360	2.03	310,000,001
5	Miss Sutirat Leeswadtrakul	19,704,433	2.03	39,999,999

Remark: Since, the total amounts of Group C Preferred Shares, which is able to allot to Private Placement, are 750,000,000 shares, thus, remaining 405,172,414 shares being not allocated this time.

2. The details of Investors which the Company has received the following information from investors.

1. Industrielle Beteiligung (Thailand) Co.,Ltd.

- Business Type As a private investment who engaging in the business of investment in any growing business.
- Major Shareholder IB ASIA Company limited
- Director Mr. Carlo Pagano
- Registered Capital 455,500,000 Thai Baht

2. Mr. Tanarat Pasawongse

- Occupation Businessman
- Current Position Director of Hua Seng Heng Gold Futures Company Limited

- Company Hua Seng Heng Gold Futures Company Limited
- Business Type Operates as a derivatives broker focusing on metallic futures in the Thailand Futures Exchange market and being Participating Dealer and Market Maker of Gold Exchange Trading Mutual Fund in the Securities Exchange of Thailand and being an agent in sale a mutual fund of leading asset management company, under supervision of the Securities and Exchange Commission.

3. Mr. Nithi Nuangchumnong

- Occupation Businessman
- Current Position Director and Executive Director of Modern Form Health and Care Company Limited
- Company Modern Form Health and Care Company Limited
- Business Type Furniture and Decoration business

4. Apical Assets Management Pte Ltd

- Business Type Fund Management Service, as awarded by the Monetary Authority of Singapore, having a Capital Market Services License to conduct fund management activities.
- Relation No relation between the Company and Apical Assets Management Pte Ltd

5. Ms. Sutirat Leeswadtrakul

- Occupation Businesswoman
- Current Position Director and Vice President of Finance of Millcon Steel Public Company Limited
- Company Millcon Steel Public Company Limited
- Business Type Manufacturing and distributing steel products

3. The relationships with the investors are as follow.

Sequence	Investor Name	Relationship
1	Industrielle Beteiligung (Thailand) Co.,Ltd.	A shareholder of the Company (currently, holding 9.86%, both ordinary and preferred shares calculated)
2	Mr. Tanarat Pasawongse	No relationship with the company or known in the business.
3	Mr. Nithi Nuangchumnong	No relationship with the company or known in the business.
4	Ms. Sutirat Leeswadtrakul	Hold the position in the Company as a director and a manager
5	Apical Assets Management Pte Ltd	No relationship with the company or known in the business.

4. Offering price to investor specifically

The offering price of each share is 2.03 baht. This price is not less than 90% of average market price at 7 consecutive business days before the day the Board of Director approve the offering to investors (from October 25, 2013 until November 4, 2013)

The rights of Preferred Shares, which be allocated and offered this time, is Preferred Shares Group C which having the following right

Rights and status of Group C preferred shares

- 1) Right to obtain a dividend accrued from the Company's profits, at the rate of 5 percent per annum of the investment paid by such shareholders for each preferred share.
- 2) The preferred shares are dividend-accrued
- 3) Right to obtain remaining capital of the Company after the Company has already paid all of its debts before holders of ordinary shares in the case of liquidation and dissolution.
- 4) Right to obtain a dividend made in a form of cash.

5) Voting right of 1 vote for 1 preferred share

6) The Company's preferred shares shall be converted to ordinary shares subject to the conditions set out by the Company.

7) The term of preferential right of preferred shares shall be 5 years. Upon the completion of such period, the preferential right of preferred shares shall immediately expire. The right of preferred shares which have been converted to ordinary shares, which shall be the same as that of ordinary shares.

5. The period for payment the increasing capital Group C Preferred Shares

The Board of Director has approved the period for payment the increase in capital shares of 344,827,586 shares, amount to 700,000,000 Baht within February 5, 2014

6. The Shareholding Structure

The Company estimated the Shareholding Structure of the company before and after increasing capital will be as follows.

No.	Major shareholder	Proportion of shareholding			
		Shares before increasing capital		Shares after increasing capital of 344,827,586 shares	
		Shares	%	Shares	%
1	Mr.Sittichai Leeswadtrakul	449,315,526	22.73%	449,315,526	19.35%
2	Industrielle Beteiligung (Thailand) Co.,Ltd.	194,908,330	9.86%	273,726,064	11.79%
3	HSBC PRIVATE BANK (SUISSE) SA, SINGAPORE BRANCH	130,703,468	6.61%	130,703,468	5.63%
4	Thailand Prosperity Fund II	122,000,000	6.17%	122,000,000	5.25%

5	Aero Sun Investments Limited	113,740,465	5.75%	113,740,465	4.90%
6	Danieli Co., Ltd.	58,483,800	2.96%	58,483,800	2.52%
7	Advance Metal Fabrication Co.,Ltd.	55,000,000	2.78%	55,000,000	2.37%
8	Ms.Tanika Tangpoonphonvivat	43,909,000	2.22%	43,909,000	1.89%
9	Mrs. Pranee Wongphaitunepiya	39,885,450	2.02%	39,885,450	1.72%
10	Mrs. Suchada Leeswadtrakul	36,464,200	1.84%	36,464,200	1.57%
11	Ms. Sutirat Leeswadtrakul	28,716,275	1.45%	48,420,708	2.09%
12	Mr. Tanarat Pasawongse	-	-	73,891,626	3.18%
13	Mr. Nithi Nuangchumnong	-	-	19,704,433	0.85%
14	Apical Asset Management Pte.,Ltd.	-	-	152,709,360	6.58%
15	Other Shareholders	703,742,722	35.61%	703,742,722	30.31%
	Total shares (Shares)	1,976,869,236	100%	2,321,696,822	100%

Remark: The above shareholding structure presented both ordinary shares and preferred shares holding.

7. Criteria for selection of investors in this increasing capital shares allotment

- 1) Individual investors and/or institutional investor both local and foreign
- 2) Potential investors in investment and be able to make decision rapidly to provide maximum benefits to the Company
- 3) Long-term investors
- 4) Knowledgeable investors and be able to generate benefits to shareholders and the Company (Strategic Partners)

8. Benefits which the Company receiving from this allotment of Group C Preferred shares

For investment in any relating business and/or supporting ongoing business and/or using as working capital and/or repayment debt and/or acquisition the asset of TSSI as had informed the General Shareholders meeting No.1/2556.

9. Benefiting from a private placement exclude capital increasing

No other benefits received.

10. Effects to the other shareholders

- Price Dilution

No effect since the offering price is higher than the market price.

- Control Dilution

Formula $\text{Current voting right} - \text{Voting right of newly-issued shares}$

By

$\text{Current voting right of other shareholders} = 100\% \text{ of voting right}$

$\text{Voting right of newly-issued shares} =$

$$\frac{\text{Current voting right of other shareholders}}{(\text{Current voting right} + \text{Voting right of newly-issued shares})}$$

$$= \frac{1,976,869,236 \text{ shares}}{(1,976,869,236 + 344,827,586) \text{ หุ้นชำระ}}$$

Thus = 85.15%

Control Dilution = $100\% - 85.15\% = 14.85\%$

- Earning Per Share Dilution

$$\text{Formula} = (\text{EPSo} - \text{EPSn}) / \text{EPSo}$$

By

$$\text{EPSo} = \text{Net Profit} / \text{Qo}$$

$$\text{EPSn} = \text{Net Profit} / (\text{Qo} + \text{Qn})$$

$$\text{Net Profit} = 29.90 \text{ Million Baht (กำไรสุทธิของบริษัทประจำงวดไตรมาส 2 ปี 2556)}$$

Thus

$$\text{EPSo} = \text{Net Profit} / \text{Qo}$$

$$= 29.90 / 1,977$$

$$= 0.0151$$

$$\text{EPSn} = \text{Net Profit} / \text{Qn}$$

$$= 29.90 / 2,322$$

$$= 0.0128$$

$$\text{EPS Dilution} = (\text{EPSo} - \text{EPSn}) / \text{EPSo}$$

$$= (0.0151 - 0.0128) / 0.0151$$

$$= 15.23 \%$$

11. Any important condition or agreement with the investor

No important condition or agreement had been made with the investor

12. Effect to the Company's management structure

There is no change or effect to the company's management structure.

Kindly be informed

.....
Mrs. Pirom Sawpayon

Director