



MILL 014/2014

3 March 2014

Subject : Inform to criteria for allocation of new shares to Private Placement

Attention : President

The Stock Exchange of Thailand

Accordingly, Millcon Steel Public Company Limited ("the Company") inform the resolution of the Board of Directors No.1/2014 for allocation of new shares to Private Placement. The company would like to inform schedule of action where the Board of Directors of the Company passes a resolution approving the allocation of new shares as follow :-

1. Criteria for selection of investors

- 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)
- 5) Private Placement 1 person can right offering ordinary shares and preferred shares

2. The reason that the Company offering of newly issued share to the Private Placement (PP) and the benefit that the shareholders will be received.

The issuance and offering of newly issued share is price not lower than market price. It is a burden to the existing shareholders and may be not the attention of the existing shareholders. As a result, the company cannot rise funds to target. The Company will apply to the objectives and highest benefits of performance and the operations of the Company and the shareholders of the Company.

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

To support investment in related business and/ or to support current business and / or to use as working capital and / or repayment of debt and / or used in the acquisition of the assets of the TSSI. Nevertheless, the value investment about Baht 3,065 million which source of investment from increase capital and/or loans from financial institutions by value may be change based condition.



4. Pricing and timing of the offering of shares to the Private Placement.

Price not lower than the market price by the time of the offering within one year after the date of the resolution of a shareholders meeting.

5. Effects to other shareholder

5.1 Price Dilution

No effects, because the offering price of each share is not less than 90% of average market price at 7 to not exceed 15 consecutive business days before the day the Board of Director approve the offering to investors

5.2 Control Dilution

Formula Current voting right – Voting right of newly-issued shares

By

Current voting right of other shareholders = 100% of voting right

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

$$\begin{aligned} &= \frac{2,322,221,014 \text{ Shares}}{(2,322,221,014 + 1,405,172,414) \text{ Shares}} \\ &= 62.30\% \end{aligned}$$

Thus: Control Dilution = 100% - 62.30% = 37.70 %

5.3 Earnings Per Share Dilution

Formula (EPS_o – EPS_n) / EPS_o

By

EPS_o = Net Profit / Q_o

EPS_n = Net Profit / (Q_o + Q_n)

Net Profit = 131.42 Million Baht (Company's Net profit for year 2013)

Thus

$$\begin{aligned} \text{EPS}_o &= \text{Net Profit} / Q_o \\ &= 131.42 / 2,322.22 \\ &= 0.0566 \end{aligned}$$

$$\begin{aligned} \text{EPS}_n &= \text{Net Profit} / (Q_o + Q_n) \\ &= 131.42 / 3,727.39 \\ &= 0.0482 \end{aligned}$$



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

$$\begin{aligned}\text{Thus: EPS Dilution} &= (\text{EPS}_o - \text{EPS}_n) / \text{EPS}_o \\ &= (0.0566 - 0.0482) / 0.0566 \\ &= 14.86 \%\end{aligned}$$

Please be informed accordingly,

Yours sincerely,

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(Mrs. Phatnaree Thitiariyakul)

Director