



MILL 034/2014

October 8, 2014

Subject: Notification of Capital Increase, Issue New Warrant and the Extraordinary General Meeting of Shareholder No. 1/2014 (Revise)
Attention: The President
The Stock Exchange of Thailand
Enclosure: 1. Preliminary Details of Warrants to Purchase Ordinary Shares to be Allotted to Existing Shareholders of the Company who Subscribe for the Capital Increase Ordinary Shares Proportionately to their Shareholding (MILL-W3)
2. Capital Increase Report Form (F53-4)

The Board of the Directors of Millcon Steel Public Company Limited (the “**Company**”) at the Meeting No. 6/2014 which was held on October 8, 2014 has passed important resolutions as follows:

1. Approved to propose the shareholders’ meeting to consider and approve the decrease of the Company’s registered capital in the amount of Baht 562,068,996.80 (five hundred sixty two million sixty eight thousand nine hundred ninety six baht and eighty satang) by cancelling the unissued ordinary shares in the number of 1,000,000,078 shares (one billion and seventy eight shares) at a par value of Baht 0.40 (forty satang) per share, and cancelling the unissued preferred shares in the number of 405,172,414 shares (four hundred five million one hundred seventy two thousand four hundred and fourteen shares) at a par value of Baht 0.40 (forty satang) per share from the existing registered capital of Baht 1,792,818,358 (one billion seven hundred ninety two million eight hundred eighteen thousand three hundred and fifty eight baht) to Baht 1,230,749,361.20 (one billion two hundred thirty million seven hundred forty nine thousand three hundred sixty one baht and twenty satang), details of which are as follows:

a.) The fractions of shares remaining after the allocation of the ordinary shares dividend which was paid on May 27, 2014 in the number of 78 shares (seventy eight shares) at a par value of Baht 0.40 (forty satang) per share;

b.) The capital increase ordinary shares in the number of 1,000,000,000 shares (one billion shares) at a par value of Baht 0.40 (forty satang) per share, authorized but unissued, approved by the resolution of the Annual General Meeting of Shareholders No. 1/2013, dated May 21, 2013, which was intended to support the investment in related businesses and/or current business and/or to use as working capital and/or for debt repayment and/or acquisition of assets of Thai Special Steel Public Company Limited (“TSSI”);

c.) The unissued Type C. preferred shares in the number of 405,172,414 shares (four hundred five million one hundred seventy two thousand four hundred and fourteen shares) at a par value of Baht 0.40 (forty satang) per share, authorized but unissued, approved by the resolutions of the Annual General Meeting of Shareholders No. 1/2013, dated May 21, 2013, which was intended to support the investment in related businesses and/or current business and/or to use as working capital and/or for debt repayment and/or acquisition of assets of TSSI.

In this regard, the total number of the shares to be decreased pursuant to the items a.), b.) and c.) is 1,405,172,492 shares (one billion four hundred five million one hundred seventy two thousand four hundred and ninety two shares) at a par value of Baht 0.40 (forty satang) per share equaling the total amount of the registered capital of Baht 562,068,996.80 (five hundred sixty two million sixty eight thousand nine hundred ninety six baht and eighty satang) which results in

the decrease of the registered capital of the Company from the existing registered capital of Baht 1,792,818,358 (one billion seven hundred ninety two million eight hundred eighteen thousand three hundred and fifty eight baht) to Baht 1,230,749,361.20 (one billion two hundred thirty million seven hundred forty nine thousand three hundred sixty one baht and twenty satang).

Nevertheless, the registered capital to be decreased shall exclude the following:

a.) The shares reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 2 (MILL-W2) allotted to the Company's shareholders proportionately to their shareholding in the number of 515,752,308 shares (five hundred fifteen million seven hundred fifty two thousand three hundred and eight shares);

b.) The shares reserved for the exercise of right under the issued convertible debentures in the number of 58,333,333 shares (fifty eight million three hundred thirty three thousand three hundred and thirty three shares);

whereby the Company is of its intention to remain the above registered capital.

2. Approved to propose the shareholders' meeting to consider and approve the issuance and offering of the warrants to purchase the Company's ordinary shares No. 3 in the number of not exceeding 625,696,941 (six hundred twenty five million six hundred ninety six thousand nine hundred and forty one) units to the Company's existing shareholders (both the ordinary shares and the preferred shares) who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3), at an offering price of Baht 0.00 (zero baht) and an offering ratio of 2 (two) new ordinary shares per 1 (one) unit of warrants, whereby 1 (one) unit of warrants can be exercised to purchase 1 (one) ordinary share of the Company at an exercise price of Baht 3 (three) per share in accordance with the Preliminary Details of Warrants to Purchase Ordinary Shares to be Allotted to Existing Shareholders of the Company who Subscribe for the Capital Increase Ordinary Shares Proportionately to their Shareholding (MILL-W3), Enclosure No. 1.

In this regard, the Board of Directors or person(s) entrusted by the Board of Directors shall have the power to consider determining and amending the terms, conditions and other details relating to the warrants, including the details relating to the exercise of rights under the warrants, entering into, negotiation, agreement and execution of relevant documents and agreements, as well as taking any actions necessary and appropriation relating to the warrants and in connection with the issuance and offering of such warrants, including the listing of such warrants on the Stock Exchange of Thailand, and filing applications for approval with the relevant authorities.

3. Approved to propose the shareholders' meeting to consider and approve the increase of the Company's registered capital in the amount of Baht 816,560,860 (eight hundred sixteen million five hundred sixty thousand eight hundred and sixty baht) by issuing capital increase ordinary shares in the number of 2,041,402,150 shares (two billion forty one million four hundred two thousand one hundred and fifty shares) at a par value of Baht 0.40 (forty satang) from the existing registered capital of Baht 1,230,749,361.20 (one billion two hundred thirty million seven hundred forty nine thousand three hundred sixty one baht and twenty satang) to Baht 2,047,310,221.20 (two billion forty seven million three hundred ten thousand two hundred twenty one baht and twenty satang), details of which are as follows:

1) The amount of Baht 500,557,552.40 (five hundred million five hundred fifty seven thousand five hundred fifty two baht and forty satang), divided into the new ordinary shares in the number of 1,251,393,881 shares (one billion two hundred fifty one million three hundred ninety three thousand eight hundred and eighty one shares) at a par value of Baht 0.40 (forty satang) to be offered for sale to the existing shareholders of the Company proportionately to their shareholding (Rights Offering);

2) The amount of Baht 250,278,776.40 (two hundred fifty million two hundred seventy eight thousand seven hundred seventy six baht and forty satang), divided into the new ordinary shares in the number of 625,696,941 shares (six hundred twenty five million six hundred ninety six thousand nine hundred and forty one shares) at a par value of Baht 0.40 (forty satang) to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 to be offered to the existing shareholders of the Company who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3);

The objectives of issuance of the shares in the items No. 1) and 2) above are for Company's working capital and/or repayment of debt;

3) The amount of Baht 56,716,039.20 (fifty six million seven hundred sixteen thousand thirty nine baht and twenty satang), divided into the new ordinary shares in the number of 141,790,098 shares (one hundred forty one million seven hundred ninety thousand and ninety eight shares) at a par value of Baht 0.40 (forty satang) to be prepared for the adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares this time;

4) The amount of Baht 9,008,492 (nine million eight thousand four hundred and ninety two baht), divided into the new ordinary shares in the number of 22,521,230 shares (twenty two million five hundred twenty one thousand two hundred and thirty shares) at a par value of Baht 0.40 (forty satang) to be reserved for the adjustment of conversion rights under the convertible debentures due to the adjustment of conversion price.

4. Approved to propose the shareholders' meeting to consider and approve the allotment of the capital increase ordinary shares, details of which are as follows:

1) To allot the capital increase ordinary shares in the number of not exceeding 1,251,393,881 shares (one billion two hundred fifty one million three hundred ninety three thousand eight hundred and eighty one shares) with a par value of Baht 0.40 (forty satang) to the existing shareholders of the Company proportionately to their shareholding (Rights Offering), in whole or in part by one tranche or several tranches, at the subscription ratio of 2 (two) existing shares to 1 (one) new ordinary shares, and any fraction of shares shall be discarded, whereby the shareholders shall have the right to subscribe for shares in excess of their entitlement. The offering price shall be at Baht 1.20 (one baht twenty satang). In case there are remaining capital increase ordinary shares from the subscription by existing shareholders, the Board of Directors or person(s) entrusted by the Board of Directors shall have the power and discretion to allot such remaining capital increase ordinary shares to existing shareholders of the Company who express their intention to subscribe for shares in excess of their entitlement proportionately to their shareholding at the same offering price. The Company shall allot the remaining capital increase ordinary shares to existing shareholders who subscribe for shares in excess of their entitlement until no capital increase ordinary share remains from the allotment;

2) To allot the capital increase ordinary shares in the number of not exceeding 625,696,941 shares (six hundred twenty five million six hundred ninety six thousand nine hundred and forty one shares) with a par value of Baht 0.40 (forty satang) to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 to be offered to the existing shareholders of the Company who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3), details of which are specified in the item No. 2 above;

3) To allot the capital increase ordinary shares in the number of not exceeding 141,790,098 shares (one hundred forty one million seven hundred ninety thousand and ninety eight shares) with a par value of Baht 0.40 (forty satang) per share to be prepared for the adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted

to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares at this time;

4) To allot the capital increase ordinary shares in the number of not exceeding 22,521,230 shares (twenty two million five hundred twenty one thousand two hundred and thirty shares) with a par value of Baht 0.40 (forty satang) to be reserved for the adjustment of conversion rights under the convertible debentures due to the adjustment of conversion price.

In this regard, the Board of Directors or person(s) entrusted by the Board of Directors shall have the power to consider (1) determining and amending the terms, conditions and other details relating to the offering, such as the date on which the recorded shareholders are entitled to subscribe for the capital increase ordinary shares (Record Date) or the closing date of the share register book to determine the rights of the shareholders to subscribe for the capital increase ordinary shares (Book Closing), the subscription period, the offering price, the subscription ratio, the methods and conditions of payment, and other details relating to offering of the capital increase ordinary shares; (2) entering into, negotiation, agreement and execution of relevant documents and agreements; (3) executing any application for approval, waiver and evidence necessary and related to the allotment of the capital increase ordinary shares, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the capital increase ordinary shares on the Stock Exchange of Thailand; and (4) taking any action necessary and appropriation relating to the allotment of such capital increase ordinary shares in all respects.

5. Approved to determine the date of Extraordinary General Meeting of Shareholders No. 1/2014 to be on November 17, 2014 at 2.00 p.m., at Ping-Wang Room, 2nd Floor, Ramada Plaza Me-Nam Riverside Bangkok Hotel, No. 2074, Charoenkrung Road, Bangkorlaem District, Bangkok 10120 to consider the following agenda:

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| Agenda 1 | To consider adopting the minutes of the Annual General Meeting of Shareholders No. 1/2014 |
| Agenda 2 | To consider approving the decrease of the Company's registered capital by cancelling the unissued ordinary shares and the unissued preferred shares |
| Agenda 3 | To consider approving the amendment of Clause 4. of the Company's Memorandum of Association to be in line with the decrease of the Company's registered capital |
| Agenda 3 | To consider approving the issuance and offering of the warrants to purchase the Company's ordinary shares No. 3 to the Company's existing shareholders who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3) |
| Agenda 5 | To consider approving the increase of the Company's registered capital |
| Agenda 6 | To consider approving the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital |
| Agenda 7 | To consider approving the allotment of the capital increase ordinary shares |
| Agenda 8 | Others (if any) |

The Company has determined the date on which the recorded shareholders are entitled to attend and to vote at the Extraordinary General Meeting of Shareholders No. 1/2014 (Record Date) to be on October 22, 2014, and the date on which the name list of shareholders is compiled under

Section 225 of the Securities and Exchange Act B.E. 2535 (1992) by closing the share register book to suspend share transfers to be on October 24, 2014.

6. Approved to determine the date on which the recorded shareholders are entitled to subscribe for the capital increase ordinary shares proportionately to their shareholding and the warrants to purchase the Company's ordinary shares (Record Date) to be on November 25, 2014, and the date on which the name list of shareholders is compiled under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) by closing the share register book to suspend share transfers to be on November 26, 2014, if the Extraordinary General Meeting of Shareholders No. 1/2014 approves the increase of the Company's registered capital and the allotment of the capital increase ordinary shares as proposed.

Please be informed accordingly.

Yours sincerely,

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(Mrs. Phatnaree Thitiariyakul)
Director



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

Enclosure 1

Preliminary Details of Warrants to Purchase the Ordinary Shares of Millcon Steel Public Company Limited No. 3 to be allotted to Existing Ordinary and Preferred Shareholders of the Company who Subscribe for the Capital Increase Ordinary Shares of the Company Proportionately to Their Shareholding

Type of Securities	Warrants to purchase the ordinary shares of Millcon Steel Public Company Limited No. 3 to be allotted to existing ordinary and preferred shareholders of the Company who subscribe for the capital increase ordinary shares of the company proportionately to their shareholding (the "Warrant No. 3" or "MILL-W3")
Type of Warrants	In named and transferable certificates
Term of Warrants	5 years from the Issue Date of the Warrant No. 3
Number of Warrants	625,696,941 Units
Offering Price	0 Baht per unit (0 Baht)
Offering Method	Allotting to the existing shareholders of the Company (both ordinary and preferred shareholders) who subscribe for the capital increase ordinary shares at an offering price of Baht 0.00 and at a ratio of 2 new ordinary shares per 1 unit of warrants (any fraction shall be discarded).
Number of Capital Increase Ordinary Shares Reserved for the Exercise of Right under Warrants	625,696,941 shares with a par value of Baht 0.40 (forty satang) each.
Exercise Ratio	1 unit of warrants for 1 ordinary share, unless the exercise ratio is adjusted pursuant to the conditions of the rights adjustment.
Exercise Price	The exercise price of MILL-W3 is at Baht 3.00 per share (at a par value of Baht 0.40 (forty satang) per share), unless the exercise ratio is adjusted pursuant to the conditions of the rights adjustment.
Exercise Period	Holder of MILL-W3 shall be entitled to exercise their rights under MILL-W3 on the last business day of every June and December of each year throughout the term of the MILL-W3. The first exercise date shall be within the first year commencing from the Issue Date. In

the event that the last exercise date is on the Company's holiday, the last exercise date shall be rescheduled to the last business day before the last exercise date. For the last exercise period, there shall be not less than 15 days prior to the last exercise date to declare the intention to exercise the right. The Board of Directors or persons entrusted by the Board of Directors shall consider and determine the first exercise date and the last exercise date thereafter.

Offering Period

The Company shall complete the offering of the MILL-W3 within 1 year commencing from the date on which the meeting of shareholders approves the issuance and offering of the MILL-W3. The Board of Directors or persons entrusted by the Board of Directors shall consider and determine the conditions and details thereof.

Secondary Market of the Warrants

The Company shall apply for a listing of the MILL-W3 on the Stock Exchange of Thailand.

Secondary Market of the Ordinary Shares from the Exercise of Right

The Company shall apply for a listing of the ordinary shares from the exercise of right under the MILL-W3 on the Stock Exchange of Thailand.

Registrar

Thailand Securities Depository Company Limited

Adjustment of Exercise Price and Exercise Ratio

The Company shall adjust the exercise price and exercise ratio to ensure that the benefits to the holders of the MILL-W3 are not less than their existing entitlements in the case when any of the following events occurs.

1. The Company changes the par value of the shares of the Company due to a combination or split-up of shares.
2. The Company offers for sale of any new shares at the offering price being lower than the price calculated based on the market price at or prior to the offering period. Such price calculation shall be in accordance with the calculation method prescribed in the Terms and Conditions.
3. The Company offers for sale of any new convertible debentures or warrants by fixing or calculating the price of new shares reserved for the conversion of convertible debentures or the exercise of warrants at the price lower than the price calculated based on the market price at or prior to the offering period of such convertible debentures or warrants. Such price calculation shall be in accordance with the calculation method prescribed in the Terms and Conditions.
4. The Company makes payment of dividend, whether in whole or in part, by way of issuing new shares to shareholders.
5. The Company pays cash dividend exceeding the rate stipulated in the Terms and Conditions.
6. There are any events similar to items 1 - 5 above that may

impair benefits of the holders of MILL-W3 when exercise the rights under the warrants.

The Company may arrange for the shareholders' meeting to approve the increase of the registered capital to be sufficient for the aforementioned adjustment of exercise price and exercise ratio above. The Board of Directors or persons entrusted by the Board of Directors shall be authorized to consider and determine other conditions and details relating to the adjustment or changes in the exercise ratio and exercise price.

Other Conditions

The Board of Directors or persons entrusted by the Board of Directors shall have the power to consider determining and amending the terms, conditions and other details relating to the warrants, including the details relating to the exercise of rights under the warrants, entering into, negotiation, agreement and execution of relevant documents and agreements, as well as taking any actions necessary and appropriation relating to the warrants and in connection with the issuance and offering of such warrants, including the listing of such warrants on the Stock Exchange of Thailand, and filing applications for approval with the relevant authorities.

Dilution Effects

1. The ordinary shares issued pursuant to the exercise of the warrants shall have the same right and status as the ordinary shares of the Company which have earlier been issued, in all respects.
2. Apart from the ordinary shares in the amount of 625,696,941 shares which have been reserved for the exercise of right under the MILL-W3, the Company may increase its registered capital to be sufficient for accommodating to any events as stipulated in the notification of the Capital Market Supervisory Board in relation to application for and approval of offer for sale of newly issued share warrants and newly issued underlying shares.
3. Dilution effects on the existing shareholders from issuing and offering of the MILL-W3 can be categorized into 3 cases as follows:

Case 1 The existing shareholders are persons who subscribe for the capital increase ordinary shares proportionately to their shareholding offered with the MILL-W3 and they exercise all of their MILL-W3.

Case 2 The existing shareholders are persons who subscribe for the capital increase ordinary shares proportionately to their shareholding offered with the MILL-W3, but all persons who exercise the Mill-W3 are not existing shareholders (entailing that the existing shareholders sell all of their MILL-W3 on the Stock Exchange of Thailand).

Case 3 Taking into account other types of securities where the Company issues ordinary shares reserved for the conversion of such securities, the existing shareholders are persons who subscribe for the capital increase ordinary shares proportionately to their shareholding offered with the MILL-W3. However, all persons who exercise rights under all of such convertible securities issued by the Company (both MILL-W2 and MILL-W3), including holders of convertible debenture, are not the existing shareholders. There shall be dilution effects on the existing shareholders who are not holders of convertible debentures as follows:

Control Dilution

Case 1 equals to zero. The existing shareholders subscribe for the capital increase ordinary shares

proportionately to their shareholding and exercise the right under the MILL-W3. As a consequence, they will not be affected by the control dilution from the issuing and offering of the capital increase ordinary shares proportionately to their shareholding together with the MILL-W3.

Case 2 equals to 14.29 percent

$$\text{Control Dilution} = Q_{W_3} / (Q_0 + Q_P + Q_{RO} + Q_{W_3})$$

Whereby

Q_0 = Total existing ordinary shares which are equivalent to 1,863.10 million shares

Q_P = Total existing preferred shares which are equivalent to 639.39 million shares

Q_{RO} = Total capital increase ordinary shares proportionately to shareholding offered for sale with the MILL-W3 which are equivalent to 1,251.39 million shares

Q_{W_3} = Total ordinary shares reserved for the exercise of the right under the MILL-W3 which are equivalent to 625.70 million shares

Case 3 equals to 26.65 percent

$$\text{Control Dilution} = (Q_{W_2} + Q_{W_3} + Q_{CD}) / (Q_0 + Q_P + Q_{RO} + Q_{W_2} + Q_{W_3} + Q_{CD})$$

Whereby

Q_{W_2} = Total ordinary shares reserved for the exercise of the right under the MILL-W2 which are equivalent to 657.54 million shares

Q_{CD} = Total ordinary shares reserved for the conversion of convertible debentures which are equivalent to 80.85 million shares

Earnings Dilution

The Company has earnings from Year 2013 operation in the amount of Baht 131.42 million, which after deducting the legal reserve in the amount of Baht 6.57 million, there remains earnings of Baht 124.85 million. However, the Company must first pay dividends to preferred shareholders at the rate of 5 percent of the capital, which after combining the dividends for Type A, Type B and Type C preferred shareholders, it will be a total of approximately Baht 35.00 million. As a result, the Company will be able to distribute earnings to ordinary shareholders in the amount of Baht 34.61 million, by calculation the dilution of earnings particularly for ordinary shareholders' portion which will be affected by the increase of number of ordinary shares as follows:

Case 1 and Case 2 equals to 50.19 percent

$$\text{Earnings dilution} = (\text{EPS}_0 - \text{EPS}_{\text{NEW}}) / \text{EPS}_0$$

Whereby

$$\text{EPS}_0 = \text{Net Profit minus dividends for preferred shares} / Q_0$$

$$\text{EPS}_{\text{NEW}} = \text{Net Profit minus dividends for preferred shares} / (Q_0 + Q_{\text{RO}} + Q_{\text{W}})$$

Case 1 equals to 58.40 percent

$$\text{Earnings dilution} = (\text{EPS}_0 - \text{EPS}_{\text{NEW}}) / \text{EPS}_0$$

Whereby

$$\text{EPS}_0 = \text{Net Profit minus dividends for preferred shares} / Q_0$$

$$\text{EPS}_{\text{NEW}} = \text{Net Profit minus dividends for preferred shares} / (Q_0 + Q_{\text{RO}} + Q_{\text{W}_2} + Q_{\text{W}_3} + Q_{\text{CD}})$$

Price Dilution

$$\text{Price Dilution} = (\text{Market Price Prior to Offering} - \text{Market Price After Offering}) / \text{Market Price Prior to Offering}$$

Case 1 and 2 equal to 14.34 percent

$$\text{Market Price Prior to Offering} = \text{Baht 2.520 per share, being the average closing price of ordinary shares of the Company traded on the}$$

Stock Exchange of Thailand during 15 consecutive business days prior to the Board of Directors' Meeting No. 6/2014 on October 8, 2014, the date on which the Board of Directors of the Company passed a resolution to propose the matter to the shareholders' meeting

$$\text{Market Price After Offering} = \frac{[(\text{Market Price Prior to Offering} \times \text{Number of Paid-up Ordinary Shares}) + (\text{RO Exercise Price} \times \text{Number of RO Ordinary Shares Offered}) + (\text{MILL-W3 Exercise Price} \times \text{Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3})]}{(\text{Number of Paid-up Ordinary Shares} + \text{Number of RO Ordinary Shares Offered} + \text{Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3})}$$

Whereby

- Market Price Prior to Offering = Baht 2.520 per share
- Number of Paid-up Ordinary Shares = 1,863.10 million shares
- RO Exercise Price = Baht 1.20 per share
- Number of RO Ordinary Shares Offered = 1,251.39 million shares
- MILL-W3 Exercise Price = Baht 3.00 per share
- Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3 = 625.70 million shares

Thus

- Market Price After Offerings = Baht 2.16 per share
- Price Dilution = 14.34 percent

Case 3 equals to 16.59 percent

$$\text{Market Price Prior to Offering} = \text{Baht 2.520 per share, being the average closing price of ordinary shares of the Company traded on the}$$

Stock Exchange of Thailand during 15 consecutive business days prior to the Board of Directors' Meeting No. 6/2014 on October 8, 2014, the date on which the Board of Directors of the Company passed a resolution to propose the matter to the shareholders' meeting

$$\text{Market Price After Offering} = \frac{[(\text{Market Price Prior to Offering} \times \text{Number of Paid-up Ordinary Shares}) + (\text{RO Exercise Price} \times \text{Number of RO Ordinary Shares Offered}) + (\text{MILL-W3 Exercise Price} \times \text{Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3}) + (\text{MILL-W2 exercise price} \times \text{Outstanding Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W2}) + (\text{Conversion Price of Convertible Debentures} \times \text{Number of Ordinary Shares Reserved for Conversion Right of Convertible Debentures})] / (\text{Number of Paid-up Ordinary Shares} + \text{Number of RO Ordinary Shares Offered} + \text{Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3} + \text{Outstanding Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W2} + \text{Number of Ordinary Shares Reserved for Conversion Right of Convertible Debentures})}$$

Whereby

Market Price Prior to Offering	=	Baht 2.520 per share
Number of Paid-up Ordinary Shares	=	1,863.10 million shares
RO Exercise Price	=	Baht 1.20 per share
Number of RO Ordinary Shares Offered	=	1,251.39 million shares
MILL-W3 Exercise Price	=	Baht 3.00 per share

Number of Ordinary Shares Reserved	=	625.70 million shares
for Exercising of Rights under MILL-W3		
MILL-W2 Exercise Price	=	Baht 1.77 Baht per share
Outstanding Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W2	=	Baht 657.54 million shares
Conversion Price of Convertible Debentures	=	Baht 2.164 per share
Number of Ordinary Shares Reserved for Conversion Right of Convertible Debentures	=	Baht 80.85 million shares
Thus		
Market Price After Offering	=	Baht 2.10 per share
Price Dilution	=	16.59 percent

Details for Calculation of Number of Reserved Shares

Calculation Method for Reserved Shares Ratio

$$= \frac{\text{(Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3 + Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W2 + Number of Ordinary Shares Reserved for Conversion Right of Convertible Debentures)}}{\text{(Total Number of Issued Shares of the Company + Number of the Capital Increase Ordinary Shares)}}$$

Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W3	=	625.70 million shares
Number of Ordinary Shares Reserved for Exercising of Rights under MILL-W2	=	Baht 657.54 million shares
Number of Ordinary Shares Reserved for Conversion Right of Convertible Debentures	=	Baht 80.85 million shares
Total Number of Issued	=	1,863.10 million shares

Shares of the Company
Number of the Capital
Increase Ordinary Shares = 1,251.39 million shares

Thus
Reserved Shares Ratio = 43.80 percent



(F 53-4)

Capital Increase Report Form
Millcon Steel Public Company Limited
October 8, 2014

We, Millcon Steel Public Company Limited (the “**Company**”), having the office located at 52 Thaniya Plaza Building, 29th floor, Silom Road, Suriyawongse Subdistrict, Bangrak District, Bangkok 10500, hereby report the resolutions of the Board of Directors’ Meeting No. 6/2014 which was held on October 8, 2014 between 9 a.m. to 11.00 a.m., in respect of the capital increase and the allotment of the capital increase ordinary shares as follows:

1. Capital increase

The Board of Directors’ Meeting has passed a resolution approving the increase of the Company’s registered capital from the existing registered capital of Baht 1,230,749,361.20 to the new registered capital of Baht 2,047,310,221.20 by issuing the capital increase ordinary shares in the number of 2,041,402,150 shares with a par value of Baht 0.40 per share, totaling Baht not 816,560,860. Details of the capital increase are as follows:

Capital Increase	Type of Shares	Number of Shares (Shares)	Par Value (Baht / Share)	Total (Baht)
<input checked="" type="checkbox"/> Specifying the purpose of utilizing proceeds	Ordinary Shares	2,041,402,150	0.40	816,560,860
	Preferred Shares	-	-	-
<input type="checkbox"/> General Mandate	Ordinary Shares	-	-	-
	Preferred Shares	-	-	-

2. Allotment of capital increase ordinary shares

The Board of Directors’ Meeting has passed a resolution approving the allotment of the capital increase ordinary shares in the number of not exceeding 2,041,402,150 shares with a par value of Baht 0.40 per share, totaling not exceeding Baht 816,560,860, details of which are as follows:

2.1 Details of the allotment

Allotted to	Number of Shares (Shares)	Ratio (Old : New)	Offering Price (Baht / Share)	Subscription and Payment Period	Remarks
Existing Shareholders	Not exceeding 1,251,393,881 ¹	2 : 1	1.20	December 9 - 16, 2014	Please see Remark No. 1 below.

¹ The Company will allot the capital increase ordinary shares in the number of not exceeding 1,251,393,881 shares to the existing shareholders of the Company proportionately to their shareholding (Rights Offering), whereby from initial calculation, the ordinary shareholders are entitled to not exceeding 931,548,003 capital increase ordinary shares and the preferred shareholders are entitled to not exceeding 319,845,878 capital increase ordinary shares.

Allotted to	Number of Shares (Shares)	Ratio (Old : New)	Offering Price (Baht / Share)	Subscription and Payment Period	Remarks
To be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 to be offered to the existing shareholders of the Company who subscribe for the capital increase ordinary shares proportionately to their shareholding (MILL-W3)	Not exceeding 625,696,941	Please see Remark No.2 below.	0.00 With the exercise price of Baht 3 per share	-	Details as per Enclosure No. 1 ²
To be prepared for adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares at this time	Not exceeding 141,790,098	-	-	-	Please see Remark No. 3 below.
To be reserved for the adjustment of rights under the convertible debentures due to the adjustment of conversion price	Not exceeding 22,521,230	-	-	-	-

Remark No. 1

- The Company will allot the capital increase ordinary shares in the number of not exceeding 1,251,393,881 shares, with a par value of Baht 0.40 per share to the existing shareholders of the Company proportionately to their shareholding (Rights Offering), in whole or in part by one tranche or several tranches, at the subscription ratio of 2 existing shares to 1 new ordinary share, and any fraction of shares shall be discarded, whereby the shareholders shall have the right to subscribe for shares in excess of their entitlement. The offering price shall be at Baht 1.20 per share. In case there are remaining capital increase ordinary shares from the subscription by existing shareholders, the Board of Directors or person(s) entrusted by the Board of Directors shall have the power and discretion to allot such remaining capital increase ordinary shares to existing shareholders of the Company who express their intention to

² Preliminary Details of the Warrants to Purchase Ordinary Shares to be Allotted to Existing Shareholders of the Company who Subscribe for the Capital Increase Ordinary Shares Proportionately to their Shareholding (MILL-W3)

subscribe for shares in excess of their entitlement proportionately to their shareholding at the same offering price. The Company shall allot the remaining capital increase ordinary shares to existing shareholders who subscribe for shares in excess of their entitlement until no capital increase ordinary share remains from the allotment.

- In the allotment of the capital increase ordinary shares to existing shareholders proportionately to their shareholding (Rights Offering), shareholders shall have the right to subscribe for the capital increase ordinary shares in excess of their entitlement pursuant to the specified ratio above (Oversubscription), whereby the oversubscribing shares shall be allotted to existing shareholders who subscribe for shares in excess of their entitlement only when there are the capital increase ordinary shares remaining from the allotment to all existing shareholders who have subscribed for shares proportionately to their entitlement. Criteria for the subscription of the capital increase ordinary shares in excess of the entitlement are as follows:

In case where the remaining capital increase ordinary shares exceed the number of shares subscribed for in excess of the entitlement

The Company will allot such remaining shares to all existing shareholders of the Company who express their intention to subscribe for shares in excess of their entitlement and pay the subscription price for such capital increase ordinary shares pursuant to the number of shares subscribed for in excess of their entitlement. (In case there are fractions of the capital increase ordinary shares derived from calculations, such fractions of shares shall be discarded.)

In case where the remaining capital increase ordinary shares are fewer than the number of shares subscribed for in excess of the entitlement

- (a) Each existing shareholder who subscribes for shares in excess of his/her entitlement shall be allotted with shares proportionately to existing shareholding of such shareholder who subscribes for shares in excess of his/her entitlement. (In case there are fractions of the capital increase ordinary shares derived from calculations, such fractions of shares shall be discarded.) The number of shares to be allotted to shareholders who subscribe for shares in excess of their entitlement shall not exceed the number of the capital increase ordinary shares that each existing shareholder has subscribed and paid for.
 - (b) In case there are the capital increase ordinary shares still remaining after the allotment under (a), the Company will allot such remaining shares to each existing shareholder who subscribes for shares in excess of his/her entitlement and has not been fully allotted with shares, proportionately to existing shareholding of each existing shareholder who subscribes for shares in excess of his/her entitlement. (In case there are fractions of the capital increase ordinary shares derived from calculations, such fractions of shares shall be discarded.) The number of shares to be allotted to shareholders who subscribe for shares in excess of their entitlement shall not exceed the number of the capital increase ordinary shares that each existing shareholder has subscribed and paid for. The allotment process under this clause (b) shall be repeated until no capital increase share remains from the allotment.
- Under no circumstances the allotment of shares in excess of the entitlement as per the aforementioned details shall not cause any existing shareholder who subscribes for shares in excess of his/her entitlement holding shares in the Company in an amount that reaches or crosses the Tender Offer threshold prescribed under the Notification of the Capital Market Supervisory Board No. Tor Chor. 12/2011 Re: Criteria, Conditions, and Methods of Takeover, or in a manner which would result in a breach in the foreign shareholding limit of 49 percent of total issued shares of the Company as prescribed in the Company's Articles of Association (and amendment thereto), which currently allows foreigners to hold shares of the Company for not exceeding 49 percent of the total issued shares of the Company.
 - The Board of Directors or person(s) entrusted by the Board of Directors shall have the power to consider (1) determining and amending the terms, conditions and other details relating to the offering, such as the date on which the recorded shareholders are entitled to subscribe for the capital increase ordinary shares (Record Date) or the closing date of the share register book to determine the rights of the shareholders to subscribe for the capital increase ordinary shares

(Book Closing), the subscription period, the offering price, the subscription ratio, the methods and conditions of payment, and other details relating to offering of the capital increase ordinary shares; (2) entering into, negotiation, agreement and execution of relevant documents and agreements; (3) executing any application for approval, waiver and evidence necessary and related to the allotment of the capital increase ordinary shares, including contacting and submitting such applications for approval or waiver, document or evidence to government agencies or relevant authorities and the listing of the capital increase ordinary shares on the Stock Exchange of Thailand; and (4) taking any action necessary and appropriation relating to the allotment of such capital increase ordinary shares in all respects.

Remark No. 2

- The Company will allot the capital increase ordinary shares in the number of not exceeding 625,696,941 shares to be reserved for the exercise of right under the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3), whereby the Company will allot the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3) in the number of not exceeding 625,696,941 units to the Company's existing shareholders (both the ordinary shares and the preferred shares) who subscribe for the capital increase ordinary shares proportionately to their shareholding, at an offering price of Baht 0.00, and an offering ratio of 2 new ordinary shares per 1 unit of warrants, whereby 1 unit of warrants can be exercised to purchase 1 ordinary share of the Company at an exercise price of Baht 3 per share (Ratio 2 : 1 : 1). In case there are fractions of the capital increase ordinary shares or the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3) derived from calculations, such fractions of shares or the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3) shall be discarded. Preliminary details of the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3) are stated in Enclosure No. 1.
- The Board of Directors or person(s) entrusted by the Board of Directors shall have the power to consider determining and amending the terms, conditions and other details relating to the warrants, including the details relating to the exercise of rights under the warrants, entering into, negotiation, agreement and execution of relevant documents and agreements, as well as taking any actions necessary and appropriation relating to the warrants and in connection with the issuance and offering of such warrants, including the listing of such warrants on the Stock Exchange of Thailand, and filing of applications for approval with the relevant authorities.

Remark No. 3

- The Company will allot the capital increase ordinary shares in the number of not exceeding 141,790,098 shares with a par value of Baht 0.40 per share to be prepared for the adjustment of rights under the warrants to purchase the Company's ordinary shares No. 2 allotted to the Company's existing shareholders proportionately to their shareholding (MILL-W2) due to the issuance and offering for sale of the capital increase ordinary shares at this time.

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

In case there are fractions of shares remaining from the allotment to existing shareholders proportionately to their shareholding (Rights Offering) and the allotment to existing shareholders who subscribe for shares in excess of their entitlement (Oversubscription), such fractions of shares shall be discarded.

3. Schedule for a shareholders' meeting to approve the capital increase and the allotment of the capital increase ordinary shares

The Board of Directors' Meeting has determined the Extraordinary General Meeting of Shareholders No. 1/2014 to be held on November 17, 2014, at 2.00 p.m. at Ping-Wang Room, 2nd Floor, Ramada Plaza Me-Nam Riverside Bangkok Hotel, No. 2074, Charoenkrung Road, Bangkorlaem District, Bangkok 10120, and the date on which the recorded shareholders are entitled to attend and to vote at the Extraordinary General Meeting of Shareholders No. 1/2014 (Record Date) to be on October 22, 2014, and the closing date on which the name list of shareholders is compiled under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) by closing the share register book to suspend share transfers to be on October 24, 2014.

4. Approval of the capital increase/share allotment by relevant government agencies and related conditions thereto (if any)

- 4.1 To submit the applications for the registration of the increase of the registered capital and the registration of the change in paid-up capital with the Department of Business Development, the Ministry of Commerce.
- 4.2 To submit the application with the Stock Exchange of Thailand for the listing of the capital increase ordinary shares as listed securities on the Stock Exchange of Thailand.

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

- 5.1 [To use as working capital and/or for repayment of debt](#)
- 5.2 To be reserved for the exercise of rights under the warrants to purchase the Company's ordinary shares No. 3 (MILL-W3)
- 5.3 To be reserved for the adjustment of rights under warrants to purchase the Company's ordinary shares No. 2 (MILL-W2)
- 5.4 To be reserved for the adjustment of conversion rights under the convertible debentures due to the adjustment of conversion price.

6. Benefits which the Company will receive from the capital increase / share allotment:

- 6.1 To promote the Company's potential and investment opportunities.
- 6.2 To strengthen the Company's financial position.
- 6.3 To increase the Company's business liquidity.

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

- 7.1 Dividend policy:

The dividend policy of the Company and its subsidiary is at a minimum rate of 40 percent of the net profit after tax and statutory reserve and various reserves as determined by the Company. However, such dividend policy may be amended subject to the Company's financial position, overall operation, capital investment, and any other necessity and appropriation in the future as the Board of Directors and/or shareholders of the Company deem appropriate.

- 7.2 Subscribers of the capital increase ordinary shares shall be entitled to receive dividend payment derived from the expansion of the operation of the Company in accordance with the Company's business plan and investment as planned.

7.3 Other

- None -

8. Other details necessary for shareholders to consider for approval of the capital increase/ the allotment of the capital increase ordinary shares

- None -

9. Schedule of actions where the Board of Directors of the Company passes a resolution approving the capital increase / the allotment of the capital increase ordinary shares:

No.	Procedure	Date/Month/Year
1	The Board of Directors' Meeting No. 6/2014	October 8, 2014
2	The date on which the recorded shareholders are entitled to attend and to vote at the Extraordinary General Meeting of Shareholders No. 1/2014 is specified (Record Date)	October 22, 2014
3	The closing date on which the name list of shareholders are entitled to attend and to vote at the Extraordinary General Meeting of Shareholders No. 1/2014 is compiled by closing the share register book to suspend share transfers	October 24, 2014
4	The Extraordinary General Meeting of Shareholders No. 1/2014	November 17, 2014
5	The date on which the recorded shareholders are entitled to subscribe for the capital increase ordinary shares proportionately to their shareholding (Record Date)	November 25, 2014
6.	The closing date on which the name list of shareholders are entitled to subscribe for the capital increase ordinary shares proportionately to their shareholding is compiled by closing the share register book to suspend share transfers	November 26, 2014
7..	Subscription and payment period for capital increase ordinary shares of existing shareholders (5 working days)	December 9 - 16, 2014
8.	Registration of the increase of registered capital with the Ministry of Commerce	Within 14 days from the date of the shareholders meeting's resolution

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

Please be informed accordingly.

Yours sincerely,

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(Mrs. Phatnaree Thitiariyakul)
Director