



MILL 044/2014

21 November 2014

Subject: Notification resolution of board of directors meeting no. 8/2014

Attention: Director and Managing Director
The Stock Exchange of Thailand d

Refer to: Mill Document No. 026/2014 on notification of joint investment for the establishment of Joint Venture Company

The board of directors meeting of Million Steel Public Company Limited no. 8/2014 held on 14 November 2014 has the significant issue as following:

(1) Acknowledgment of setting an affiliate and joint venture company in aboard

According to resolution of board of directors meeting no. 2/2014 held on 15 May 2014 has acknowledged the establishment of an affiliate and/or joint venture company in aboard in order to invest in Republic of Myanmar. The purposes for building a factory and selling structural steel in Republic of Myanmar and the Company has already informed joint investment for the establishment of Joint Venture Company according To Mill Document No. 026/2014 dated 22 July 2014 by the system of stock exchange of Thailand.

The company informed that according to resolution of board of directors meeting no. 8/2014 held on 14 November 2014 has acknowledged the establishment of an affiliate and joint venture company in aboard in order to invest in Republic of Myanmar have been done. The details are as follows:

1.1) The Affiliate has been established in Mauritius

- Company Name : Millcon Mauritius Limited
- Incorporation Date : 14 October 2014
- Nature of Business : For investment in Wisdom Tree Investment (s) Limited
- Registered Address : 10th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius.
- Registered Capital : 10,000 USD
- Type and amount of Shares : comprising ordinary Shares amount 10,000 shares
at the per value of USD 1 per share.
- Director : 1. Mr. Sittichai Leeswadtrakul
2. Ms. Jureerat Lapanavanich
3. Mr. Taveechai Kittichanajaroen
4. Kevin Allagapen
5. Karen Ah Soon
- Shareholding Structure : Millcon Steel Public Company Limited holds 100%

1.2) The Joint Venture Company has been established in Singapore.

- Company Name : Wisdom Tree Investment (S) Pte. Limited.
- Incorporation Date : 31 October 2014
- Nature of Business : For investment in a new establishing company namely, Millcon Engineering Limited in Myanmar for the construction of factory, production and distribution of structural steel*.

** In this regards, Millcon Engineering Limited is being established at state agency of Myanmar and forecast to start to carry on a business around quarter 2-3 of 2015.*

- Registered Address : 1 Raffles Place #39-01 One Raffles Place Singapore (048616)
- Registered Capital : 100 USD
- Type and amount of Shares : comprising ordinary Shares amount 100 shares at the per value of USD 1 per share.
- Director : 1. Mr. Sittichai Leeswadtrakul
2. Ms. Wong Yee Jun Shelmin
3. Mr. Tawat Anantanavanich
- Authorized Signatory Director : 2 of 3 directors sign for acting on behalf of the company
- Shareholding Structure :
 - 1) Millcon Steel Public Company Limited holds 45%
 - 2) General Engineering Public Company Limited holds 45%
 - 3) * Thiha Trading Limited holds 10%

Note: * Thiha Trading Limited was a company group of Myanmar Thiha Group of Companies

The details are as follows

Nature of Business:	Trading
Registered Capital:	50,000,000 Kyat
Major Shareholder:	1. U Aye Thiha holds 50% 2. U Thiha holds 50%
Directors:	1. U Aye Thiha 2. U Thiha

2) Approval of increasing registered capital as investment proportion in Wisdom Tree Investment (S) Pte. Limited

With reference to Wisdom Tree Investment (S) Pte. Limited has notified the company for the request of increasing its registered capital total of USD 12,000,000 for using investment by holding 100% shares in a new company is being established namely, Millcon Engineering Limited. In this regards, the said company will use the investment fund for constructing factory, purchase the machinery and spare part, pay a rental payment and carry on a business for production and distribution of structural steel. The board of directors meeting no. 8/2014 held on 14

November 2014 has approved to increase its registered capital calculated total of USD 5,400,000 or be equivalent to THB 178,170,300 in Wisdom Tree Investment (S) Pte. Limited as proposed.

* Remark: Using an exchange rate of bank of Thailand as of 12 November 2014 at the rate of 1 USD = 32.9945

In this regards, the said transaction shall be deemed the acquisition of asset according to announcement of capital market commission no. tor jor 20/2008 on rule of making significant transaction which shall be deemed acquisition or sale the assets and announcement of committee of stock and exchange of Thailand subject the disclosure information and the performance of listed company on acquisition or sale the assets B.E. 2547 which calculated the transaction size of assets acquisition as following:

1) **Date Month Year of the transaction**

After the company board of directors has approved a resolution.

2) **Related Party and relationship with the listed company**

Investor: Millcon Steel Public Company Limited

Joint Investor:

1. **General Engineering Public Company Limited investing not exceeding 45%**

Type of business: Manufactures construction materials, prestressed concrete piles, glassfiber reinforced concrete, precast concrete wall, post-tensioned slab, alpha truss slab, special cement products.

- Major Shareholders
1. Thailand Securities Depository Co., Ltd for depositor, holding 6.22%
 2. Mr. Nirun Hemtrakul, holding 2.47%
 3. Mr. Apivut Thongkam holding 2.40%
 4. Mr. Phisit Wiwatviraikul, holding 2.40%
 5. Mr. Siwasit Sainampeung, holding 2.40%

Registered capital THB 225,178,927
Paid up capital total THB 120, 236, 303,460
Par value THB 30 per share

Incorporation Date as a public company 5 November 1993

Relationship with listed company: was a majority shareholder holding share more than 10%

The reason for jointly investment with General Engineering Public Company Limited because helping company for spreading risk of foreign country investment and help more capacity for trading in Myanmar due to General Engineering Public Company Limited be expert about construction material trading and understand a property marker which will jointly increase more business opportunity in Myanmar.

2. Thiha Trading Limited investing not more than 10%

Type of Business	: Trading
Registered Capital	: MMK 50,000,000
Major shareholder	1. U Aye Thiha, holding 50%
	2. U Thiha, holding 50%
Company Director	1. U Aye Thiha
	2. U Thiha

Relationship with listed company: There was no any relation with a company

3) General Category of transaction

3.1 General Category of transaction

Millcon Steel Public Company Limited has established a joint venture company namely, Wisdom Tree Investment (S) Pte Limited (“Wisdom Tree”) for investment by holding 100% in a new company which is being established namely, Millcon Engineering Limited for construction of manufacturing factory and distribution of structural steel by investing in Wisdom Tree in the proportion of 45%.

3.2 Calculation of transaction size

The said transaction size deem asset acquisition according to announcement of capital market commission no. tor jor 20/2008 subject rule of making significant transaction which shall be deemed acquisition or sale the assets and announcement of committee of stock and exchange of Thailand subject the disclosure information and the performance of listed company on acquisition or sale the assets B.E. 2547 which calculated the transaction size of assets acquisition as following:

- 1) Rule of assets acquisition value having transaction size - Nil-
Because NTA of Wisdom Tree be indebt and total liabilities more than total assets.
- 2) Rule of net profit for the performance –Nil-
Because the latest financial statement of Millcon Steel Plc for the past 12 months is loss
- 3) Rule of total consideration value having transaction size in equivalent to 1.13%
- 4) Rule of registered security value issuing for compensation of acquisition assets –Nil-
Because the company has not issued the new security for the settlement of acquisition assets.

** Remark 1) Information of Millcon Steel's financial statement bring from 9 months financial statement as of 30 September 2014 which is the latest one and it is the base for calculation.*

When calculating according to rule of acquisition assets will have ration of maximum transaction size at the rate of 1.13% according to rule of total consideration value which subject to regulation of stock exchange of Thailand (“SET”) and office of the Securities and Exchange Commission (“SEC”) on acquisition and sale of listed company's assets.

4) Source of fund

Using working capital of company for the investment.

5) Forecast benefit of the company

The establishment of joint venture company for investment by holding 100% shares in a new establish company in Myanmar in order to carry on business about production and distribution of the said structural steel will help company expanding business opportunities in aboard, making a company strong and create more business opportunity to the company. Besides, it will be support a current business of company which are production and distribution business.

6) Opinion of Board of Director on entering into transaction.

The meeting of board of directors view that the aforesaid proportion investment is appropriate and be useful for the company so a board of directors has approved increase in the share capital as proportion investment.

7) Opinion of audit committee and/or director which different from opinion of board of director as stated above in clause 6.

-Nil-

(3) Approval of determining a policy for entering transaction with conflict of interest person

According to the company has joint invested with General Engineering Public Company Limited and Thiha Trading Limited to establish a new company, named Wisdom Tree Investment (S) Pte. Limited at the Republic of Singapore for investment in Republic of the Union of Myanmar which holding 100% shares of the new company established there. The mentioned company will operate the business in the aspect of producing and selling steel products as the above aforementioned. Due to General Engineering Public Company Limited is a major shareholder of company with the shares' percentage of 19.44 which considered as connected person with the company. To be in a line with good cooperate governance, conservatism and integrity principal which prevent the risk of the conflicted advantage. The company stipulates the connected transactions policy for conflicted advantage persons or interested persons therefore, according to SET's and SEC's Notifications.

A policy for entering transaction with conflict of interest person having details are as follows:

"The Conflict of Interest Person" means the person as below

- (a) The director or the executive of the securities issuer
- (b) The major shareholder of the securities issuer
- (c) The controlling person of the securities issuer
- (d) The blood relatives, the relative by marriage or the relative by law registration with the person (a) (b) or (c) such as parents, spouse, sibling, child or child's spouse
- (e) Juristic person which the person (a) (b) or (c) holding shares, being a controlling person, being a interested person regardless of direct way or indirect way significantly.

A policy for connected transactions between a joint venture company and a conflict of interest person are as follow:

- 1) Operation of any businesses of Wisdom Tree Investment (S) Pte. Limited and Millcon Engineering Limited (MEL) which has been registered in Republic of the union of Myanmar shall consider each of shareholders' advantage according to the proportions of each shares holder. In this regards, General Engineering Public Company Limited (GEL) be deemed as a conflict of interest person with Millcon Steel Public Company Limited (MILL) and has clearly agreed by making a memorandum with MILL that GEL shall not complete or having any conflict of interest with MEL in Republic of the union of Myanmar.

- 2) In the case of Wisdom Tree Investment (S) Pte. Limited and Millcon Engineering Limited (MEL) have entered into a normal supporting transaction and having normal commercial condition, normal market trading and/or drawing a comparison between the prices with the outsiders or conflict of interest persons, especially of its subsidiaries, General Engineering Public Company Limited or shareholders who held shares in the proportion of more than 10% i.e. production to ordering, merchandising, trading, service employment etc. In this regard, the management team is entitled to do it.

- 3) In the case of Wisdom Tree Investment (S) Pte. Limited and Millcon Engineering Limited (MEL) which has been registered in Republic of the union of Myanmar have entered into transaction which not subject to normal commercial condition or any transactions apart from normal trading of the company such as making lease agreement of immovable property, financial sponsorship, investment or investment fund selling etc. In this regard, the company has to report to audit committee and board of directors for considering to approve such action. Moreover audit committee and board of directors shall consider mainly on a clearly contract making, stipulating a justice transaction, proportion of shares holding for counterpoise of administration and distribution of benefit as proportion. After entered into a transaction with a conflict of interest person, it is required to report to audit committee for considering and reviewing an appropriate of such transaction continually and the said transaction is subject to announcement of SEC's and SET's committee on connected transaction.

Please be informed accordingly.

Yours sincerely,

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(Mr. Sittichai Leeswardtrakul)

Director