



MILL 008/2017

April 25, 2017

Subject To declare the information in financial statement for the year ended 2016 according to the enquiries of the Stock Exchange of Thailand. (addition)

To President
The Stock Exchange of Thailand

Reference Financial Statement for the year ended 2016 of Millcon Steel Public Company Limited.

According to the requirement of the Stock Exchange of Thailand desiring the Company to further declare the noted of the financial statement for the year ended 2016 about the setting of Allowance of Doubtful Accounts of one debtor of the Company in the amount of THB 289 million and another debtor in amount of THB 35 million. In order to keep investors informed of important information before deciding to invest. The Company would like to declare as follows;

1. In the case of short term debt in amount of THB 35 million.

Due to the interested in the investment in business of renewable energy from solar energy which the government has supported and the Company foresees that this business can be greatly prosper in the future. The Company therefore want to invest in Siam Solar Generation Co., Ltd. by investing in Smart Trader Co., Ltd (the "Debtor"). The Company has hired the consultant company to inspect in legal, finance and technical aspect by due diligence the solar energy project of Siam Solar Generation Co., Ltd. ("Siam Solar") in order to evaluate the status of the business, risk of investment and the reward that the Company will receive from investment by considering to the most benefit of the Company. For the maximum benefit of the company. The result of the inspection report is that this solar power plant has entered into nine power purchase agreements with nine Provincial Electricity Authority (PEA) for nine projects which have location are at Chaiyapoom Province. 1 – 6 projects had begun to sell electricity in 2013 and 7-9 projects had begun to sell electricity in 2015 for sell 2.5 megawatts of electricity per project. The contract has a period of 25 years and an adder of Baht 6.50 for a period of 10 years. This project has been granted promotional privileges from the Board of Investment for a period of 8 years and commenced commercialization ("COD") already.

For the above reasons, The board of directors of the Company has carefully considered to the most benefit of the Company and approved to invest to hold the shares of Smart Green Energy Company Limited ("Smart Green") who is shareholder of Siam Solar, On March 16, 2015 the Company has already prepaid for the shares to the Debtor by having condition in case of the share seller cannot sell or provide to sell to the Company, the Debtor agrees to return the prepaid for the shares to the Company which the sale of shares and prepaid are not relate to the transferring of right due to they occur before the transferring of right within 6 months from the date of receipt of the Due Diligence document, fully in accordance with the Memorandum of Share Sale Agreement and the Advance Receipt for Share



Sale dated March 25, 2015, the share purchase and advance payment are not relate the transfer of claims. Because happened before the transfer of claims.

Later, the Debtor has not performed as agreed. The Company therefore ask to the Debtor to repay the prepaid share. Siam Solar ,which are juristic person received money from the Company. Order by the debtor and it is a same group which having strongly financial status, has entering into the memorandum of understanding to acknowledge of debt dated 8 January 2016 which agrees to repay the debt to the Company within 30 January 2016. After the due date, the Debtor defaults to the Company. The Company therefore sends the notice to ask for the repayment of debt. The Debtor however remains inactive. The details appear in the notice asking to repayment dated 28 April 2016.

Afterwards the Debtor has not yet repay the debt. The Company therefore sues the Debtor to be the civil case at Southern Bangkok Civil Court on 22 June 2016. In the session for the trial, litigants can agree together. The court has accepted as the litigants agreed on 31 October 2016 to be the red case no. por. 2417/2559. The Debtor has to repay the debt to the Company in amount of THB 39,444,717 (Thirty Nine Million Four Hundred Forty Four Thousand Seven Hundred Seventeen Thai Baht Only). The first repayment is on 30 January 2017.

However, when the first repayment period. The Debtor ignore the compromise agreement. The Company has an application to the court to set up the Enforcement Officer for proceed with the seizure or attachment of the debtor and the Enforcement Officer has sent a letter of claim for the collection of accounts receivable of existing debtors with Bangkok Bank Public Company Limited and currently the case is under the enforcement of the judgment.

The detail of the Debtor, company name, incorporate date, type of business, list of director and shareholder (Ultimate Shareholder) are as follows;

1. Details of Siam Solar Generation Co., Ltd.
Siam Solar Generation Co., Ltd. set up on August 21, 2008
2. Capital Registered
Baht 1,000,000,000 million
3. Nature Business
Produce and distribute electrics
4. Director's names lists
(1) Mr.Wuttichai Jarujinda
(2) Mr.Payon Pansri
(3) Mr.Chayut Wattanakamolwut
5. Shareholders' name

| Name | Shares | % |
|-----------------------------|-------------------|---------------|
| Smart Green Energy Co., Ltd | 9,999,998 | 100.00 |
| Mr.Dee-aneke Bunsima | 1 | 0.00 |
| Ms.Paratee Techokumthorn | 1 | 0.00 |
| Total | 10,000,000 | 100.00 |



The Board of Directors and the shareholders of Smart Trader Co., Ltd. have not relationship with the Company's directors and shareholders.

6. Financial Statement

| Statement of Financial Position | 2015 | 2014 | 2013 |
|--|-------------------------|-------------------------|-------------------------|
| Assets | | | |
| Cash and cash equivalents | 15,435,766.70 | 8,404,385.65 | 4,881,692.16 |
| Trade accounts and notes receivable | 69,727,323.28 | 63,912,648.81 | - |
| Short-term loans to parties | - | - | - |
| Other current assets | - | - | 28,770,691.46 |
| TOTAL CURRENT ASSETS | 85,163,089.98 | 72,317,034.46 | 33,652,383.62 |
| Long-term loans to parties | 11,735,678.13 | 309,912,709.73 | - |
| Property, plant and equipment | 3,109,963,626.84 | 3,268,172,815.79 | 1,642,575,925.50 |
| Other non-current assets | 2,947,533.83 | 2,633,533.83 | 2,865,044,497.05 |
| TOTAL NON-CURRENT ASSETS | 3,124,677,131.83 | 3,580,719,059.35 | 4,507,620,422.55 |
| TOTAL ASSETS | 3,209,840,221.81 | 3,653,036,093.81 | 4,541,272,806.17 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| EQUITY | | | |
| LIABILITIES | | | |
| Trade accounts payable | 119,544,733.88 | 457,239,493.36 | 50,742,746.20 |
| Current portion of long-term loans from financial institutions - net | - | 192,000,000.00 | - |
| Short-term loans | - | - | 35,200,000.00 |
| Other current liabilities | 229,763,118.84 | - | 40,253,696.42 |
| TOTAL CURRENT LIABILITIES | 349,307,852.72 | 649,239,493.36 | 126,196,442.62 |
| Long-term loans | 3,055,318,000.00 | 3,197,518,000.00 | 3,414,318,000.00 |
| Other non-current liabilities | 478,914.55 | 478,914.55 | - |
| TOTAL NON-CURRENT LIABILITIES | 3,055,796,914.55 | 3,197,996,914.55 | 3,414,318,000.00 |
| TOTAL LIABILITIES | 3,405,104,767.27 | 3,847,236,407.91 | 3,540,514,442.62 |
| SHAREHOLDERS' EQUITY | | | |
| Registered Capital | 1,000,000,000.00 | 1,000,000,000.00 | 1,000,000,000.00 |
| Issued and paid-up capital | 1,000,000,000.00 | 1,000,000,000.00 | 1,000,000,000.00 |
| Retained earnings | -1,195,264,545.46 | -1,194,200,314.10 | 758,363.55 |
| TOTAL SHAREHOLDERS' EQUITY | -195,264,545.46 | -194,200,314.10 | 1,000,758,363.55 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 3,209,840,221.81 | 3,653,036,093.81 | 4,541,272,806.17 |



| STATEMENTS OF COMPREHENSIVE INCOME | 2015 | 2014 | 2013 |
|------------------------------------|----------------|--------------------|---------------|
| Sales of goods and services | 365,265,089.71 | 269,500,616.18 | 40,257,247.29 |
| Other income | 12,859,591.04 | 52,777.04 | 11,731.04 |
| Total income | 378,124,680.75 | 269,553,393.22 | 40,268,978.33 |
| Cost of sales and services | 182,209,663.22 | 127,178,997.88 | 20,894,404.21 |
| Gross profit (loss) | 183,055,426.49 | 142,321,618.30 | 19,362,843.08 |
| Total SG&A | - | (1,167,312,031.71) | 18,857,721.62 |
| EBITDA | 178,452,726.22 | -1,024,937,636.37 | 516,852.50 |
| Profit (Loss) from operating | 183,055,426.49 | (1,024,990,413.41) | 505,121.46 |
| Other expenses | 17,462,291.31 | - | - |
| EBIT | 178,452,726.22 | (1,024,937,636.37) | 516,852.50 |
| Finance costs | 179,516,957.58 | 133,218,950.38 | - |
| Tax | - | - | 103,967.46 |
| Net - Profit (loss) | (1,064,231.36) | (1,158,156,586.75) | 412,885.04 |

2. The setting of Allowance of Doubtful accounts of one debtor in amount of THB 289 million.

The Company would like to declare that according to group of the Company and Millcon Burapa Company Limited (“Millcon Burapa”) have been in business with Smart Trader Co., Ltd (the “Debtor”) that engaging into the trading steel and steel scrap which the debtor has been a well-known entrepreneur in the steel trading business and has many customers in that time. In 2012, the debtor has order steel from Millcon Burapa and has a good business relationship all the way. However, the debtor had begun to pay late for goods. Until around the year 2014, the debtor has defaulted on payment for goods in the amount of THB 391,217,135 with Millcon Burapa and at the same time Millcon Burapa has debt with the Company in the amount of THB620,234,239. For the settlement of debt with Millcon Burapa, The Company has been received the right to claim the debt in the amount of THB 391,217,135 of the debtor from Millcon Burapa and Millcon Burapa has sent notice to the debtor regarding the transferring to right. Therefore, the debtor has to pay the debt to the Company. The said transferring of right has been approved by board of directors of the Company no. 6/2015, held on 29 July 2015.

After the transferring of right, the Company has followed the debtor to pay debt but the debtor remained inactive. Later, the debtor negotiated and agreed to transfer or acquire shares of Smart Green Energy Company Limited, by hold shares 100% in Siam Solar Company Limited who has the business of renewable energy from solar energy. The company wishes to invest and has already checked the status to the company instead of repayment debt. Later, on 12 November 2015, the Company has entering into memorandum of understanding to receive the shares of the debtor which debtor agrees to transfer the share and/or let the other shareholders which hold the shares



of the debtor's group company to transfer the shares to the Company in amount of 1,984,000 shares at THB 185 per share. On 19 April 2016 the debtor has transferred the shares in amount of 1,984,000 shares. The Company therefore received the shares from the debtor at THB 147.50 per share which in total amount at THB 292,640,000. Whereby the transfer of share to be made the Company hold 19.84% of total registered capital. In relation to the value of share, it is during on procedure of litigation for claiming the outstanding debt after the debtor is released from rehabilitation procedure.

For the criteria of the specific the share price which will be transferred, the Company would like to declare that the Company has hire the financial consultant company which is UOB Kay Hian Securities (Thailand) Public Company Limited to be the evaluator on 31 March 2015, by the way of evaluation as follows;

1. Discounted cash flow method.
2. The profit multiplier method.
3. The multiplier earnings before interest, taxes, depreciation.

The financial consultant has evaluated by using discounted cash flow method which has assume based on the evaluation as follows:

| | | |
|---------------------------------------|-------------------------------------|--|
| Contract PPA : 22.5 MW | FT Growth : around 3% per year | Discount rate : 7.68% |
| Installed production Capacity : 27 MW | O&M : 1.1 million THB per megawatt | BOI : 0% - 8 years and reduced tax rat 50% for 5 years |
| COD Year 2013 : 15 MW | Adder : 6.50 in the 10 years period | Shares in amount of 1,000 million shares (Par 1 THB) |
| COD Year 2015 : 7.5 MW | Land in amount of 700 rai | |

The Company and the Debtor have agreed to transfer the share for repayment of debt at THB 147.50 per share which is the value between max and min value of the share from the evaluation of the financial consultant. (the value of share is between THB 130-165 per share)

After the share transfer The Company has sent a notice of transfer of shares to the directors of Smart Green Energy Company Limited as share registrar for register the changes in the list of shareholders (Bor Or Jor. 5) to the Department of Business Development, Ministry of Commerce Also note the transfer in the register of shareholders of Smart Green Energy Company Limited. However, the debtor and Smart Green Energy Company Limited still ignored. Later 3 May 2016 the Company sent a letter of inquiry regarding the registration of the change of shareholder register (Bor Or Jor. 5) together with the registration of the transfer to the register of shareholders also make a share certificate handed over to Smart Green Energy Company Limited again, but the company did not receive a response at all until now.

The legal consultant has given the opinion that the transferring of shares is right according to the law and the said transferring is blinding the parties. However, if the Debtor's group company has not yet recorded the said transferring in the company's list of shareholder and has not yet summited the Bor Or Jor. 5 to the Department of Business Development, Ministry of Commerce and has not yet issued share certificate to the share transferee. The said share transferring cannot use to claim against any other person. Therefore, the Company has to set Allowance of Doubtful Accounts of the Debtor in full amount according to the master caution.



The detail of the Debtor, company name, incorporate date, type of business, list of director and shareholder (Ultimate Shareholder) are as follows;

1. Smart Trader Co., Ltd

1.1 Details of Debtor.

Smart Trader Co., Ltd. set up on November 30, 2006

1.2 Capital Registered Baht 500,000,000 million

Ordinary shares 500,000 shares with par value THB 100 per share.

1.3 Nature Business

Trading

1.4 Director's names lists

(1) Mr.Veangsuk Boonruengsee

1.5. Shareholders' name

| Name | Shares | % |
|--------------------------|-------------------|---------------|
| Mr.Dee-aneke Bunsima | 397,500 | 55.00 |
| Ms.Paratee Techokumthorn | 100,000 | 40.00 |
| Mr.Kitti Techakitjathorn | 2,500 | 5.00 |
| Total | 10,000,000 | 100.00 |

The Board of Directors and the shareholders of Smart Trader Co., Ltd. have not relationship with the Company's directors and shareholders.

1.6 Financial Statement*

| Statement of Financial Position | 2013 | 2012 | 2011 |
|---------------------------------------|-------------------------|-------------------------|-----------------------|
| ASSETS | | | |
| Cash and cash equivalents | 845,997.77 | 619,513,813.67 | 305,203.78 |
| Trade accounts and notes receivable | 61,355,784.32 | 627,826,610.44 | 31,779,000.00 |
| Inventories | 165,217,815.63 | 258,555,742.33 | 29,340,803.44 |
| Other current assets | 118,944,236.32 | 19,505,874.99 | 801,894.14 |
| TOTAL CURRENT ASSETS | 746,363,834.04 | 2,330,402,041.43 | 62,226,901.36 |
| Total loans and long-term investments | 2,269,841,440.86 | 5,000,000.00 | 431,000,000.00 |
| Property, plant and equipment | 159,065,015.09 | 161,436,755.65 | 2,933,876.16 |
| TOTAL NON-CURRENT ASSETS | 2,428,906,455.95 | 166,436,755.65 | 433,933,876.16 |
| TOTAL ASSETS | 3,175,270,289.99 | 2,496,838,797.08 | 496,160,777.52 |
| LIABILITIES AND SHAREHOLDERS' | | | |
| EQUITY | | | |
| LIABILITIES | | | |



| | | | |
|---|-------------------------|-------------------------|-----------------------|
| Bank overdraft and short-term loans from financial institutions | 1,749,130,728.65 | 1,328,936,837.23 | 317,800,774.75 |
| Trade accounts payable | 723,980,013.38 | 521,586,815.72 | 126,369,272.46 |
| Other current liabilities | 39,591,488.91 | 21,249,231.23 | 12,607,266.77 |
| TOTAL CURRENT LIABILITIES | 2,512,702,230.94 | 1,871,772,884.18 | 456,818,348.23 |
| Other non-current liabilities | - | - | 14,458.21 |
| TOTAL NON-CURRENT LIABILITIES | - | - | 14,458.21 |
| TOTAL LIABILITIES | 2,512,702,230.94 | 1,871,772,884.18 | 456,832,806.44 |
| SHAREHOLDERS' EQUITY | | | |
| Registered Capital | 500,000,000.00 | 500,000,000.00 | 10,000,000.00 |
| Issued and paid-up capital | 500,000,000.00 | 500,000,000.00 | 10,000,000.00 |
| Retained earnings | 162,568,059.05 | 125,065,912.90 | 29,327,971.08 |
| TOTAL SHAREHOLDERS' EQUITY | 662,568,059.05 | 625,065,912.90 | 39,327,971.08 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 3,175,270,289.99 | 2,496,838,797.08 | 496,160,777.52 |

| STATEMENTS OF COMPREHENSIVE INCOME | 2013 | 2012 | 2011 |
|------------------------------------|------------------|------------------|------------------|
| Sales of goods and services | 4,926,907,483.33 | 6,192,432,914.06 | 1,470,396,248.93 |
| Other income | 49,210,314.89 | 135,896.69 | 77,930.63 |
| Total income | 4,976,117,798.22 | 6,192,568,810.75 | 1,470,474,179.56 |
| Cost of sales and services | 4,818,458,210.77 | 5,989,264,978.65 | 1,406,366,486.30 |
| Gross profit (loss) | 108,449,272.56 | 203,167,935.41 | 64,029,762.63 |
| Total SG&A | 41,348,068.78 | 19,912,556.36 | 6,307,463.25 |
| EBITDA | 67,101,203.78 | 183,255,379.05 | 57,722,299.38 |
| Profit (Loss) from operating | 116,311,518.67 | 183,391,275.74 | 57,800,230.01 |
| EBIT | 116,311,518.67 | 183,391,275.74 | 57,800,230.01 |
| Finance costs | 67,504,480.82 | 59,044,255.91 | 16,762,004.05 |
| Tax | 11,304,891.70 | 28,609,078.01 | 12,311,467.79 |
| Net Profit (Loss) | 37,502,146.15 | 95,737,941.82 | 28,726,758.17 |

Remark * The financial statements are information that the debtor submits to the Ministry of Commerce.



2. Smart Green Energy Co., Ltd.

2.1 Details of Debtor.

Smart Green Energy Co., Ltd. set up on February 11, 2011

2.2 Capital Registered Baht 1,000,000,000 million

Ordinary shares 10,000,000 shares with par value THB 100 per share.

2.3 Nature Business

Holding company

2.4 Director's names lists

(1) Mr.Wuttichai Jarujinda

(2) Mr.Payon Pansri

(3) Mr.Chayut Wattanakamolwut

2.5 Shareholders' name

| Name | Shares | % |
|--------------------------|-------------------|---------------|
| Ms.Paratee Techokumthorn | 5,500,000 | 55.00 |
| Smart Trader Co., Ltd. | 4,000,000 | 40.00 |
| Mr.Dee-aneke Bunsima | 500,000 | 5.00 |
| Total | 10,000,000 | 100.00 |

The Board of Directors and the shareholders of Smart Green Energy Co., Ltd. have not relationship with the Company's directors and shareholders.

2.6 Financial Statement*

| Statement of Financial Position | 2013 | 2012 | 2011 |
|---|-------------------------|-------------------------|-------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 1,105,962.85 | 345,045.90 | 302,686.83 |
| Other current assets | 715.97 | 342,973.36 | - |
| TOTAL CURRENT ASSETS | 1,106,678.82 | 688,019.26 | 302,686.83 |
| Total loans and long-term investments | - | 999,999,800.00 | 999,999,800.00 |
| Property, plant and equipment | 2,494,345.99 | 38,750.00 | - |
| Other non-current assets | - | - | 25.12 |
| TOTAL NON-CURRENT ASSETS | 1,002,494,145.99 | 1,000,038,550.00 | 999,999,825.12 |
| TOTAL ASSETS | 1,003,600,824.81 | 1,000,726,569.26 | 1,000,302,511.95 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |



| | | | |
|---|-------------------------|-------------------------|-------------------------|
| Short-term loans | 38,040,000.00 | 15,300,000.00 | 500,000.00 |
| Other current liabilities | 2,590,145.47 | 204,332.60 | - |
| TOTAL CURRENT LIABILITIES | 40,630,145.47 | 15,504,332.60 | 522,000.00 |
| TOTAL LIABILITIES | 40,630,145.47 | 15,504,332.60 | 522,000.00 |
| SHAREHOLDERS' EQUITY | | | |
| Registered Capital | 1,000,000,000.00 | 1,000,000,000.00 | 1,000,000,000.00 |
| Issued and paid-up capital | 1,000,000,000.00 | 1,000,000,000.00 | 1,000,000,000.00 |
| Retained earnings | -37,029,320.66 | -14,777,763.34 | -219,488.05 |
| TOTAL SHAREHOLDERS' EQUITY | 962,970,679.34 | 985,222,236.66 | 999,780,511.95 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1,003,600,824.81 | 1,000,726,569.26 | 1,000,302,511.95 |

| STATEMENTS OF COMPREHENSIVE INCOME | 2556 | 2555 | 2554 |
|------------------------------------|-----------------|-----------------|--------------|
| Sales of goods and services | - | - | - |
| Other income | 700.87 | 8,385.50 | 2,511.95 |
| Total income | 700.87 | 8,385.50 | 2,511.95 |
| Cost of sales and services | - | - | - |
| Gross profit (loss) | - | - | - |
| Total SG&A | 22,252,073.43 | 14,566,063.87 | 222,000.00 |
| EBITDA | (22,252,073.43) | (14,566,063.87) | (222,000.00) |
| Profit (Loss) from operating | (22,251,372.56) | (14,557,678.37) | (219,488.05) |
| EBIT | (22,251,372.56) | (14,557,678.37) | (219,488.05) |
| Finance costs | 184.76 | 596.92 | - |
| Net Profit (Loss) | (22,251,557.32) | (14,558,275.29) | (219,488.05) |

Remark * The financial statements are information that the debtor submits to the Ministry of Commerce.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

Please be informed accordingly

Yours sincerely

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(Ms. Jureerat Lapanavanich)

Director