



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

MILL 020/2017

19 July 2017

Subject: Submission of the Opinion of the Business on the Tender Offer to Purchase Securities of Millcon Steel Public Company Limited (Form 250-2)

Attention: President
The Stock Exchange of Thailand

Enclosures: 1. Copy of the Opinion of the Business on the Tender Offer to Purchase Securities of Millcon Steel Public Company Limited (Form 250-2)
2. Copy of the Opinion Report of Independent Financial Advisor on the Voluntary Partial Tender Offer to Purchase Ordinary and Preference Shares of Millcon Steel Public Company Limited

As Mr. Sittichai Leeswadtrakul, as a tender offeror (the "Tender Offeror") and Bualuang Securities Public Company Limited, as a tender offer preparer for the making of the voluntary partial tender offer of the Tender Offeror, had submitted the tender offer proposal to purchase securities of Millcon Steel Public Company Limited (the "Company") (Form 247-4) to the Office of the Securities and Exchange Commission on 28 June 2017 and subsequently submitted the revised tender offer proposal to purchase securities of the Company (Form 247-4) on 13 July 2017.

The Company has prepared an opinion of the business for the voluntary partial tender offer to purchase shares of the Company (Form 250-2) and hereby submits such opinion of the business for the voluntary partial tender offer to purchase shares of the Company (Form 250-2) together with a copy of the opinion of the independent financial advisor on the voluntary partial tender offer to purchase ordinary and preference shares of the Company, having the details as per the enclosures hereto.

Please be informed accordingly.

Yours sincerely,

(Ms. Jureerat Lapanavanich)

Director

- Translation -
Opinion of the Company on the Partial Tender Offer
(Form 250-2)

Of
Millcon Steel Public Company Limited



Tender Offeror

Mr. Sittichai Leeswadtrakul

19 July 2017

Opinion of the Company on the Partial Tender Offer

July 19, 2017

Dear Shareholders

Millcon Steel Public Company Limited

As Millcon Steel Public Company Limited (“MILL” or “the Company”) received a copy of the Tender Offer to purchase the securities of the Company (“Form 247-4” or the “Tender Offer”) from existing shareholder (“the Tender Offeror”) as a Tender Offeror on June 28, 2017, the details are as follows:

Type of Securities	Number of securities to be purchased		Percentage of securities to be purchased		Tender offer price per unit (Baht) ^{3/}	Total tender offer value (Baht) ^{4/}
	(Share/Unit)	Voting rights	Total paid-up shares of the Company	Total voting rights of the Company		
Ordinary shares ^{1/}	1,215,919,539	1,215,919,539	29.99	29.99	1.80	2,188,655,170.20
Preferred shares ^{2/}	1,215,919,539	1,215,919,539	29.99	29.99	1.80	2,188,655,170.20
Warrants	-	-	-	-	-	-
Convertible debentures	-	-	-	-	-	-
Other securities (if any)	-	-	-	-	-	-
Total	1,215,919,539		Total	71.16	Total	4,483,148,975

Remark: 1/ As of June 8, 2017, the Company had 3,862,348,930 total issued and paid-up ordinary shares with a par value of THB 0.40 per share.

2/ As of June 8, 2017, the Company had 192,118,226 total issued and paid-up preferred shares with a par value of THB 0.40 per share.

3/ The offer price for the ordinary shares is Baht 1.80 (One Point Eight Baht) per share (the “Offer Price”). The shareholders who accept the Tender Offer (each an “Offeree”), are subject to payment of a brokerage fee of 0.25% of the Offer Price plus value added tax (“VAT”) of 7% of the brokerage fee. Therefore, the net price to be received by the Offeree will be Baht 1.795185 (One Point Seven Nine Five One Eight Five Baht) per share. In addition, an Offeree which is a Thai juristic person will be responsible to withhold 3.00% tax on the brokerage fee and must issue a Withholding Tax Certificate to the Tender Offer Agent and if the Offeree is a foreign juristic person not operating any business in Thailand and residing in a country which does not have a double tax treaty with Thailand or residing in a country that has a double tax treaty with Thailand but such treaty does not exempt withholding tax on capital gains from the sale of shares in Thailand, such Offeree is subject to a 15% withholding tax on capital gains on sale of securities which a difference between the Offer Price and the price at which the Offeree originally paid to acquire the tendered shares

4/ Pursuant to Mr. Sittichai Leeswadtrakul (the “Offeror”) has proposed to make Voluntary Partial Tender Offer to purchase ordinary shares and preferred shares of Millcon Steel Public Company Limited (the “Business”) in the amount of not exceeding 1,215,919,539 shares or equal to not exceeding 29.99 percent of ordinary

shares and preferred shares paid-up capital of the Business and representing 1,215,919,539 voting rights of the Business or equal to not exceeding 29.99 percent of the total voting rights of the Business. As per the Voluntary Partial Tender Offer proposal to purchase ordinary shares and preferred shares, the Offeror had obtained an approval from the Annual General Shareholders' Meeting ("AGM") of the Business No. 1/2017 held on 28 April 2017 and being granted a waiver from the Office of the Securities and Exchange Commission as the Notification of the Capital markets Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated 13 May 2011 (as amended) to make a Voluntary Partial Tender Offer to purchase ordinary shares and preferred shares, by not having to make a Tender Offer for the entire Business on the 7 June 2017.

The company has 3,862,348,930 (Three Thousand Eight Hundred Sixty Two Million Three Hundred Fourty Eight Thousand Nine Hundred and Thirty) total issued and paid-up ordinary shares and 192,118,226 (One Hundred Ninety Two Million One Hundred Eighteen Thousand Two Hundred and Twenty Six) issued and paid-up preferred shares in 1 ordinary share or 1 preferred share equivalent to 1 voting right of the Company. Both ordinary and preferred shares 1 share has 1 voting right. As of 28 June 2017, the Offeror and Person under Section 258 hold 770,767,368 (Seven Hundred Seventy Million Seven Hundred Sixty Seven Thousand Three Hundred and Sixty Eight) ordinary shares, representing 19.01 percent of ordinary shares and preferred shares paid-up capital of the Company and representing 19.01 percent of the total voting rights of the Company.

Moreover, The Offeror will make Voluntary Partial Tender Offer to purchase ordinary shares and preferred shares of the Business in the amount of not exceeding 1,215,919,539 shares or equal to not exceeding 29.99 percent of ordinary shares and preferred shares paid-up capital of the Business and representing 1,215,919,539 voting rights of the Business equal to not exceeding 29.99 percent of the total voting rights of the Business. After the Tender Offer, the Offeror wishes to hold ordinary shares and preferred shares of the Business in the amount of not exceeding 49.00 percent of paid-up capital of the Business which representing not exceeding of 49.00 percent of the total voting rights of the Business. The Offeror has no intention to change objectives strategies, operating plan and business plan of the Business.

Besides, the Offeror will support on operation of existing executives from now on and also has no intention to nominate additional individuals to join Board of Directors. In addition, the Offeror had no intention to change policies on dividend payment of the Business and no intention to delist the Business from The Stock Exchange of Thailand or except the Business in order to comply with applicable laws and regulations effective at that time. The acquisition of ordinary shares and preferred shares from this tender offer will not cause the connected transactions between the Business and the Offeror and the related person under Section 258 of the Securities and Exchange Act of 2535 (as amended) ("Person under Section 258") significantly increase or change from the present.

The Offering period is set for 25 business days during June 29, 2017 to August 4, 2017 from 9.00 a.m. to 4.00 p.m. on every business day. Offeree can submit the Acceptance Form at Bualuang Securities Public Company Limited which located at 29th Floor, Silom Complex Building, 191 Silom Road, Silom, Bangkok,

Bangkok 10500 Telephone No. 0-2618-1141, 0-2618-1147, or 0-2618-1143. The Offeror will make payment (As the offer price in no.6) to the Offeree after the 3rd business day from the last day of the Offering Period, which is 9 August 2017. The Acceptance Form submitted by the Offeree must be correct and completed and the transfer of the tendered shares must be completed.

Tender Offer Revocation Period

The Offeree is able to revoke its acceptance of the Tender Offer at the office of the Tender Offer Agents on any business day between 29 June 2017 and 27 July 2017 inclusive (totaling 20 business days) (the "Tender Offer Revocation Period") during the hours of 9:00 a.m. to 4:00 p.m. (If the Offeree wishes to revoke its acceptance of the Tender Offer, it must follow the Tender Offer Cancellation Procedures as specified in Attachment 3 (1) Tender offer revocation procedure Form 247-4.

Such offer price is the final offer which shall not be changed and such tender offer period is the final period which shall not be extended, unless the following conditions arise:

- 1) The Offeror may reduce the Offer Price or extend the Offer Period in the case of any event or action that occurs during the Offer Period which causes severe damage to the status or assets of the Company
- 2) The Offeror may change the offer or extend the Offer Period to compete with another offeror who has submitted a tender offer for shares of the Company during the Offer Period.

The Tender Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events:

- 1) any event or action occurring after the submission of the Tender Offer to the Office of the Securities and Exchange Commission ("SEC") but within the Offer Period which causes or may cause severe damage to the financial status or the assets of the Business, where such event or action has not result solely from the actions of the Offerors or actions for which the Offerors are responsible
- 2) any action conducted by the Business after the submission of the Tender Offer to the SEC but within the Offer Period which causes or may cause a significant decrease in the value of the Business's shares
- 3) any action conducted by the Business as defined in the Notification of the Capital markets Supervisory Board No. TorChor. 14/2554 Re: Actions or exempt of actions that may affect the result of Tender Offer of the Business, dated 25 July 2011 (as amended).

Payment Date

The Offeror will make payment to the Offeree after the 3rd business day from the last day of the Offering Period, which is 9 August 2017. The Acceptance Form submitted by the Offeree must be correct and completed and the transfer of the tendered shares must be completed.

Allocation of Shares if the Tendered Shares are more or less than the Offered Shares

In the case that there are shareholders of the Business offering to sell the Business's Ordinary Shares and Preferred Shares in excess of 1,215,919,539 shares, the Offeror will purchase only 1,215,919,539 shares which are allocated by each type of shares on a pro-rata basis. In the case that any type of shareholders offering to sell shares less than the amount of such shares being entitled to be allocated, the Offeror will provide such remaining shares from the allotment to such shareholders for allocation to another type of shareholders in total amount. In case the number of shares is not offered into board lot (100 shares), the Offeror shall round the fraction of the number into board lot (100 shares) as (1) In case the fractioned shares are less than 50 shares, the Offeror shall be rounded out or (2) In case the fractioned shares are more than or equal 50 shares, the Offeror shall be rounded up to 100 shares.

In addition, If the total shares after rounding are more than the maximum number of shares to be purchased, the Offeror reserves its right to round the shares as appropriate.

In the case that there are shareholders of the Business offering to sell the Business's shares in excess of 1,215,919,539 shares and the Business's shares are allocated by each type of shares on a pro-rata basis as mentioned above and there are remaining ordinary shares and/or preferred shares from the allocation, Tender Offer Agent will return such securities as original form which the Offeree offers to sell. In the case that the ordinary shares to the TSD for transferring shares to the Offeree's broker account or the Issuer account for account number 600, Tender Offer Agent will return such ordinary share to each Offeree within the payment date which is on 9 August 2017 but in the case of share certificate form, Tender Offer Agent will return such share certificate form within 30 business days from the last day of the Offer Period. The Offeree can contact Tender Offer Agent to collect such share certificate form at the following detail in Clause 13. In the case of the Non-Voting Depository Receipt ("NVDR"), the Offeree will collect the NVDR through TSD from Thai NVDR Co., Ltd. Should there be the shareholders of the Business offer for sale of the Business' Ordinary Shares and Preferred Shares less than 1,215,919,539 shares, The Offeror will purchase all shares tendered for sale by them.

1. The status of the Company in respect of past and projected operating results and the assumptions used for projection

1.1. Development and major changes in the past 3 year of the Company

Millcon Steel Public Company Limited was registered as a private company limited on July 1998 with the initial registered capital of THB 50 million. Later on 1 June 2007, the Company registered as public company and listed on the Market for Alternative Investment (“MAI”). Afterward, on May 2008, the Business changed to list on the Stock Exchange of Thailand (“SET”) and then invested in Green Mill Project for produces long shape steel or Billet which support company to have ability to produce steel bar. Furthermore, the company entered into a joint venture agreement with Kobe Steel Limited for the production and sale wire rod, material for production process, which are used in automotive, machinery and furniture industry.

Year	Events
2014	<ul style="list-style-type: none"> - Set up Millcon Special Steel Ltd. for produce and sale wire rod. - Set up Millcon Thiha Limited in Myanmar with capital registered USD 100,000 for sale steel and construction material.
2015	<ul style="list-style-type: none"> - Set up Millcon Steel Pipe Co., Ltd. for operated steel pipe business in Thailand. - Set up Saharuam Construction Material Co., Ltd. for trading construction material. - Subsidiary change name from “Zentra Wartung Engineering Co., Ltd” to “IGEN Engineering Co., Ltd “ for produce electrical equipment and engineer service. - Singed Memorandum of Understanding (MOU) with Kobe Steel Company Limited to conduct and distribution wire rod business in Millcon Special Steel Company Limited. - Invested in ordinary shares of Suntech Metals Co., Ltd and hold 99.99 percent of the total ordinary shares - Invested in ordinary shares of Worldwide Processing Co., Ltd and hold 99.99 percent of the total ordinary shares
2016	<ul style="list-style-type: none"> - Invested in Millcon Special Steel Co., Ltd. with Kobe Steel Ltd. in portion of share 50% of the paid-up capital of the Company and the name had been changed to Kobelco Millcon Streeel Co., Ltd. - Invested in ordinary share of Longkong Studio Co., Ltd. (“Longkong”) or representing 40 percent of issued paid up capital. - Invesed with Complex Shipping and Logistic Co. Ltd. (“Complete”) in portion of share 25% and Complete 75% to set up Complete Transport Ltd. for logistic. - Sold ordinary share of Million Mile Co., Ltd.(“Million Mile”) in amout of 1,814,999 shares in portion of 12.10 percent of registered capital of Million Mile.

1.2. Nature of Business of the Company and Subsidiary

For main product of the Company can be classified 5 groups as follows.

1.2.1 Round Bar and Steel Bar

- Steel Bar
- High Tensile Thread Steel Bar

1.2.2 Billet

1.2.3 Structural Steel

1.2.4 Wire rod

1.2.5 Metal Scrap

1.2.1. Round Bar and Steel Bar

Steel Bar

The Business produces and distributes plain round steel bar in conformity to the industrial standards with a diameter of 6 - 40 mm. and a length of 10-12 m. at SR 24 quality, and deformed bar with a diameter of 10-63.5 mm. and a length of 10-12 m. at SD 30 SD 40 and SD 50 quality. Steel at each quality level is different in chemical and mechanical properties and has undergone both domestic and international quality standard certification, thus enabling applications for construction works with the specifications and quality as required by customers.

For reinforcing steel produced by the Group, which is major raw material for all types of concrete structure works, the types and sizes to be used depend on the design and structure of such construction works. The Group can serve all types of construction works with its diversified products from sophisticated machinery; hence responding to demand of customers at all levels

In addition, the Group also produces thread deformed bar called One Bar as the latest innovation developed to remove steel joining problem. One Bar is generated through the hot rolling process with threading made along the entire length. Steel can splice with coupler because of such thread. This will better strengthen the steel joining than fastening or welding and reduce waste of steel texture during the process. One Bar can be used in substitution for deformed bar in general. However, it will help save time and cost of construction. The Group's deformed bar is offered in two quality levels, i.e. SD 40 and SD 50, and compliance with TIS 24-2548.

High Tensile Thread Steel Bar

The Group can produce high tensile thread steel bar according to the ASTM A 722 ISO 6934-5 for use in large construction works and geological constructions which require high tensile strength. These include construction of earthquake resistant buildings

High tensile thread steel bar is the thread steel bar that splice with coupler the same as thread steel bar (One Bar) but it is specially produced to withstand weight and have high tensile strength suitable for large constructions that require high tensile strength than other construction in general such as electric train

system, bridge, tunnel, deep sea port, dam, and others. At present, the Group is the sole local producer of high tensile thread steel bar which can achieve international standard.

1.2.2. Billet

This is a new line of business to produce billets for use as raw materials in the production of steel bars, deformed bars and other high quality steel products, both of general use grade for general construction and of special quality grade for linkage industries such as sling, welding wire, and automotive parts. The Company produces billets of standard sizes and shapes, with a dimension of 130 mm x 130 mm and 150 mm x 150 mm and a length as required by customers of 6 m. and 12 m

1.2.3. Structural Steel

The Company produces and distributes a variety of formed steel product, i.e. hot rolled coil (HRC), and cut steel of diversified sizes. Moreover, the Group also produces structural steel products that meet Thai industrial standard (TIS 1228-2549). Details are as below:

Hot rolled coil (HRC)

The Group distributes HRC to steel wholesalers and steel plants for processing into such steel work parts as steel sheet, C - channel steel, strip and structural steel, etc. The HRC widely used is in sizes of 4 feet in width and 5 feet in width; and has varied thickness depending on the types of products to be produced by the customers.

Cut steel and structural steel

The Group provides steel cutting service on customer orders and produces structural steel using its efficient machinery line. There are five product types as follows:

- **Slitting Coil**

The Group feeds HRC and has it stretched and cut by the slitting machine by the width specified by the customers. With the slitting finished, the HRC will be rolled back ready for distribution. The slitting machine can generate slitting coil with 50 mm. to 500 mm. in width. Customers mainly use slitting coil for further cutting or forming into other steel work parts and products such as C - channel steel, steel pipe, rail, etc.

- **Steel Sheet**

The Group feeds HRC and has it cut into different width and length of sheet. The HRC is stretched and cut by the cutting machine to get the standard size and shape of steel sheet. The steel sheet so generated will have standard sizes: 4 x 8 feet, 5 x 10 feet and 5 x 20 feet, with thickness of 1.2 – 12.00 mm., 2.90 – 12.00 mm. and 2.90 – 12.00 mm. respectively. End-users of steel sheet are mainly steel processing plants including automobile plants, etc.

- **Flat Plate**

The HRC is cut into sizes and shapes as required by the customers. Flat plate so generated has standard length of 6 m. but diversified width range from 1 inch to 36 inch 44 mm. and 1100 mm., with thickness from 1.90 mm. to 6 mm. depending on customer requirement. It can be

processed in diversified products, such as wire mesh, gate, etc., and also as raw material for automobile, furniture and parts manufacturing, etc.

- **C-channel steel**

It is a product that looks like alphabet C and with different thickness and width. The product is generated from forming (produced by cold forming) process the slitting coil of the required size into C-shape. C - channel steel is mainly used in construction works, particularly roof structure.

- **Steel Pipe**

The Group produces and distributes steel pipe, i.e. round, square and flat, for use as raw material in various industries, such as construction materials, furniture parts and automotive parts. They can also be applied to other types of industries depending on customer requirements. Round steel pipe produced has a diameter range of ½ inch - 4 inches, thickness range of 1.2 mm. – 3.25 mm., and standard length of 6 m. Its square pipe has the size in a range of 1 x 1 inch 4 x 4 inch, thickness range of 1.2 mm. - 3 mm., and standard length of 6 m. Its flat pipe has the size in a range of 2 x 1 inch – 2 x 6 inch and thickness range of 1.2 mm. – 3 mm

1.2.4. Wire rod

The Group produces distributes low carbon wire rod, medium carbon wire rod and high carbon wire rod which are raw material in automotive industry, machinery industry and furniture industry. The Group can produces wire rod with a diameter of 5.5 mm. to 16 mm.

1.2.5. Metal Scrap

Metal scrap are raw material in produces billet. The group will buy scrap and scrap processing by shear and shred process from product which have steel as a component for produce billets further. The processing will reduce cost of producing billet because scrap processing are small which will melting scrap faster large scrap.

1.3. Revenue Structure

A Major Source of revenue from sale and service is as follows:

Revenue structure of the company breakdown (Financial Statement of Company)

Unit: Million Baht

Company	Business	Company Holding	2016		2015		2014	
			Value	%	Value	%	Value	%
Millcon Steel PCL.	Manufacturer, Distributor Steel Bar and Structural Steel	-	12,042	48.28	9,583	55.90	8,083	67.69
Millcon Burapa Co., Ltd.	Manufacturer and Distributor Billet	99.10	9,459	37.92	3,624	21.14	3,740	31.32

IGEN Engineering Co., Ltd. ^{1/}	- Engineering & Maintenance Service - Cut & Bend Service - Electric system service	-	-	-	71	0.41	118	0.99
Kobelco Millcon Steel Co., Ltd. ^{2/}	Manufacturer and Distributor Wire rod	50.00	-	-	836	4.88	-	-
Millcon Steel Pipe Co., Ltd.	Production and distributor of structural steel	100.00	644	2.58	913	5.33	-	-
Saharuam Construction Material Co., Ltd.	Distributor steel and construction materials	100.00	815	3.27	1,548	9.03	-	-
Suntech Metals Co., Ltd.	Metal scrap management for distribution	99.99	1,906	7.64	568	3.31	-	-
Millcon Thiha Limited	Distributor steel	51.00	78	0.31	-	-	-	-
Grand Total			24,944	100.00	17,143	100.00	11,941	100.00

Remark: 1/Zentra – Wartung Co., Ltd. had been changed to IGEN Engineering Co., Ltd. and the Company had decreased the portion of share and the remaining 39.99% in the Company by December 30, 2015

2/ On date 17 February 2016, *obe Steel +imited invested in Millcon Special Steel Co., Ltd. in portion of share 50% of the paid-up capital of the Company and the name had been changed to Kobelco Millcon Steel Co., Ltd

Revenue by Product (Financial Statement of Consolidate)

Units: Million Baht

Product	2016			2015			2014		
	Ton	Value	%	Ton	Value	%	Ton	Value	%
Steel Bar	732,647	10,522	54.76	541,583	8,345	67.68	377,408	7,520	72.52
Structural Steel	39,901	773	4.02	32,928	612	4.96	18,710	449	4.33
Wire rod	69,344	977	5.09	-	-	-	-	-	-
Billet	526,398	6,389	33.25	131,247	2,038	16.52	124,452	2,259	21.79
Other	62,354	553	2.88	103,801	1,336	10.84	6,957	141	1.36
Grand Total	1,430,644	19,214	100.00	809,559	12,331	100.00	527,527	10,369	100.00

1.4. Shareholding structure before Tender Offer

List of top 10 shareholders on the latest shareholders register book of the Business as of 8 June 2017, which is the book closing date.

Name of Major Shareholders ¹	No. of Ordinary Shares (Shares)	Percent of paid up capital
1. Mr.Sittichai Leeswadtrakul	770,767,368	19.95
1.1 Mr.Sittichai Leeswadtrakul	726,982,220	18.82
1.2 Miss Thanika Tungpoonpolwivat	43,785,148	1.13
2. General Engineering Public Company Limited	729,899,999	18.90

Name of Major Shareholders ¹	No. of Ordinary Shares (Shares)	Percent of paid up capital
3. Bangkok Bank Public Company Limited	300,000,000	7.77
4. Mrs. Nathathai Sawatyanon	122,636,600	3.18
5. Thai NVDR Company Limited	101,927,803	2.64
6. Danieli Company Limited ^{2/}	83,434,728	2.16
7. Mr. Wichai Wachiraphong	70,169,200	1.82
8. QUAM SECURITIES COMPANY LIMITED A/C CLIENT	58,839,800	1.52
9. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	58,110,000	1.50
10. Mrs. Suchada Lisawattrakul ^{3/}	56,322,300	1.46
Total	2,352,107,798	60.90

Source : Form 247-4

Note: ¹ Ungroup persons who have same family name or related persons

² Danieli Co., Ltd. is not Person under 258 of Offeror

³ Mrs. Suchada Lisawattrakul is not Person under Section 258 of the Offeror and is not a person who has relationship or has behavior in a manner that jointly acts with the Offeror (acting in concert)

As of 8 June 2017, the Business has a total of 192,118,226 issued and paid-up preferred shares The details are as follow:

Name of Shareholders	No. of Preferred Shares (Shares)	Percent of paid up preferred shares
1. Industrielle Beteiligung (Thailand) Co.,Ltd.	78,717,734.00	41.03
2. Mrs. Areerat Leeswadtrakul	19,704,433.00	10.26
3. Mr. Thanarat Potsawong	73,891,626.00	38.46
4. Mr. Kitipat Nuengjumnong	19,704,433.00	10.26
Total	192,118,226.00	100.00

Source: The company

1.5. Expecting shareholding structure after the Tender Offer

In case that the shareholders sold ordinary shares and preferred shares according to the proportion of the Voluntary Partial Tender Offer in the amount of 1,215,919,539 shares.

Name	Number of shares (shares)	Percentage of paid up capital ¹
1. Mr.Sittichai Leeswadtrakul and person under section 258	1,986,686,907	49.00
2. Other Existing Shareholder	2,067,780,249	51.00
Total	4,054,467,156	100.00

Remark : 1/ Percentage of total ordinary and preferred shares of the Company

1.6. Financial position and operation results

1.6.1. Balance Sheet (Assets)

Activities	31 Dec 2014		31 Dec 2015		31 Dec 2016		31 Mar 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Assets								
Current Assets								
Cash and cash equivalents	223.81	1.36%	468.68	2.44%	563.99	3.16%	644.31	3.46%
Restricted deposits at financial institutions	456.97	2.77%	433.40	2.25%	507.06	2.84%	452.45	2.43%
Trade accounts and notes receivable	1,465.68	8.89%	2,650.62	13.78%	1,963.22	11.00%	2,247.20	12.08%
Short-term loans to related parties	0.00	0.00%	2.55	0.01%	0.00	0.00%	5.00	0.03%
Short-term loans to other parties	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
The right to claim over the assets of receivable	880.43	5.34%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Inventories	2,262.56	13.72%	2,297.53	11.94%	3,392.41	19.00%	4,263.14	22.92%
Advances to suppliers for purchases of goods	941.93	5.71%	697.06	3.62%	497.52	2.79%	225.71	1.21%
Derivative financial instruments	5.66	0.03%	12.50	0.06%	64.13	0.36%	2.84	0.02%
Advances to subsidiaries	0.00	0.00%	0.34	0.00%	15.32	0.09%	10.94	0.06%
Assets-held-for-sale	2,245.89	13.62%	806.18	4.19%	0.00	0.00%	0.00	0.00%
Other current assets	162.66	0.99%	470.52	2.45%	399.84	2.24%	388.48	2.09%
TOTAL CURRENT ASSETS	8,645.58	52.44%	7,839.39	40.75%	7,403.48	41.47%	8,240.08	44.30%
NON-CURRENT ASSETS								
Investments in associated	0.00	0.00%	0.00	0.00%	79.38	0.44%	58.80	0.32%
Investments in subsidiaries	177.31	1.08%	174.67	0.91%	311.30	1.74%	305.66	1.64%
Other long-term investment	19.25	0.12%	19.25	0.10%	0.00	0.00%	0.00	0.00%
Investment property		0.00%	285.56	1.48%	509.75	2.86%	496.57	2.67%
Property, plant and equipment	7,614.30	46.18%	10,556.33	54.88%	9,188.76	51.48%	9,143.04	49.16%
Intangible assets	18.71	0.11%	14.84	0.08%	12.31	0.07%	8.07	0.04%
Goodwill		0.00%	333.60	1.73%	333.60	1.87%	333.60	1.79%
Other non-current assets	11.63	0.07%	12.31	0.06%	11.94	0.07%	13.45	0.07%
TOTAL NON-CURRENT ASSETS	7,841.19	47.56%	11,396.56	59.2%	10,447.04	58.50%	10,359.18	55.70%
TOTAL ASSETS	16,486.77	100%	19,235.95	100%	17,850.53	100%	18,599.26	100%

1.6.2. Balance Sheet (Liabilities and shareholders' equity)

Activities	31 Dec 2014		31 Dec 2015		31 Dec 2016		31 Mar 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
LIABILITIES AND SHAREHOLDERS' EQUITY								
CURRENT LIABILITIES								
Bank overdraft and short-term loans from financial institutions	9,884.46	59.95%	10,746.04	55.86%	8,569.21	48.01%	8,693.27	46.74%
Trade accounts payable	514.04	3.12%	691.68	3.60%	914.28	5.12%	1,913.41	10.29%
Advances from customers for sales of goods	1,133.40	6.87%	518.90	2.70%	1,339.97	7.51%	1,414.86	7.61%
Current portion of long-term loans from financial institutions - net	33.60	0.20%	21.22	0.11%	278.69	1.56%	278.69	1.50%
Current portion of liabilities under finance leases - net	1.98	0.01%	4.87	0.03%	2.11	0.01%	1.82	0.01%
Short-term loans from persons and related parties	0.00	0.00%	11.75	0.06%	0.00	0.00%	0.00	0.00%
Derivative financial instruments	1.65	0.01%	0.00	0.00%	0.32	0.00%	15.80	0.08%
Accounts payable for purchase of fixed assets	133.21	0.81%	0.21	0.00%	0.00	0.00%	0.25	0.00%
Income tax payable	0.00	0.00%	104.56	0.54%	2.25	0.01%	3.85	0.02%
Other current liabilities	127.63	0.77%	201.96	1.05%	296.30	1.66%	85.98	0.46%
TOTAL CURRENT LIABILITIES	11,829.97	71.75%	12,301.19	63.95%	11,403.13	63.88%	12,407.94	66.71%
NON-CURRENT LIABILITIES								
Long-term loans	21.22	0.13%	832.29	4.33%	351.14	1.97%	0.00	0.00%
Liabilities under finance leases	9.13	0.06%	12.71	0.07%	3.33	0.02%	2.88	0.02%
Deferred tax liabilities	96.04	0.58%	229.72	1.19%	236.20	1.32%	221.79	1.19%
Retirement benefit obligations	18.61	0.11%	34.44	0.18%	33.64	0.19%	33.61	0.18%
Other non-current liabilities	9.60	0.06%	7.68	0.04%	0.00	0.00%	0.00	0.00%
TOTAL NON-CURRENT LIABILITIES	154.61	0.94%	1,116.84	5.81%	624.32	3.50%	258.28	1.39%
TOTAL LIABILITIES	11,984.59	72.69%	13,418.04	69.76%	12,027.45	67.38%	12,666.22	68.10%
SHAREHOLDERS' EQUITY								
192,118,226 preferred shares of par Baht 0.40 each	0.00	0.00%	0.00	0.00%	76.85	0.43%	76.85	0.41%
639,691,757 preferred shares of par Baht 0.40 each	255.88	1.55%	255.88	1.33%	0.00	0.00%	0.00	0.00%
5,449,012,608 ordinary shares of par Baht 0.40 each	0.00	0.00%	0.00	0.00%	2,179.61	12.21%	2,179.61	11.72%
5,001,439,077 ordinary shares of par Baht 0.40 each	0.00	0.00%	2,000.58	10.40%	0.00	0.00%	0.00	0.00%
4,478,583,796 ordinary shares of par Baht 0.40 each	1,791.43	10.87%	0.00	0.00%	0.00	0.00%	0.00	0.00%
	2,047.31	12.42%	2,256.45	11.73%	2,256.45	12.64%	2,256.45	12.13%
192,118,226 preferred shares of par Baht 0.40 each					76.85	0.41%	76.85	0.41%
639,691,757 preferred shares of par Baht 0.40 each	255.88	1.55%	255.88	1.33%				
3,862,348,930 ordinary shares of par Baht 0.40 each					1,544.94	8.65%	1,544.94	8.31%
3,114,489,886 ordinary shares of par Baht 0.40 each	1,245.80	7.56%	1,365.88	7.10%				
Convertible bonds	175.00	1.06%	175.00	0.91%	0.00	0.00%	0.00	0.00%
Premium on paid-up capital								
Premium on preferred shares	1,636.96	9.93%	1,636.96	8.51%	313.15	1.75%	313.15	1.68%
Premium on ordinary shares	1,735.86	10.53%	2,036.15	10.59%	3,360.04	18.82%	3,360.04	18.07%
Retained earnings								
Appropriated - legal reserve	32.44	0.20%	45.23	0.24%	45.23	0.25%	45.23	0.24%
Unappropriated	(747.88)	-4.54%	(89.96)	-0.47%	93.14	0.52%	203.86	1.10%
Other components of shareholders' equity	138.74	0.84%	351.01	1.82%	355.54	1.99%	348.78	1.88%
Equity attributable to owners of the parent	4,472.79	27.13%	5,776.15	30.03%	5,788.89	32.43%	5,892.85	31.68%
Non-controlling interests	29.39	0.18%	41.76	0.22%	34.19	0.19%	40.19	0.22%
TOTAL SHAREHOLDERS' EQUITY	4,502.18	27.31%	5,817.91	30.24%	5,823.08	32.62%	5,933.04	31.90%

Activities	31 Dec 2014		31 Dec 2015		31 Dec 2016		31 Mar 2017	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,486.77	100.00%	19,235.95	100.00%	17,850.53	100.00%	18,599.26	100.00%

1.6.3. Comprehensive Profit and Loss Statement

Activities	31 Dec 2014		31 Dec 2015		31 Dec 2016		31 Mar 2017		31 Dec 2014	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue										
Sales of goods and services	10,368.65	98.85%	12,330.52	90.63%	19,213.59	97.53%	4,795.34	91.47%	5,719.06	97.83%
Gain from sale of assets-held-for-sale	0.00	0.00%	1,092.50	8.03%	416.61	2.11%	395.22	7.54%	0.00	0.00%
Gain on purchase price lower than fair value	0.00	0.00%	41.12	0.30%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Other income	120.80	1.15%	141.26	1.04%	70.26	0.36%	51.68	0.99%	154.08	2.62%
Total Revenue	10,489.45	100.00%	13,605.41	100.00%	19,700.47	100.00%	5,242.224	100.00%	5,873.13	100.00%
Expense										
Cost of sales and services	9,952.90	94.88%	11,552.52	84.91%	17,596.49	89.32%	4,505.06	85.94%	5,317.36	90.54%
Selling expenses	119.16	1.14%	139.02	1.02%	281.30	1.43%	53.75	1.03%	70.95	1.21%
Administrative expenses	300.49	2.86%	495.38	3.64%	617.30	3.13%	153.74	2.93%	212.79	3.62%
Cost of shutdown	132.64	1.26%	58.68	0.43%	146.18	0.74%	0.00	0.00%	0.00	0.00%
Other expenses	246.01	2.35%	(57.76)	-0.42%	10.93	0.06%	33.69	0.64%	2.89	0.05%
Share of profit (loss) of joint and associated company	0.25	0.00%	2.63	0.02%	43.81	0.22%	8.94	0.17%	0.12	0.00%
Total Expense	10,751.45	98.89%	12,190.46	89.60%	18,696.01	94.90%	4,755.18	90.71%	5,604.10	95.42%
Profit (loss) before income tax	(262.00)	-2.50%	1,414.95	10.40%	1,004.46	5.10%	487.06	9.29%	269.04	4.58%
Finance costs	(741.90)	-7.07%	(628.90)	-4.62%	(599.80)	-3.04%	(149.73)	-2.86%	(165.13)	-2.81%
Profit (loss) before income tax	(1,003.90)	-9.57%	786.05	5.78%	404.66	2.05%	337.34	6.43%	103.90	1.77%
Tax (revenue) income	(0.48)	0.00%	101.20	0.74%	10.74	0.05%	0.05	0.00%	(12.81)	-0.22%
Profit (loss) for the period	(1,003.41)	-9.57%	684.85	5.03%	393.92	2.00%	337.39	6.44%	116.72)	1.99%

1.6.4. Statements of Cash Flow

Activities	31 Dec.2014	31 Dec 2015	31 Dec 2016	31 Mar 2016	31 Mar 2017
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Net cash provided (used) from operating activities	945.94	(2,064.94)	316.12	502.40	355.47
Net cash provided (used) form investing activities	(3,710.09)	(590.62)	144.86	552.51	53.53
Net cash provided (used) from financing activities	2,677.29	2,928.64	(321.48)	(948.04)	(331.86)
Increase (Decrease) in Exchange differences on translation of foreign operation	(9.74)	(28.21)	(44.19)	(1.45)	(3.19)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96.60)	244.87	95.30	105.42	80.32
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	320.41	223.81	468.68	468.67	563.99
CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR	223.81	468.68	563.99	574.09	644.31

1.6.5. Financial Ratio

Activities	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Mar 2017
Liquidity Ratio				
Current Ratio (Times)	0.73	0.64	0.65	0.66
Quick Ratio (Times)	0.54	0.45	0.35	0.32
Account Receivable Turnover (Times)	5.95	5.99	8.33	17.92
Average Collection Period (Day)	61.31	60.92	43.82	40.41
Inventory Turnover (Times)	4.12	5.07	6.19	-
Average Inventory Period (Day)	88.67	72.04	59.01	62.34
Account Payable Period (Times)	11.41	19.16	21.91	-
Payable Conversion Period (Day)	32.00	19.05	16.66	34.42
Cash Cycle (Day)	117.98	113.91	86.18	68.33
Profitability Ratio				
Gross Profit Margin (%)	4.01	6.31	8.42	7.02
Operating Profit Margin (%)	(2.53)	10.36	5.10	4.58
Net Profit Margin Ratio (%)	(9.52)	5.55	2.00	1.99
Return On Equity: ROE (%)	(22.28)	11.77	6.77	2.79
Efficiency Ratio				
Return On Assets: ROA (%)	(1.73)	3.56	2.12	0.97
Return On Fixed Assets: ROFA (%)	(10.64)	6.01	3.61	1.67
Asset Turnover Ratio (Times)	0.69	0.64	1.04	1.13
Financial Policy Ratio				
Debt to Total Asset Ratio (Times)	0.73	0.70	0.67	0.68
Debt to Equity ratio (Times)	2.66	2.31	2.07	2.13
Interest Coverage Ratio (Times)	(0.39)	2.09	1.67	1.63

1.7. Analysis of operating result and financial position

1.7.1. Statement of Income

Revenue from sales

Revenue of the company come from 6 products line which are steel bar (round and deformed bar), structural steel, wire rod, billet and other. However, company also has revenue from services, revenue from gain from sales of asset-held-for-sale and revenue from gain on purchase price lower than fair value.

2015

Company had total revenue of Baht 13,605.41 million which increase Baht 3,115.97 million or 29.71% from 2014 that has total revenue of Baht 10,489.45 million, resulted from the revenue from sales of good and services increased for Baht 1,961.87 million or 18.92% due to company could increase sales from private and government project. In 2015, company had sales volume 809,569 tons, increased from 2014 for 298.110 tons or 58.29%. Moreover, company had Baht 1,133.62 million increased from gain from sales of assets-held-for-sale and gain on purchase price lower than fair value which is a result from selling machine for Baht 154 million, land (175 rai) for Baht 938 million and gain on purchasing business for Baht 41 million.

2016

Company had total revenue of Baht 19,700.47 million which had continueingly increased for Baht 6,095.05 million since 2014 and 2015 due to the sales of goods and services increased for Baht 6,883.07, raise the sales of goods and services from Baht 12,330.52 million to be Baht 19,213.59 million in 2016. The increased in sales of goods and services is a result from increasing in price of steel due to china reduced the production, increasing in demand of steel due to the expansion project of government and private firm for 14% and 11% respectively. Example are motor way expansion, dual rail train and expansion of the airport. Moreover, company can increase sales volume which was 1,430,644 tons, increased from 2015 for 130% (809,569 tons in 2015), due to the company has new product line, wire rod, which can gernaerate Baht 977.20 million. However, company also sold special billet to joint venture company with Japanese. Also, company expand market to other provice and export more to Asian country. Furthermore, company sold machines for Baht 417 million, receive goods compensation for Baht 33 million and other revenue for Baht 36 million.

Quarter 1 of 2017

The company had total revenue of Baht 5,873 million, increased from quarter 1 in 2016 from Baht 630.89 million where sales of goods and services was Baht 5,873.13 million, Baht 923.72 million or 19.26% increasd from 4,795.34 in the first quarter of 2016 due to the company can increase customer base and expand to pther provice which has been done sine 2016. Moreever, company also start online channel and export more to Asian country including Australia which sales volume increased. The increased in revenue also came from having logistic company help in deriving goods to customer more efficient. In addition, steel price in the first quarter of 2017 was highly increased but gain from sales of asset-held-for-sale decreased for Baht 395.22 million due to not having many assets sold in this year.

Expense

2015

The company had total expense of Baht 12,190.46 million which Baht 1,439.01 million or 13.38%. The expense consists of (1) Cost of sales and services, Baht 11,552.52 million which is increased for Baht 1,599.62 million or 16.07%, (2) selling expense, Baht 139.02 million which is increased for Baht 19.86 million or 16.67% and (3) administrative expenss, Baht 495.38 million which is increased for Baht 194.89 million or 64.86%. However, when comparing cost of sales and services per sales of goods and services ratio, company had ratio decreased from 96% in 2014 to 94% in 2015 due to the improvement in machines and cost management reduce cost of sales and services. Cost of sales and services was Baht 634.39 million, Baht 214.75 million or 51.17% increased from 2014 due to the company established 2 new subsidiaries which are Millcon Steel Pipe Co., Ltd. and Saharuum Construction Material Co., Ltd., and also owned Suntech Metals Company Limited and World Wide Processing Company Limited. In addintion, selling and administrative expense over revenue ratio increased from 4.00% to 4.66%.

2016

Company had total expense of Baht 18,696.01 million, Baht 6,505.55 or 53.37% increased from previous year. The expense consists of (1) cost of sales and services, Baht 17,596.49 million which is Baht 6,043.97 million or 52.32% increased, (2) selling expenses, Baht 281.30 million which is Baht 42.48 million or 102.35% increased, (3) administrative expense Baht 617.30 million which is Baht 121.92 million or 24.61% increased and (4) cost of shutdown, Baht 146.18 million which is Baht 87.51 million or 149.13% increased from previous year. Although, cost of sales and services increased, cost of sales and services per sales of goods and services ratio decreased from 93.69% to 91.58%(decreased for 2.11%) due to the improvement in cost controlling and more efficiency of the machines from reparation. The improvement of the machines also affects the production to run smoother and created economy of scale from fully production utilization and started to produce special graded billet. In addition, selling expenses, administrative expenses and cost of shutdown are total of Baht 1,044.78 million which is Baht 351.71 or 50.74% more than previous year due to company set the allowance for doubtful account for Baht 302 million, regarding to accounting policy of the company. However, the company had a negotiation with debtor about repayment which are currently under a legal proceeding. Moreover, the company had expense to test the production of special graded billet for Baht 146 million. If the special expense doesn't take into account, the company would have operating expense of Baht 594.6 million which was less than Baht 693.07 million in 2015, Baht 98.47 million less, due to the improvement of management.

Quarter 1 of 2017

Company had total expense of Baht 5,604.10 million, which is Baht 848.92 or 17.85% increased from previous year. The expense consists of (1) cost of sales and services, Baht 5,317.36 million which is Baht 812.30 million or 18.03% increased, (2) selling expenses, Baht 70.95 million which is Baht 17.20 million or 32% increased, and (3) administrative expense Baht 212.79 million which is Baht 59.05 million or 38.41% increased. However, cost of sales and services, and selling expense with administrative expense increased 18.03% and 36.75% from previous year due to the slow down of Thailand's economic, both in government and private firm. The company exported more to other country, expanded more to other province, and spent on testing special billet production so, total expense increased a lot in this year. However, cost of goods and services per sales from goods and services ratio reduces from previous year for 0.97% which was result from improvement in cost management of the company.

Ability to generate profit

Activities	31 Dec, 2014	31 Dec, 2015	31 Dec, 2016	31 Mar, 2016	31 Mar, 2017
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Gross Profit Margin (%)	4.01%	6.31%	8.42%	6.05%	7.02%
Net Profit Margin (%)	-9.68%	5.55%	2.05%	7.04%	2.04%

2015

Company had net profit of Baht 684.85 million which increased from loss of Baht 1,003.41 million in 2014, increased for Baht 1,688.27 million or 168.25% due to the company had sales of goods and services increased for Baht 1,961.87 million, resulted from the increase of government and private firm project. In addition, company had revenue from gain on assets-held-for-sale, gain on purchase price lower than fair value from selling land and machines, and gain on sale of business. All 3 items are total of Baht 1,133 million so, that the revenue in 2015 was a lot more than 2014. For expenses, even the company had expenses increased, the expenses to revenue ratio decreased due to improvement and efficiency of the machines and management, the company has lower expenses ratio. In addition, company had 2 new subsidiaries, and the administrative expenses increase but the increased in the revenue was greater so, it's turn out to be profit for the year.

2016

Company had net profit of Baht 393.92 million which decreased from Baht 684.85 in previous year, or 42.48% decreased. However, the company set the allowance for doubtful account for Baht 302 million regarding to the accounting standard of the company. In addition, the company has cost of shutdown for Baht 146 million to test the special graded billet production. For that reason, it made the company had a lot more expenses than any other years. However, if those special item, including revenues from selling machines for 416.61 million, weren't considered, the company would have net profit of Baht 425.31 million which more than 2015 (without revenue from selling land machines and business which is total of Baht 1,333 million) for Baht 874.08 million or 194.77%. The reasons are that it's a result from increasing in revenue of Baht 977.20 million from having new wire rod product line, and the increased of steel price. For those 2 reasons. It made sales of goods and services increase for Baht 6,883.07 million from Baht 12,330.52 million in 2015 to be Baht 19,213.59 million. Moreover, the company has improvement of cost control, resulted from reparation of machines to have more efficiency and run smoother and created economy of scale from fully capacity utilization and starting special graded billet. In addition, expenses to revenues ratio had decreased since 2014 to 2016 from 95.99%, 93.69% and 91.58% respectively.

Quarter 1 of 2017

The company had net profit of Baht 116.72 million decrease from previous year first quarter which has net profit of Baht 337.39 million because in 2016, there was profit from selling machines for Baht 395 million.

On the other hand, there is an increase of sales of goods and services for Baht 923.72 million or 19.26% due to the company has logistic company help in delivering goods process, and expand customer base to other provinces and other countries along with the increase in steel price. Moreover, expenses to revenues ratio decrease from 93.95% to 92.98 respectively, resulted from improvement of cost management. However, the increase in sales of goods and services increased for Baht 76.25 million due to the expenses of exporting more to other countries.

Financial cost

During 2014- Q1/2017, the company has interest expense for Baht 741.90 million, Baht 628.90 million, Baht 599.81 million and Baht 165.13 million respectively. The decrease of interest followed along with the decrease of company long-term loans due to the company due to the company repay debt regarding to the agreement. However, loans in first quarter are mostly short-term loans which is for working capital due to there are increase in product order and product to deliver in quarter 2 so, company had to order raw material in advance.

1.7.2. Statement of Financial Position

Assets

As of 31 December 2015

The company had total assets of Baht 19,235.95 million increased from Baht 16,486.77 million in 2014 for Baht 2,749.18 or 16.68%. The reasons are as follows:

- (1) Trade accounts and notes receivable increased Baht 1,184.94 million or 80.85% due to most of them had not reached the maturity date resulted from increase in number of customers and company also gave customer a longer term for old customers with lots of order and good credit. Also, company set the allowance for doubtful account for Baht 153 million in 2015, increased for Baht 42 million due to the company has one company that had delayed the payment for 12 months. However, they have intention to pay debt with the ordinary shares of the company but the valuation of the ordinary shares didn't cover all debt so, company had to record the remaining as the allowance for doubtful account
- (2) The right to claim over the assets of receivable decrease for Baht 880.43 million from previous year due to the company participated in the auction from Legal Execution Department
- (3) Assets-held-for-sale decreased for Baht 1,439.71 million or 64.10% to Baht 806.18 million. Assets-held-for-sale was the assets that get from the auction, used for wire rod production. In 2015, the company sold some of them.
- (4) Property, plant and equipment increased from 2014 for Baht 2,942.03 million or 38.64% to be Baht 10,556.33 million. The assets came with subsidiary that just acquired, Suntech Metals Company Limited and World Wide Processing Company Limited and also their subsidiaries.

- (5) Goodwill increased from previous year for Baht 333.60 million due to the company acquired, Suntech Metals Company Limited with a higher price than the value of the companies. Thus, the value of Suntech Metals Company Limited had approved by SEC.

As of 31 December 2016

The company had total assets of Baht 17,850.53 million, decreased from previous for Baht 1,385.42 million or 7.20% from 2014 which is Baht 19,235.95 million. The reason are as follows:

- (1) Trade account and notes receivable decreased from previous for Baht 687.40 million to be Baht 1,963.22 million due to most of them had not reached the maturity date. However, the allowance for doubtful account increase due to the company has one company that had delayed the payment for 12 months and the company had to set the allowance for doubtful account for Baht 302 million.
- (2) Inventory increase for Baht 1,094.88 million or 47.65% to be Baht 3,392.41 million due to the company had to order raw material prepared for the increasing order which ordered from Japanese venture company for Baht 800 million and the also for the expansion policy of the government, along with the expansion customer base in other province. Moreover, there are increasing in exporting steel bar to other Asian countries.
- (3) Assets-held-for-sale decreased from previous year for Baht 806.18 million which is the assets from the auction in 2015 due to change in structure in subsidiaries and split some assets to joint venture company, including some of assets-held-for-sale, and the rest of it was transfer to investment property.
- (4) Investment property, Baht 509.75 million, increased for Baht 224.19 million or 78.51% from previous year which was Baht 285.56 million due to transferring some of the assets-held-for-sale.
- (5) Property, plant and equipment was Baht 9,188.76 million, decreased from previous year for Baht 1,367.57 million or 12.95% due to the company change the subsidiaries structure to be joint venture company so, the assets of those subsidiary were split.

As of 31 March 2017

The company had the assets of Baht 18,599.26 million, increased for Baht 748.74 million or 4.19% from Baht 17,850.53 million in 2016 which was the result from increasing in trade account and notes receivable for Baht 283.99 million (changed from Baht 3,392.41 million in 2016 to be Baht 4,263.14 million). Moreover, advances to suppliers for purchases of goods has been decreasing since 2015 to 2017 which are Baht 697.06 million, 497.52 million and 255.71 million respectively. In 2017, it decreased for Baht 271.81 million or 51.63% for advances to suppliers for purchases of goods due to the company has import more raw material from other countries which has slightly different in term of advance payment from domestic supplier.

Liabilities**As of 31 December 2015**

The company had total liabilities of Baht 13,418.04 million which was Baht 1,433.45 million or 11.96% increased from 2014. The current liabilities increased from previous year due to the company needed more short-term loans to order raw material for the increasing order. In addition, current liabilities were more than current assets due to most of current liabilities consisted of short-term loans and long-term loans that was classified as current liabilities due to the company was unable to maintain financial ratio in portion specified in the terms of the loan agreement. However, the company still has credit line left for Baht 3,966 million and the company was in the process with major financial institution and major shareholders to find the solution to increase the company liquidity. Most of non-current liabilities of Baht 1,116.84 million which Baht 962.23 million increase from previous year, came from a long-term loan that company use to upgraded machines for producing wire rod of subsidiaries.

As of 31 December 2016

At the 2016, the Company had total liabilities at Baht 12,027.45 million which current liabilities was Baht 11,403.13 million baht which the current liabilities are decreasing comparing from the passing years. Because the previous years classified the long-term loan to be the short-term loan due to the subsidiary was unable to maintain the financial ratio in the proportions specified in the terms of the loan agreement. But in 2016 the said issue was classified to be the same. The proportions of non-current liabilities are Baht 624.32 million. The non-current liabilities which decreasing for Baht 492.53 million from previous years occurring from the change of proportions of shares holding in subsidiary and associate and the repayment of loan to the bank.

As of 31 March 2017

The company had total liabilities of Baht 12,666.22 million which increase for Baht 638.77 million or 5.31% from Baht 12,027.45 million in 2015. The current liabilities increase for Baht 1,004.81 million due to the company use credit line to order raw material to support the increasing of customers' order. For the portion of non-current liabilities, It increased from previous year due to long-term loans change to be current portion of long-term loans.

Shareholders' equity**As of 31 December 2015**

The ends of year 2015, the company has shareholders' equity was Baht 5,818 million baht, increased for Baht 1,313.72 million or 30% as a result from performance of the Company and allocate newly issue ordinary shares to Bangkok Bank Plc. in the amount of 420 million baht.

As of 31 December 2016

As the end of 2016, the company's shareholders was Baht 5,823 million, increased for Baht 5.17 million or 0.09% due to the company's operating performance which increase in unappropriated retained earning fro Baht 183.10 million. Also repay the convertible bond back to investor for Baht 175 million.

As of 31 March 2017

The ends the first of year 2017, the company has shareholders' equity was Baht 5,933 million baht, increased for Baht 109.96 million or 1.89% due to the company's operating performance which increase in unappropriated retained earning for Baht 110.72 million

1.7.3. Liquidity Analysis**Cash flow from operating activities**

The Company had net cash received (used) from operating activities as of year ended December 31, 2014, 2015 and as of quarter ended Mach 21, 2016 of Baht 945.94 million, Baht (2,064.94) million and Baht 316.12 million respectively with earnings before tax of Baht (1,003.90) million, Baht 786.05 million and Baht 404.66 million respectively. However, as of quarter ended March 31, 2017, the company had net cash received (used) from operating activities of Baht 335.47 million, which was Baht 146.93 million increased from the same quarter in previous year. The has the main reason from the decreasing in inventory.

Cash flow from investing activities

The Company had net cash received (used) from operating activities as of year ended December 31, 2014, 2015 and as of quarter ended Mach 21, 2016, of Baht 945.94 million, Baht (2,064.94) million and Baht 316.12 million respectively with earnings before tax of Baht (1,003.90) million, Baht 786.05 million and Baht 404.66 million respectively. However, as of quarter ended March 31, 2017, the company had net cash received (used) from operating activities of Baht 335.47 million, which was Baht 146.93 million increased from the same quarter in previous year. The main reason is decreasing in inventory.

Cash flow from financing activities

The Company had net cash received (used) from financing activities as of year ended December 31, 2014, 2015 and as of quarter ended Mach 21, 2016, of Baht 2,677.30 million, Baht 2,928.64 million and Baht (321.48) million respectively. However, as of quarter ended March 31, 2017, the company had net cash received (used) from financing activities of Baht (311.86) million, which was Baht 616.18 million increased from the same quarter in previous year. The main reason is from the increasing in Bank overdraft and short-term loans from financial institutions and interest paid.

Current Ratio**2015**

From a conclusion of financial proportion table compared between 2013-2015 found that the liquidity of the company group, considered from a current ratio were 0.64, 0.73 and 0.64 times respectively and the real liquidity has no change ratio compared with the last year, considered from Average Collection Period were 67, 61 and 61 days respectively. The Company can keep debt period similar with previous year.

Considered from quick ratio were 0.39, 0.54 and 0.45 times respectively. However, in 2015, cash cycle of the Company less reduce compare with previous year, as a result of long term credit for a customer but we considered the one who have long term contacted, lot of orders and good payment record which is a market strategy. Inventory turnover compared between 2013-2015 were 4.94, 4.12, and 5.06 times respectively, found that the company can faster sell products, as a resulting from the customer base expansion. In 2015, the Company had gross profit in the amount of 782 million baht, Gross profit margin is 6.34%, increased by Baht 367 million compared with year 2014 or 88% cause from cost management and high sale volume. EBITDA of 2015 is at Baht 1,699 million, increased Baht 1,749 million or 3,491%. Debt to Equity Ratio compared between 2013-2015 were 2.97, 2.68 and 2.31 times respectively which decline continues. As a result of the performance of the Company and capital increased.

2016

From the table summarizing the crucial financial ratio comparing in the period of 2014 to 2016, found that the liquidity of the Company and associate considering from current ratio are at 0.73 times, 0.64 times and 0.65 times respectively which have no major changed. If considering from the period of average debt collecting are at 61 days, 61 days and 44 days respectively. It can be seen that the Company can collect the debt faster than the previous years. When considering the quick ratio which are at 0.54 times, 0.45 times and 0.35 times respectively. In 2016 due to the increasing of product stored of the Company which caused the decreasing of quick ratio comparing from previous years. The inventory turnover rate in 2014 to 2016 are at 4.12 times, 5.07 times and 6.19 times respectively. Although the Company stored more product, but the Company has circulated the inventory faster from the growth of sale and the explanation of market both internationally and domestic. The profitability of the Company in 2016, the Company has gross profit margin 8.42% which the gross profit increases from 2015 at 6.31%. However, the increasing gross profit margin in 2016 occurring from the selling and producing long steel to the joint venture company and to oversea which has higher margin than other steel. In the meanwhile, the EBITDA of 2016 is at 1,220 million baht. For the proportions of debt to shareholders' equity in 2014 to 2016 are at 2.68, 2.31 and 2.07 respectively which continuously decrease due to the controlling of proportions of debt to shareholders' equity to be in the appropriate level and the pushing the performance of the Company.

Quarter 1 of 2017

From the table summarizing the crucial financial ratio comparing in the period of 2018 to first quarter in 2017, found that the liquidity of the Company and associate considering from current ratio are at 0.64 times, 0.65 times and 0.66 times respectively which have no major changed. If considering from the period of average debt collecting are at 61 days, 44 days and 40 days respectively. It can be seen that the Company can collect the debt faster than the previous years. When considering the quick ratio which are at 0.45 times, 0.35 times and 0.32 times respectively due to the increasing of product stored of the Company which caused the decreasing of quick ratio comparing from previous years. The profitability of the Company in first quarter in 2017, the Company has gross profit margin 7.02% which the gross profit increases from first quarter in 2016 at 6.05%. However, the increasing gross profit margin in 2017 occurring from the company expanded customer base to other provinces and countries and the increasing in steel price. For the proportions of debt to shareholders' equity in 2015 to first quarter in 2017 are at 2.31, 2.07 and 2.13 respectively which continuously decrease due to the controlling of proportions of debt to shareholders' equity to be in the appropriate level and the pushing the performance of the Company.

Dividend Policy

The Company has a policy to pay dividend to ordinary shareholders at the rate of at least 40 percent of net profit after corporate income tax according to company-only financial statements and after legal reserve and other accumulated amount as prescribed by the Company. Such dividend payment may change depending on the Company's financial status, operating results, investment plan, necessity and appropriateness in the future as deemed appropriate by the Board of Directors and/or shareholders of the Company.

In addition, pursuant to the resolution of the Board meeting, the Company was approved to issue preferred shares Type A, Type B and Type C. Rights and status of the preferred shares preferred shares Type A, Type B and Type C in relation to dividend payment shall be as below:

"In any year when the Company has profit after legal reserve and other reserves as deemed necessary, and in case where there is no accumulated loss, the Company shall pay dividend to preferred shareholders. Preferred shareholders have the right to receive accumulated dividend out of the Company's profit at the rate of 5 percent per year of the investment amount duly paid by the shareholders on each of the preferred share held ("preferred dividend").

Preferred dividend shall rank in priority order to dividend entitled to by ordinary shareholders."

1.8. Competition, trend of the Company and the expected performance in the future

World Steel forecasts that global steel demand will grow by 0.5% and will reach 1,510 million tons. The positive factor is still driven expansion of steel demand in emerging economies, except China. World Steel forecasts that demand of emerging economies will grow 4.0% in 2017.

In 2017, Iron and Steel Institute of Thailand forecasts that steel demand in Thailand will has quantity in the amount of 19.0-19.15 million tons, decrease 1.0% to increase 1.1%. The positive factor are driven expansion of steel

demand from construction industry, infrastructure development project and logistics system with budget around of Baht 101,501.9 million. Includes, measures to promote investment in 10 industries target. especially, automotive and past automotive industry and electric industry which are most investment value.

For the direction of operations of the group of the companies in 2017, it is divided into three parts as follows;

1) Focusing on adding value to the product of the construction segment, driving sales to the dealers in the various regions of Thailand and exploring channels to reach the retail customers.

2) Emphasizing on manufacturing of the special grade steel, both billets and wire rods entering into the automotive industry.

3) Exploring and looking for the opportunities to invest in other businesses, both relating to the original business and expanding to new businesses which result in the sustainable growth of the Company.

Moreover, the Company group has planned for running business to reduce production costs including also focuses on developing innovative and other high-quality steel products in the special grade steel for entering into the automotive parts industry. This resulted in the company group expanding its customer base to the auto parts industry from a single customer base in the construction industry, the company focuses on delivering quality products that meet the needs of customers at a competitive price to help customers manage costs and reduce risks for customers in terms of transportation, as a result, if the customer imports steel from abroad, there is a risk of exchange rate and there may be delays in the products that may not be planned.

Therefore, with the management policy and good vision of the executive Committee. The company group has effective risk management, there are inventory control and production costs at an appropriate level including the pursuit of new customers and new business opportunities to the business group to enhance competitiveness. This is a good factor in driving the company group's earnings growth and sustainability amid fierce competition bring benefits to the Company group and the shareholders themselves.

2. Opinion on the accuracy of the Company's information contained in the tender offer statement.

The Company's Board of Directors views that all information relevant to the Company as shown in the Tender Offer (Form 247-4) dated June 28, 2017 and its updated documents are accurate.

3. Relationship between the Tender Offeror and the Company, major shareholders or the Company's directors

3.1. Shareholding, whether Direct or Indirect, by the Tender Offeror of the Persons Authorized to Bind the Tender Offeror (In the Case the Tender Offeror is a juristic Person) in the Company or Major Shareholders of the Company (In the Case the Major Shareholders of the Company is a Juristic person)

3.1.1. Shareholding in the Company

As of June 28, 2017, the Offeror and the person under Section 258 hold 770,767,368 shares in MILL, representing 19.01% of the total issued and paid-up shares of the company and 19.01% of the total voting rights of MILL.

3.1.2. Shareholding in the Major Shareholder of the Company

As of June 28, 2017, the Offeror and the person under Section 258 hold 338.822.193 shares in General Engineering Public Company Limited ("GEL"), representing 6.28% of the total issued and paid-up shares of the company. However, as of June 8, 2017, GEL is major shareholder of the company by hold 729,899,999 shares in MILL, representing 18.90% of the total issued and paid-up shares of the company.

3.2. Shareholding, whether Direct or Indirect, by the Company, Major shareholder or Directors of the Company in the Tender Offer (In the Case the Tender Offeror is the Juristic Person)

3.2.1. Shareholding by the Company in the Tender Offer

- None – The Tender Offeror is ordinary person.

3.2.2. Shareholding by the Major shareholders of the Company in the Tender Offeror

- None – The Tender Offeror is ordinary person.

3.2.3. Sharing by Directors of the Company in the Tender Offeror

- None - The Tender Offeror is ordinary person.

3.3. Other Relationship

3.3.1. Common Directors and/or Common Management

- 1) Holding the position of director and management of the Company

The Offeror is a director, Chief Executive Officer and President of the Company

- 2) Holding the position of director and management of the major shareholder of the Business

- None -

3.3.2. Related Party Transactions between the Offeror and the Business and subsidiaries of the Business

Lists of financial institution's guarantee loans/ creditors

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (THB mm)		Opinion and Conditions
		As of 31Dec 2016	As of 31Mar 2017	
Mr. Sittichai Leeswadtrakul	Guarantee Long- term loans in domestic - Millcon Burapa Company Limited	629.82	537.37	The transaction is beneficial to the Business. As the Business will have long-term capital for support its business operation
	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency. - The Business - Millcon Burapa Company Limited - Millcon Steel Pipe Company Limited - Suntech Metals Company Limited	4,608.39 3,336.01 153.63 225.00	4,742.06 2,969.93 192.44 263.73	The transaction is beneficial to the Business. As the Business will have working capital for support the Business's business operation

3.3.3 Related Party Transactions between Person under Section 258 and the Business and subsidiaries of the Business

- None -

3.4. Joint Business operation or between party

- None -

3.5. Management structure after the Tender Offer

- No change-

4. Opinion of the Company's Board of Directors to the securities holders

4.1. Reasons to accept and/or reject the tender offer

The Board of Directors Meeting No.4/2017 held on July 7, 2017 considered the Tender Offer proposed by the Tender Offeror. There were 11 directors attending this agenda out of the total 12 directors(missing 1 directors^{1/}), thereby forming a quorum as follows:

Name	Position
1. General Winai Phattiyakul	Chairman of the Board / Chairman of Audit Committee / Independent Director
2. Mr. Sittichai Leeswadtrakul	Chief Executive Officer / President
3. POI.Gen. Soontorn Saikwan	Vice Chairman of the Board / Independent Director
4. Mr. Sophon Pholprasith	Director
5. Mr. Vipoota Trakulhoom	Director
6. Ms. Jureerat Lapanavanich	Director
7. Mr. Prawit Horrungruang	Director
8. Mr. Teerayuth Lertsirarankson	Director
9. Mr. Sakchai Tanaboonchai	Independent Director
10. Mr. Pratana Bongkojmas	Independent Director / Audit Committee Member
11. Mr. Apichart Chiirabandhu	Independent Director / Audit Committee Member

Remark: 1/ Ms. Suttirat Leeswadtrakul did not attend the Board of Directors Meeting No,1/2017.

The Board of Directors excluding persons who have conflict of interest for this transaction in respect of the opinion of the Independent Financial Advisors on the fair and reasonableness of the tender offer price, the Board of Directors have considered that as there is no cause to believe that opinion of the IFA has not been prepared according to sound principles and methodologies since the IFA has no conflict of interest in respect of the Tender Offer and has the expertise and experience necessary for rendering its opinion on this matter, the Board of Directors has determined in concurrence with the opinion of the IFA relating to the reasonableness of tender offer price and other supporting information. Therefore, the Board unanimously decided that the shareholders should accept the Tender Offer for the reasons as follows:

The tender offer price of Baht 1.80 per share is not appropriate since it is in the lowest range appraised by the IFA.

The IFA has an opinion that the adjusted book value approach and the discounted cash flow approach are the most appropriate approach in evaluating the Company which the adjusted book value approach can reflect the company's fair value but may not reflect the true value of equity of the company. However, combining both approach can reflect true value of the company, since the discounted cash flow approach has an ability to operate and generate profit in the future under the current of economic situation and assumption of the company and IFA (under the current economic situation), which the valuated price range of ordinary shares is between Baht 1.80 - 2.22 per share and the valuated price range of preferred share is between Baht 1.80 – 2.51 per share.

Thus, the IFA has opinion that the tender offer price at baht 1.80 per share which is in the lowest valuated range is not appropriate. However, the opinion of the Board of Directors is intended to constitute part of the information that the shareholders should consider. It is highly advisable that all individual shareholders

consider all the relevant information including but not limited to the opinion of the IFA. The final decision whether to accept or reject the Tender Offer shall rest solely with the shareholders' discretion.

4.2. Opinion and reasons of the individual directors and the number of shares held by them (Only in case where the opinion in 4.1 is not unanimous)

- None – Unanimous opinion in 4.1

4.3. Benefits or impacts from the plans and policies indicated in the tender offer and viability of such plans and policies

4.3.1. Company Status

According to the Form 247-4 the offeror has no intention to delist the Business from The Stock Exchange of Thailand except the Business has the responsibility to comply with applicable laws and regulations effective at that time.

Opinion of the Board of Directors of the Company

The Board of Directors also concurs with the IFA's opinion that after the completion of the tender offer, the offeror has no intention to delist the Company from The Stock Exchange of Thailand, therefore shareholder of the company will not be affected and still sale and purchase the companys' shares as normal situation.

4.3.2. Policy and Plans in respect of the Company's Operations

Regarding to Form 247-4, after the end of Offer Period, the offeror has no intention to change objective strategies, operating plan and business plan of the company. In addition, the Offeror will support on operation of existing executives from now on and also has no intention to nominate additional individuals to join Board of Directors.

Opinion of Board of Directors of the Company

Since most of the Board of Directors of the Company has worked with the offeror more than 5 years, the Board of Directors knows that the offeror has potential in management and has intentioned to make the company grow up continuously. Hence, the Board of Director has the opinion that the offeror has no intention to change objective strategies, operating plan and business plan of the company. Nevertheless, if the offeror changes the business plan of the company in the future, the offeror will do for the maximum benefit of the company which the Board of Director will also consider the change.

4.3.3. Plan to sell shares od the Business

According to the Form 247-4, The Offeror has no intention to either sell or transfer a significant amount of the issued share capital of the Business both currently held and to be acquired from this Tender Offer (both ordinary shares and preferred shares) to any person within 12 months from the end of Offer Period, except the

case that the Offeror may consider and implement the sale or transfer of the issued share capital of the Business by the Offeror to persons under Section 258 of the Securities and Exchange Act B.E. 2532 (1992) or the Offeror is obliged to comply with the law and regulations in force at that time.

Opinion of the Board of Directors of the Company

The Board of Director concurs with the IFA's opinion that the offeror had no intention to either sell or transfer a significant amount of issue or transfer a significant amount of the issued share capital of the Business both currently held and to be acquired from this Tender Offer (both ordinary shares and preferred shares) to any person since the offeror has the direct object to do tender offer to increase shareholding in the Company in order to receive the return on investment which align with status of the offeror that being a shareholder and Chief Executive Officer of the Company at the present.

In addition, the Board of Director also concurs with the IFA's opinion that although the shareholders who reject the tender offer will not be affected, it can be affected to the shareholders if shareholders exercise their right to sell the shares to the offeror and make the offeror hold 49% of the total paid-up shares of the Company which will make the company's liquidity decrease. It will be harder then the past for the shareholders to sell or purchase the shares in the amount and price that they pleased.

4.3.4. Related Party Transaction

Regarding to Form 247-4, the offeror has no intention to connected transactions between the Business and the Offeror and Person under 258 significantly increase or change from the present Prior to the tender offer. Currently, the Business has specified policies and procedures regarding related party transactions to comply with the rules and regulations of the SET and the SEC to prevent any conflict of interests between the Business, its subsidiaries, associate companies and/or any potential conflict persons. However, the Offeror will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis and for entering to transactions with the Business its related companies, associate companies and shareholders, there would not be any special terms or preference. These procedures are consistent with rules and regulations of the SET and seek to ensure that all related party transactions are conducted at arm's length basis. Moreover, The Audit Committee will consider and give opinion on the necessity for entering into such transactions before proposing to the board of directors or shareholders' meeting of the Business (as the case may be) for approval.

Opinion of the Board of Directors of the Company

Since most of the Board of Directors of the Company has worked with the offeror more than 5 years and knows the necessary and cause of the related party transaction, the Board of Directors concur with IFA's opinion that as the offeror is a main shareholder and Chief Executive Officer of the company, the offeror has knowledge and understanding with the rules and regulations of the SET. In the case of any related party transaction between

the company and the offeror will concern with the company business which must get approval from the board of director. Especially, audit committee which chosen by the shareholder and knowledgeable person, will act as assigned by the shareholders.

Related Party Transactions between the Offeror and the Business and subsidiaries of the Business

Lists of financial institution's guarantee loans/ creditors

Related party which might have Conflict of Interest	Nature of Transactions	Value of Outstanding Loans (THB mm)		Opinion and Conditions
		As of 31Dec 2016	As of 31Mar 2017	
Mr. Sittichai Leeswadtrakul	Guarantee Long- term loans in domestic - Millcon Burapa Company Limited	629.82	537.37	The transaction is beneficial to the Business. As the Business will have long-term capital for support its business operation
	Guarantee loans by L/C for international and Domestic or T/R and Loans, By Issued P/N and credit limit for advance foreign currency. - The Business - Millcon Burapa Company Limited - Millcon Steel Pipe Company Limited - Suntech Metals Company Limited	4,608.39 3,336.01 153.63 225.00	4,742.06 2,969.93 192.44 263.73	The transaction is beneficial to the Business. As the Business will have working capital for support the Business's business operation

4.4. Additional opinions of the Board of Directors (Only for delisting tender offer)

- None -

The Company certifies that all information contained in this Opinion of the Company on the Tender Offer is correct, accurate, and complete and there is no information that may lead other persons to any misunderstanding in all material aspects and no concealment is made.

Millcon Steel Public Company Limited

Ms. Suttirat Leeswadtrakul

Director

Mr.Pravit Horungruang

Director