



MILL 024/2011 (Revised)

Enclosure 2

October 18, 2011

Subject: The revised of Summary of Features of Convertible Debentures of Millcon Steel Industries Plc. (the "CDs")
Attention: President the Stock Exchange of Thailand

Millcon Steel Industries Public Company Limited ("The Company") Has informed details of summary of features of convertible debentures of Millcon Steel Industries Public Company Limited as shown in details ("MILL 024/2011") the company would like the revised details are as below;

1. Allocation method

From

"Allocation method : The CDs will be allocated to specific investors of no more than 10 people during each 4-month period, as defined in Clause 32 (2) of the Notification of the Capital Market Supervisory Board No. TorJor 9/2552 regarding the Application and Permission to Offer for Sale Newly Issued Debentures (as amended) ("**Notification No. TorJor 9/2552**"), provided that such people are not connected person of the Company.

In any case, the Company may issue and offer the CDs on one occasion or several occasions."

To

"Allocation method : The CDs will be allocated to specific investors of no more than 10 people during each 4-month period, as defined in Clause 32 (2) of the Notification of the Capital Market Supervisory Board No. TorJor 9/2552 regarding the Application and Permission to Offer for Sale Newly Issued Debentures (as amended) ("**Notification No. TorJor 9/2552**"), provided that such people are not connected person of the Company and the CDs cannot be transferred to connected person of the Company.

In any case, the Company may issue and offer the CDs on one occasion or several occasions."

2. Conditions significant other (if any)

From

"In this regard, in the best interests of the shareholders, the Company's executives shall consider market conditions during the issue and offering of the CDs, and shall be authorized to:

- (1) determine or amend any details, procedures, and conditions relating to the issue and offering of the CDs as deemed appropriate, such as the issue date, the face

value, the offering price, coupon rate, calculation and procedures for coupon payments, conversion ratio, conversion period, the maturity date, redemption, or events requiring the Company to issue new shares to accommodate a change in the exercise of the conversion right; and

- (2) negotiate, enter into, or sign any agreements, applications, and any other necessary documents in relation to the issue of the convertible debentures, as well as to contact and file any applications, documents, and evidence with government authorities or any other relevant authorities in relation to the issue and offering of the CDs, and to list the ordinary shares allotted as a result of the CD conversion on the Stock Exchange of Thailand.”

To

“In this regard, in the best interests of the shareholders, the Company’s Executive Committee shall consider market conditions during the issue and offering of the CDs, and shall be authorized to:

- (1) determine or amend any details, procedures, and conditions relating to the issue and offering of the CDs as deemed appropriate, such as the issue date, the face value, the offering price, coupon rate, calculation and procedures for coupon payments, conversion ratio, conversion period, the maturity date, redemption, or events requiring the Company to issue new shares to accommodate a change in the exercise of the conversion right; and
- (2) negotiate, enter into, or sign any agreements, applications, and any other necessary documents in relation to the issue of the convertible debentures, as well as to contact and file any applications, documents, and evidence with government authorities or any other relevant authorities in relation to the issue and offering of the CDs, and to list the ordinary shares allotted as a result of the CD conversion on the Stock Exchange of Thailand.”

In details of Summary of Features of Convertible Debentures of Millcon Steel Industries Public Company Limited (the “CDs”) completed version. Details are as below:

Summary of Features of Convertible Debentures of Millcon Steel Industries Public Company Limited (the “CDs”)

Type	: Non-guaranteed convertible debentures in a name certificate form representing the right to convert the CDs to ordinary shares of the Company
Offering size	: Not exceeding Baht 1,809,000,000
Offering price per unit	: Baht 1,000
Conversion ratio	: Principal amount of the CDs divided by the conversion price
Conversion price	: Baht 3.00 for 1 ordinary share
Coupon	: 5% per annum (payable annually)

- Face value of the CD : Baht 1,000 per unit
- Number of ordinary shares reserved for the conversion : Not exceeding 603,000,000 shares
- Term to maturity : Not exceeding 6 years from the date on which the CDs are issued
- Conversion period : **Voluntary Conversion:** The holder of the CDs has the right to convert all or part of the CDs to ordinary shares of the Company on the last business day of each month. The CDs can be converted for the first time on the first month one year after the issue date. The minimum conversion amount shall be 1,000 units, except for the month prior to the maturity date. In that month, the holder shall have the right to convert all of the CDs held by him without any minimum conversion amount being required.
- The Company will pay the holder the coupon for CDs which have been converted, in proportion, until the date prior to the conversion date (but not including the conversion date). The numbers of days in each year used for interest calculation is 365 day a year.
- Mandatory Conversion:** The Company has the right to convert all or part of the CDs to ordinary shares of the Company on the last business day of each month. The CDs can be converted for the first time on the first month one year after the issue date. The minimum conversion amount shall be 10% of the total CDs issued and sold which have not been converted. If there is more than one holder, the number of CDs to be converted shall be in proportion to the units held by all holders.
- In the event that the Company exercises the aforementioned conversion right and, as a result, the holder holds less than 1,000 units, that holder has the right to convert all of the remaining part of the CDs to ordinary shares of the Company on the last business day of each month.
- In the event that the Company exercises the aforementioned conversion right, the Company will compensate the holder by paying the coupon calculated from the conversion date until the maturity date, with the discount rate of 5% per annum. The numbers of days in each year used for interest calculation is 365 day a year.
- Maturity period for conversion of the CDs to the Company's ordinary : Until the maturity date

shares

Allocation method : The CDs will be allocated to specific investors of no more than 10 people during each 4-month period, as defined in Clause 32 (2) of the Notification of the Capital Market Supervisory Board No. TorJor 9/2552 regarding the Application and Permission to Offer for Sale Newly Issued Debentures (as amended) (“**Notification No. TorJor 9/2552**”), provided that such people are not connected person of the Company and the CDs cannot be transferred to connected person of the Company.

In any case, the Company may issue and offer the CDs on one occasion or several occasions.

Redemption on maturity date : The holders of the CDs shall convert all CDs held by them to ordinary shares of the Company at the conversion price on the maturity date.

Impact on shareholders : In the event that all of the CD are fully exercised, the Company expects the following to occur:

- Price Dilution

Since the conversion price is higher than the current market price, there is no impact on the market price of the Company’s ordinary shares (Price Dilution) yet. Nevertheless, on the exercise date of the rights to convert the CDs, if the market price of the Company’s ordinary shares is higher than Baht 3 per share, the exercise of the rights to convert all CDs to ordinary shares will have an impact on the market price of the shares based on the following calculation:

Price Dilution	=	$(P_o - PE) / P_o$
PE	=	$(P_o Q_o + P_c Q_c) / (Q_o + Q_c)$
P _o	=	The market price (which is higher than Baht 3 per share) as of the conversion date
P _c	=	The conversion price as a result of the conversion of the CDs, which is equivalent to Baht 3 per share
Q _o *	=	The number of paid-up shares, which is equivalent to 1,861,327,190 shares
Q _c	=	The number of underlying shares reserved for the conversion of the CDs, which is equivalent to 603,000,000 shares

* This shall exclude the warrants issued and offered to the existing shareholders (MILL-W1) and employees (MILL-ESOP). In the event that such warrants have been

wholly exercised prior to the exercise date of the rights to convert the CDs, the number of paid-up shares (Qo) will be equivalent to 2,188,313,590 shares.

- Impact on the Profit Sharing and Voting Rights of Existing Shareholders (EPS Dilution/Control Dilution)

There are two things that may have an impact on the profit sharing and voting rights:

1. In the event that, as of the conversion date, no holder of the warrants issued and offered to existing shareholders (MILL-W1) and employees (MILL-ESOP), exercises the conversion right, the impact on the profit sharing and voting rights shall be as follows:

$$\begin{aligned} \text{EPS Dilution/} &= Q_c / (Q_o + Q_c) \\ \text{Control Dilution} & \\ Q_o &= \text{The number of paid-up shares,} \\ &\text{which is equivalent to} \\ &1,861,327,190 \text{ shares} \\ Q_c &= \text{The number of underlying share:} \\ &\text{reserved for the conversion of th} \\ &\text{CDs, which is equivalent to} \\ &603,000,000 \text{ shares} \\ \text{EPS Dilution/} &= 24.47 \% \\ \text{Control Dilution} & \end{aligned}$$

2. In the event that, as of the conversion date, a holder of the warrants issued and offered to existing shareholders (MILL-W1) and employees (MILL-ESOP) exercises the conversion right, the impact on the profit sharing and voting rights shall be as follows:

$$\begin{aligned} \text{EPS Dilution/} &= Q_c / (Q_o + Q_c) \\ \text{Control Dilution} & \\ Q_o &= \text{The number of paid-up} \\ &\text{shares, which is equivalent} \\ &\text{to 2,188,313,590 shares} \\ &\text{(including all shares being} \\ &\text{converted from the} \\ &\text{exercise of the warrants)} \\ Q_c &= \text{The number of underlying} \\ &\text{shares reserved for the} \\ &\text{conversion of the CDs,} \\ &\text{which is equivalent to} \\ &603,000,000 \text{ shares} \\ \text{EPS Dilution/} &= 21.60 \% \\ \text{Control Dilution} & \end{aligned}$$

Events requiring the Company to issue new shares to accommodate a change in the exercise of the conversion right : Any circumstances as specified in Clause 51 of Notification No. TorJor 9/2552

In this regard, in the best interests of the shareholders, the Company's Executive Committee shall consider market conditions during the issue and offering of the CDs, and shall be authorized to:

- (1) determine or amend any details, procedures, and conditions relating to the issue and offering of the CDs as deemed appropriate, such as the issue date, the face value, the offering price, coupon rate, calculation and procedures for coupon payments, conversion ratio, conversion period, the maturity date, redemption, or events requiring the Company to issue new shares to accommodate a change in the exercise of the conversion right; and
- (2) negotiate, enter into, or sign any agreements, applications, and any other necessary documents in relation to the issue of the convertible debentures, as well as to contact and file any applications, documents, and evidence with government authorities or any other relevant authorities in relation to the issue and offering of the CDs, and to list the ordinary shares allotted as a result of the CD conversion on the Stock Exchange of Thailand.

Please be informed accordingly.

Yours sincerely,

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(Mrs. Pirom Sawpayon)
Director