



# M.C.S. STEEL PUBLIC COMPANY LIMITED

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70 หมู่ 2 ด.ช้างใหญ่ อ.บางไทร จ.พระนครศรีอยุธยา ประเทศไทย 13290  
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( Translation )

Ref. No.MCS-005/2018  
March 26, 2018

Subject : Approved the Connected Transactions

To : Director and Manager  
The Stock Exchange of Thailand

The board meeting of M.C.S. Steel Public Company Limited (MCS) No.3/2018 have approved the resolutions are as details;

1. Approved the Tanaka Welding Center Co., Ltd. ( Subsidiary company ) to sell the housing development (MCS Village) Total 3.99 Million Baht to Directors and Manager of Account which the person related party with company, as detailed in the enclosure 1.
2. Approved to Guest House Total 8.64 Million Baht to Miss Chialisa Chi Children of Dr.Naiyuan Chi Chairman of Board Director which the person related party with company, as detailed in the enclosure 2.

For your acknowledgement

Yours Sincerely,

.....  
(Mr.Phairat Viwatborvornwong)  
President

Company Secretary : [kancharica@mcssteel.co.th](mailto:kancharica@mcssteel.co.th)  
Tel : 035-372961-6 Ext.113

M.C.S. Steel Public Company Limited (MCS)  
Information of the Connected Transaction

1. Date, Month, Year of the Transaction and the Related Parties

Date of the Transaction

- Within Quarter 2 of 2018

The Related Party

Seller : Tanaka Welding Center Co., Ltd. (Subsidiary company)  
MCS hold 99.92% of capital

Buyer

1. Mr.Phairat Viwatborvornwong Director and President  
Total of share : 10,000 shares or 0.002% (at March 14,2018)
2. Mr.Pornchai Phisarnanukunkit Director and Senior Vice President  
Total of share : - share (at March 14,2018)
3. Ms.Mattawan Srisakda Manager of Accounting and Financial  
Total of share : 33,000 shares or 0.0066% (at March 14,2018)

2. The Nature of Transaction

The Board Director approved to disposal of housing development (MCS Village) 3 plot as details ;

- 1) Housing development which areas of 59.50 Meters sell to Mr.Phairat Viwatborvornwong as 1,390,000 Baht
- 2) Housing development which areas of 58.00 Meters sell to Mr.Pornchai Phisarnanukunkit as 1,330,000 Baht
- 3) Housing development which areas of 56.00 Meters sell to Ms.Mattawan Srisakda as 1,270,000 Baht

that locate Ratchakram Bangsai , Phra Nakon Si Ayutthaya (the land is opposite to M.C.S. Steel Public Co., Ltd. which the area of M.C.S. Village) which all management use the right of M.C.S. Steel employee welfare and buy as the same price with other employee.

The details of the connected transaction are as follow :

Transaction Type	Details of Asset	Total (Baht)	The Related Party
Assets and Services	Sell Housing development total 1 plot	1,390,000	Mr.Phairat Viwatborvornwong
Assets and Services	Sell Housing development total 1 plot	1,330,000	Mr.Pornchai Phisarnanukunkit
Assets and Services	Sell Housing development total 1 plot	1,270,000	Ms.Mattawan Srisakda
Total		3,990,000	

### 3. Size of transaction

3.1 Connected Transaction required to be disclosed pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor 20/2551 Re: Rules on the transaction that is significant to the Acquisition or Disposition Assets and the Notification of the Stock Exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets BE 2547 dates October 29,2547. After calculation which has a transaction size of 0.11% under the value of Consideration paid criteria, Therefore the nose Acquisition or Disposal of Assets incurred during the past six months. Size of transaction ratio is 0.31% and the size under 15.00% that under the value of Consideration paid criteria, so there is no need to disclose to Stock Exchange of Thailand.

3.2 The transaction is in accordance with Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551 Re : Rules on Connected Transactions and according to Notification of the Board of Governors of the Stock Exchange of Thailand, Disclosure of Information and Other Acts of Listed Companies concerning the Connected transactions 2003 which has a medium transaction size of 0.31% under the Value of Consideration paid criteria.

MCS's consolidate financial statements of company and subsidiary of 2017 periods ended 31 December 2017 that audited by the Independent Auditor

$$\begin{aligned}
 \text{Method of calculation} &= \frac{\text{Value of consideration} \times 100}{\text{NTA of consolidated financial statement}} \\
 &= \frac{3,990,000 \times 100}{2,413,584,388} \\
 &= 0.17\%
 \end{aligned}$$

With medium transaction size of 0.17%, the Company have to get approved by board of directors and required to disclose to Stock Exchange of Thailand. There is no connected transactions took place during six months, the size of connected transaction the highest is 0.48% of NTA.

#### 4. Criteria used in determining the Connected Transaction

The Board of Directors' meeting of the Company, at which the director who had no interest in the connected transaction attended, had the opinion that Connected Transaction is considered at the same price with other MCS employees.

This transaction was considered and reviewed by the Audit Committee.

5. Mode of Payment : Pay in cash on register date within Quarter 2 of 2018. The money receive from the disposal ,The subsidiary company ( Tanaka Welding Center ) will be use as working capital.

#### 6. Connected Persons and Conflict of Interest

As the good corporate governance practices, Mr.Phairat Viwatborvornwong and Mr.Pornchai Phisarnanukunkit did not attend the Board of Directors Meeting for this specific matter and had no right to vote.

#### 7. Opinions of the Company's Board of Directors on the Entering into the connected Transactions

The Board of Directors' meeting of the Company, at which the directors who had no interest in the connected transaction attended, had the opinion is justified ,the disposal price is the same price that sell to other MCS employee as the company welfare.

8. Opinion of the Audit Committee and/or the Company's directors that is different from the opinion of the Board of Directors

- None -

**M.C.S. Steel Public Company Limited (MCS)**  
**Information of the Connected Transaction**

**1. Date, Month, Year of the Transaction and the Related Parties**

Date of the Transaction

- Within Quarter 3 of 2018

The Related Party

- Miss Chalisa Chi Children of Dr. Naiyuan Chi Chairman of Board Director  
 Total of share : 0 shares (March 14,2018)
- Dr. Naiyuan Chi Chairman of Board Director  
 Total of share : 5,000,000 shares or 1.00% (March 14,2018)

**2. The Nature of Transaction**

The Board Director approved to disposal of Building (Guset House) 1 Building that locate Ratchakram Bangsai , Phra Nakon Si Ayutthaya (the land is opposite to M.C.S. Steel Public Co., Ltd. which in Ratchakram Golf Club) which the company built since 2007 to support the clients from Japan ,now this guest house wasn't used for the operations because the client choose to stay in the hotels in Bangkok that is more convenience than here.

The details of the connected transaction are as follow :

<b>Transaction Type</b>	<b>Details of Asset</b>	<b>Total (Baht)</b>	<b>The Related Party</b>
Assets and Services	Sell Building	8,640,000	Miss Chalisa Chi , children of Dr.Naiyuan Chi Chairman of Board Director

**3. Size of transaction**

3.1 Connected Transaction required to be disclosed pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor 20/2551 Re: Rules on the transaction that is significant to the Acquisition or Disposition Assets and the Notification of the Stock Exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets BE 2547 dates October 29,2547. After calculation which has a transaction size of 0.23% under the value of Consideration paid criteria, Therefore the nose Acquisition or Disposal of Assets incurred during the past six months ,size of transaction ratio was 0.54% and not over 15.00% under the value of Consideration paid criteria, so there is no need to disclose to Stock Exchange of Thailand.

3.2 The transaction is in accordance with Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551 Re : Rules on Connected Transactions and according to Notification of the Board of Governors of the Stock Exchange of Thailand, Disclosure of Information and Other Acts of Listed Companies concerning the Connected transactions 2003 which has a medium transaction size of 0.36% under the Value of Consideration paid criteria.

MCS's consolidate financial statements of company and subsidiary of 2017 periods ended 31 December 2017 that audited by the Independent Auditor

$$\begin{aligned} \text{Method of calculation} &= \frac{\text{Value of consideration} \times 100}{\text{NTA of consolidated financial statement}} \\ &= \frac{8,640,000 \times 100}{2,413,584,388} \\ &= 0.36\% \end{aligned}$$

With medium transaction size of 0.36%, the Company have to get approved by board of directors and required to disclose to Stock Exchange of Thailand. There are connected transactions took place during six months, the size of connected transaction the highest is 0.84% of NTA.

#### 4. Criteria used in determining the Connected Transaction

The Board of Directors' meeting of the Company, at which Dr. Naiyuan Chi, the director who had no interest in the connected transaction attended, had the opinion that the entry into such supporting normal transaction. Such Connected Transaction is considered at arm's length basis.

This transaction was considered and reviewed by the Audit Committee.

And the price from Value (list of SEC) that appraisal by Market Approach method as following

- (1) Plan Appraisal Company Limited , cost appraisal is 8,640,000 Baht  
Date of appraisal February 21,2018
- (2) RPV Valuation Company Limited , cost appraisal is 8,540,000 Baht  
(3,500 Baht per Meters)  
Date of appraisal March 21,2018

\*\* The highest price from valuer was 8,640,000 Baht.

Which management considers that it is reasonable and the selling price is highest price from appraised value and this building built since 2007 by the budget of 9,610,444.77 Baht and the book value at March 23,2018 was 5,150,076.68 Baht.

5. Mode of Payment : Pay in cash. The money receive from the disposal ,The company will be use as working capital.

#### 6. Connected Persons and Conflict of Interest

As the good corporate governance practices, Dr. Naiyuan Chi did not attend the Board of Directors Meeting for this specific matter and had no right to vote.

#### 7. Opinions of the Company's Board of Directors on the Entering into the connected Transactions

The Board of Directors' meeting of the Company, at which the directors who had no interest in the connected transaction attended, had the opinion is justified ,the disposal price that use the highest price from appraised value from independent value that appraisal by Cost Approach method and Book Value of this asset at March 23,2018 was 5,150,076.68 Baht.

#### 8. Opinion of the Audit Committee and/or the Company's directors that is different from the opinion of the Board of Directors

- None -