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

Ref. No.MCS-018/2020
August 14, 2020

Subject : Approved to propose the Shareholders' Meeting for consideration and approval of the connected transaction and others – More information

To : Director and Manager
The Stock Exchange of Thailand

The board meeting of M.C.S. Steel Public Company Limited (MCS) No.5/2020 have approved the resolutions are as details;

1. Approved to propose the Shareholders' Meeting for consideration and approval of the connected transaction and acquisition of assets from purchasing of land with building on the land title deed number 38643 (3-3-8 rai) from Miss Chilisa Chi Children of Dr.Naiyuan Chi Chairman of Board Director and Chief executive officer which the person related party with company under the Notification of the Capital Market Supervisory Board and the size of transaction equals to 7.61 % of NTA (net tangible asset value) from Financial Statement of 6 month ended of 30 June 2020 that reviewed from independent auditor and the value greater than 20 Million Baht. Therefore, the Company is required to obtain the approval from the Extraordinary General Meeting before the entry into the transaction as well as to seek an approval for entering into such transaction from the shareholders' meeting with votes of not less than three of fourth of total number of the shareholders present at the meeting and having voting rights, excluding the votes of shareholders having an interest in the matter.

In this regard, the company appointed Welcap Advisory Company Limited to be Independent Financial Advisor (IFA) in order to give opinion on entering into such transaction.



M.C.S. STEEL PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107548000048

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2. Approved the Extraordinary General Meeting of shareholders No.1/2020 will be held on September 24, 2020 at 11.00 a.m. (At Company Head office No.70 Moo 2 Changyai Bangsai Ayutthaya) and approved the following agendas for EGM No.1/2020.

- Agenda 1 Information from Chairman
- Agenda 2 To consider and certify the minutes of the Annual General Meeting of shareholder of 2020 on April 7,2020
- Agenda 3 To consider the connecting to buy the land and building from connecting person
- Agenda 4 Other matters, if any.

3. The company 's share register book (Record Date) shall be close on August 28,2020 to identify shareholders with right who are entitled to notification of EGM Meeting No.1 of 2020.

For your acknowledgement

Yours Sincerely,

.....
(Dr.Naiyuan Chi)
Chief executive officer

Company Secretary : 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

- After approval from Extraordinary General Meeting

2. The Related Party and relation with the listed company

Buyer	M.C.S. Steel Public Company Limited
Seller	Miss Chalisa Chi
Relation	Miss Chalisa Chi Children of Dr. Naiyuan Chi Chairman of Board Director and Chief Executive Officer who was the related person Miss Chalisa Chi Total of share : 0 shares (May 22,2020) Dr. Naiyuan Chi Total of share : 6,500,000 shares or 1.3% (May 22,2020)

3. The Nature of Transaction type and size of transaction

3.1 The Nature of Transaction

Type of Assets	: land and building included 15 components title deed number 38643 (3-3-8 rai) 1,508 square wah.
Location	: No.888 Moo 1 Ratchakram Bangsai , Phra Nakon Si Ayutthaya
Condition	: The construction will complete within end of October 2020
Obligation of Assets	: None
Transaction	: M.C.S. Steel Public Company Limited will purchase land with buildings from Miss Chalisa Chi
Value of Transaction	: 250,000,000 Baht which not included the interior and other expenses around 50,000,000 Baht

Pricing criteria : The price is lower than the average price from 3 Appraiser (list of SEC) as details ;

No.	Appraiser Company	Appraised date	Appraisal Value Present	Appraisal Value 100%	Approach of appraisal
1.	Fast and Fair Valuation Co., Ltd.	14/6/2020	205,166,940	302,964,500	Cost approach
2.	Southeast Asia Interational Co., Ltd.	21/7/2020	228,655,000	282,478,000	Cost approach
3.	Real Estate Appraisal Co., Ltd.	2/8/2020	220,000,000	290,000,000	Cost approach

3.2 Size of transaction

3.2.1 The calculation of the Acquisition or Disposition Assets (The financial statements at 30 June 2020)

Asset Acquisition	Details	Calculation : Thousand (Baht)	Size %
NTA Method	%Share Holding (increase/decrease) * %NTA of MCS Steel-Xiamen Co., Ltd. *100	None	
	NTA of the Company		
Net Profit Method	%Share Holding (increase/decrease) *Net Profit of MCS Steel-Xiamen Co., Ltd. *100	None	
	Net Profit of the Company		
Total Value of Consideration Paid Method	Consideration Value* 100	300,000,000.00	5.46
	Total Assets of the Company	5,498,028,000.00	
Value of Issued Securities Method	Number of shares issued for Consideration*100	None	
	Total Paid-up Ordinary Shares of the Company		

After calculation which has a transaction size of 5.46% 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 0.43% and not over 15.00% under the value of Consideration paid criteria, so there is no need to disclose to Stock Exchange of Thailand.

3.2.2 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

According to MCS's consolidate financial statements of company and subsidiary ended 30 June 2020 that reviewed by the Independent Auditor

Net tangible assets value (NTA) at 30 June 2020

Total Asset	5,498,028	Thousand Baht
deduct Good will	21,094	Thousand Baht
deduct Intangible assets	9,937	Thousand Baht
deduct Total liabilities	2,092,960	Thousand Baht
deduct Non-controlling interests	<u>90,067</u>	Thousand Baht
Net tangible assets value (NTA)	<u>3,283,970</u>	Thousand Baht

Calculation

NTA was 3,283,970,000 Baht.

0.03%	of net tangible assets value (NTA)	was	985,191
3%	of net tangible assets value (NTA)	was	98,519,100

After calculated the value of transaction as 250,000,000 Baht, size of NTA was 7.61 which are exceeding 3 percent of NTA that are the large transaction, the company have to get approved by board of directors and required to disclose to Stock Exchange of Thailand and Other Acts of Listed Companies concerning connected transactions B.E. 2546. And propose the Shareholders' meeting for consideration of approval of the connected transaction. And appointed Welcap Advisory Company Limited to be an Independent Financial Advisor ("IFA") to give opinion for the shareholders of the Company in connection with this connected transaction.

And in the place during six months ,The company had transaction with Ms.Chalisa Chi as 450,000 baht which is the rental guest house expenses (75,000 Baht per month and the contract of rental the guest house for 1 year period December 2019-November 2020).

4. Benefit from this transaction

Normally , the company had not less than 50 person of our client ,client representatives, designer and third party came to our factory. them and save 2 hours trip from center of Bangkok to work at out factory in Ayutthaya (in former them stayed at Hotel in Bangkok)

5. Source of funds : working capital

6. Term of Payment : The payment will on the date of registration of ownership transfer at Department of Lands

7. 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.

8. 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 price lower than the average price from appraised value from 3 independents value and This facility nearby factory to be the secure place and accommodate our client ,client representatives, designer and inspectors for inspection included other customers and during the current crisis situation, customer safety is the first priority. If we can support the accommodation for customers near the factory is a good thing. Therefore ,the Board of Directors' meeting agreed to propose the shareholders' meeting to purchase the land and buildings above.

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

- None -