



MILL 015/2022

8 December 2022

Subject: Disposal of assets of Millcon Steel Public Company Limited related to waiving the right of purchasing new ordinary issued shares of Suntech Recycle & Decarbon Company Limited.

Attention: Managing of Director  
The Stock Exchange of Thailand

Enclosure 1. Information Memorandum on the Disposal of assets of Millcon Steel Public Company Limited related to waiving the right of purchasing new ordinary issued shares of Suntech Recycle & Decarbon Company Limited.

Millcon Steel Public Company Limited (the “Company”) would like to inform that to the Board of Directors Meeting No. 11/2022 had resolved to approve to waive the rights to purchase newly issued ordinary shares of Suntech Recycle & Decarbon Company Limited (“STRD”), subsidiaries of the Company to Scan Inter Public Company Limited amount of 11,842,830 shares, Mr. Thanchart Kitpipit in the amount of 6,661,600 shares, Molin Energy Company Limited in the amount of 10,574,000 shares, Rawlyn Investments Limited in the amount of 21,147,900 shares and Functional Investment Company Limited in the amount of 13,217,400 shares with a total value of 600,000,043.36 baht in the amount of 63,443,730 shares or 34.29% of the paid-up capital after registration of new ordinary issued shares. However, the Company and the aforementioned persons do not have any connections with the Company.

The entry into the aforementioned transaction is considered an acquisition of assets pursuant to Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004) (as amended) (collectively referred to as the “Acquisition and Disposition Notification”). The transaction size of the disposal transactions is equivalent to 14.90% calculated under the net profit from operating results criterion, which gives the highest transaction value, references from the Financial Statement (Consolidated) of twelve-month period of the Company and STRD. However, after calculating the total size of the asset disposal transaction of the Company that occurred during the past 6 months, the Company has the transaction size is equal to 37.64 %. Therefore, the transaction is deemed a class 2 transection according to the Acquisition or Disposition Notification which is a transaction with the size of more than 15% but less than 50%.



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

---

Therefore, the Company is required to disclose information memorandum associated with the transaction to The Stock Exchange of Thailand (“SET”) and send circular notice to shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET. In this regard, the Company discloses the information memorandum associated with details of which are as provided in the Enclosure1

Please be informed accordingly.

Yours sincerely,

.....  
(Ms. Jureerat Lapanavanich)  
Director



**Information Memorandum on the Disposal of assets of Millcon Steel Public Company Limited related to waiving the right of purchasing new ordinary issued shares of Suntech Recycle & Decarbon Company Limited.**

Millcon Steel Public Company Limited (the “Company”) would like to inform that to the Board of Directors Meeting No. 11/2022 had resolved to approve to waive the rights to purchase newly issued ordinary shares of Suntech Recycle & Decarbon Company Limited (“STRD”), subsidiaries of the Company to Scan Inter Public Company Limited amount of 11,842,830 shares, Mr. Thanchart Kitpipit in the amount of 6,661,600 shares, Molin Energy Company Limited in the amount of 10,574,000 shares, Rawlyn Investments Limited in the amount of 21,147,900 shares and Functional Investment Company Limited in the amount of 13,217,400 shares with a total value of 600,000,043.36 baht in the amount of 63,443,730 shares or 34.29% of the paid-up capital after registration of new ordinary issued shares. However, the Company and the aforementioned persons do not have any connections with the Company.

The entry into the aforementioned transaction is considered an acquisition of assets pursuant to Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547 (2004) (as amended) (collectively referred to as the “Acquisition and Disposition Notification”). The transaction size of the disposal transactions is equivalent to 14.90% calculated under the net profit from operating results criterion, which gives the highest transection value, references from the Financial Statement (Consolidated) of twelve-month period of the Company and STRD. However, after calculating the total size of the asset disposal transaction of the Company that occurred during the past 6 months, the Company has the transaction size is equal to 37.64 %. Therefore, the transaction is deemed a class 2 transaction according to the Acquisition or Disposition Notification which is a transaction with the size of more than 15% but less than 50%. In this regard, The Company therefore would like to disclose the information memorandum on the disposal of assets relating to waiving the right of purchasing new ordinary issued shares of STRD, as by following details:

**1. Date Month Year of transaction.**

The Board of Directors Meeting of the Company no. 11/2022 held on 7 December 2022 has had resolved to approve to waiving the right of purchasing new ordinary issued shares of STRD, subsidiaries of the Company, with a total value of 600,000,043.36 baht in the amount of 63,443,730 shares and the transaction is expected to occur within December 2023.



## 2. Related parties and relationship with the Company.

Issuer	Suntech Recycle & Decarbon Company Limited. (“STRD”)
Waiver	Millcon Steel Public Company Limited (the “Company”)
Grantee	<ol style="list-style-type: none"> <li>1. Scan Inter Public Company Limited</li> <li>2. Mr. Thanchart Kitpipit</li> <li>3. Molin Energy Company Limited</li> <li>4. Rawlyn Investments Limited</li> <li>5. Functional Investment Company Limited</li> </ol> <p>However, the Company has verified that the Purchaser side is not considered a connected person.</p>
Relationship with the Company	STRD is a subsidiary of the Company in which the Company holds 100% of the paid-up shares.

## 3. General Characteristics and transaction size

## 3.1 General Characteristics of the transaction

A waiver of the right to purchase newly issued ordinary shares of STRD at the value of 600,000,043.36 baht, amounting to 63,443,730 shares or 34.29% of the paid-up capital after registration of new ordinary issued shares.

## 3.2 Transaction size under the disposal of assets criteria

The aforementioned transaction is considered as the disposition of assets transaction under the Notification of the Acquisition or Disposal of Assets, as by following details:

Criteria	Formula of Calculation
Net Tangible Asset (NTA)	= (STRD’s NTA x Percentage of waiving the right of the Company / the Company’s NTA
Net profit after taxes from normal business operation	= (STRD’s Net profit after taxes from normal business operation x Percentage of waiving the right of the Company) / (the Company’s Net profit after taxes from normal business operation)
Total Value of Consideration	= Total Maximum Value of Consideration for the Company’s / the Company’s Total Assets.
Value of securities which are issued by listed company for the asset acquired	= Not applicable as the transaction is a disposal of asset with no issuance of new securities.



The transaction size calculations based on the comparative methods are as follows:

Criteria	Formula of Calculation (million baht)	Transaction Size	Criteria Used for Disclosure
Net Tangible Asset (NTA)	$(996 \times 34.29\%) / 6,405.09$	5.33%	No need to disclose.
Net profit after taxes from normal business operation	$(94.62 \times 34.29\%) / 217.79$	14.90%	No need to disclose.
Total Value of Consideration	$600 / 19,746.85$	3.04%	No need to disclose.
Value of securities which are issued by listed company for the asset acquired	not applicable as no new share of the Company will be issued as consideration.	- None -	No need to disclose.

Note: Calculated by using the consolidated financial statements for the Company's accounting period ending 30 September 2022 that has been reviewed by the Certified Public Accountant

As the transaction size of the disposal transactions is equivalent to 14.90% calculated under the net profit from operating results criterion, which gives the highest transaction value, references from the Financial Statement (Consolidated) of twelve-month period of the Company and STRD. However, after calculating the total size of the asset disposal transaction of the Company that occurred during the past 6 months, the Company has the transaction size is equal to 37.64 %. Therefore, the transaction is deemed a class 2 transaction according to the Acquisition or Disposition Notification which is a transaction with the size of more than 15% but less than 50%.

#### 4. Details of Asset Disposed

##### General information of KMS

Company Name	Suntech Recycle & Decarbon Company Limited.
Nature of Business	Operates the business of Production of scrap and trading steel products.
Registered Address	339 Moo 6, Pak Ruam-Ao Udom Road, Bowin Subdistrict, Sriracha District, Chonburi Province 20230
Corporate Type	Company Limited
Registered Number	0205548021174
Registered Date	4 August 2005
Registered Capital (Baht)	729,600,000 baht (par value 6 baht)
Paid-up Capital	729,600,000 baht
Total of Shares	121,600,000 Shares



## List of Directors as of 8 December 2022

No.	Name	Position
1	Mr. Pravit Horungruang	Director
2	Mr. Sittichai Leeswadtrakul	Director
3	Mr. Tawan Boonyawat	Director
4	Mr. Suphamongkhon Manoch	Director
5	Miss Sutthida Leeswadtrakul	Director

## Shareholding structure

Shareholder Name	Before disposal		After disposal	
	Shares	%	Shares	%
Millcon Steel PLC.	121,599,998	100.00	121,599,998	65.71
Mr. Sittichai Leeswadtrakul	1	00.00	1	00.00
Miss Suttirat Leeswadtrakul	1	00.00	1	00.00
Scan Inter Public Company Limited	-	-	11,842,830	6.40
Mr. Thanchart Kitpipit	-	-	6,661,600	3.60
Molin Energy Company Limited	-	-	10,574,000	5.71
Rawlyn Investments Limited	-	-	21,147,900	11.43
Functional Investment Company Limited	-	-	13,217,400	7.14
Total	121,600,000	100.00	185,043,730	100.00

However, STRD will remain a subsidiary of the Company, with the Company holding 121,599,998 shares, representing 65.71% of the paid-up capital after registration of new ordinary issued shares.



## Financial Statement of KMS as of 30 September 2022.

## Balance Sheet

In baht

Statement of Financial Position	As of 30 September 2022	As of 31 December 2021	As of 31 December 2020
Cash and cash equivalents	61,886,385	4,948,095	8,287,239
Account receivable	219,802,248	261,681,348	479,820,029
Inventories	59,517,836	27,662,738	52,674,020
Advance payment for goods	35,502,920	16,216,343	48,522,061
Other current asset	24,563,153	20,735,199	5,806,819
<b>Total current assets</b>	<b>401,272,542</b>	<b>331,243,723</b>	<b>595,110,168</b>
Investment in associates	593,822,340	233,090,111	233,090,111
Investment property	169,218,000	169,218,000	169,218,000
Property plant and equipment	396,286,006	97,899,896	197,860,238
Other non-current asset	6,312,762	21,787,769	31,582,627
<b>Total non-current assets</b>	<b>1,165,639,108</b>	<b>521,995,776</b>	<b>631,750,976</b>
<b>Total assets</b>	<b>1,566,911,651</b>	<b>853,239,499</b>	<b>1,226,861,144</b>
Bank overdrafts and short-term loan from financial institution	338,177,709	327,704,098	322,695,538
Account Payable	63,622,050	102,745,326	246,761,351
Short term loan	66,000,000	-	17,000,000
Advance payment for good	2,673,571	3,278,870	10,833,046
Current portion of finance lease liabilities	429,966	1,995,634	4,541,419
Other current liabilities	26,061,259	-	-
<b>Total current liabilities</b>	<b>496,964,555</b>	<b>435,723,928</b>	<b>601,831,354</b>
<b>Total non-current liabilities</b>	<b>69,818,469</b>	<b>13,863,646</b>	<b>250,147,943</b>
<b>Total liabilities</b>	<b>566,783,024</b>	<b>449,587,574</b>	<b>851,979,297</b>



In baht

Statement of Financial Position	As of 30 September 2022	As of 31 December 2021	As of 31 December 2020
Authorized share capital	729,600,000	716,000,000	716,000,000
Issue and paid-up share capital	729,600,000	716,000,000	716,000,000
Appropriated - Reserve	551,867	-	-
Retained Earnings (unappropriated)	48,818,323	(312,348,075)	(341,118,153)
Other component of equity	221,158,437	-	-
<b>Total equity</b>	<b>1,000,128,627</b>	<b>403,651,925</b>	<b>374,881,847</b>
<b>Total liabilities and equity</b>	<b>1,566,911,651</b>	<b>853,239,499</b>	<b>1,226,861,144</b>

Profit and loss

In baht

Statement of Financial Position	As of 30 September 2022	As of 31 December 2021	As of 31 December 2020
Revenue from sale of goods	859,826,843	1,425,565,714	1,387,292,152
Other income	116,785,746	52,867,657	37,442,613
<b>Total revenue</b>	<b>976,612,590</b>	<b>1,478,433,371</b>	<b>1,424,734,765</b>
Cost of sales of goods	795,250,668	1,379,848,288	1,303,473,654
SG&A	84,404,530	52,465,300	67,933,996
Net foreign exchange gain (loss)	1,942,390	2,144,078	6,251,690
<b>Total expenses</b>	<b>881,597,587</b>	<b>1,434,457,666</b>	<b>1,377,659,340</b>
Finance costs	10,534,758	15,205,627	25,650,682
Income tax expenses	10,006,431	-	-
<b>Profit (loss) for the year</b>	<b>74,473,814</b>	<b>28,770,078</b>	<b>21,424,743</b>





#### 5. Total Value of Consideration and Basis Used for Determination of Consideration Value

The value of the disposed assets is the value of newly issued ordinary shares that the Company waived the right to buy from STRD in the amount of 63,443,730 shares or 34.29% of the paid-up capital after registration of new ordinary, issued shares at a price of 9.4572 baht per share, which is equal to 600,000,043.36 baht, such price is the agreed price. However, STRD has a share value evaluated by an independent financial advisor and approved by the SEC, The book value of shares is 5.38 baht per share and the share value according to the discounted cash flow method is in the range of 10.15 - 12.04 baht, which has been evaluated based on present value of the projected free cash flow using an appropriate discount rate and calculate the weighted average cost of capital to be used as a discount rate by preparing a financial projection of STRD for a period of 6 years (2022 -2027).

#### 6. Expected Benefits of the Transaction

1. The company can reduce the burden of capital increase in STRD.
2. STRD has more cash flow for working capital in the business and/or able to use the funds for other investments, increase the opportunity to expand investment in the business to have more business potential. Which will help the company to be able to run business stably and which will be beneficial to the Company and shareholders of the Company

#### 7. Plans for use of funds received from transaction

STRD has a plan to use the proceeds from the transaction, as by following details:

1. To be used as working capital within the business in the proportion of 30 percent.
2. To support other investments in the future, the proportion is 70 percent.

However, the Board of Directors can consider proportion of capital utilization to suit any changes in the situation.

#### 8. Conditions for the Entering into the Transaction

Due to the asset disposal transaction of the Company, the transaction is deemed a class 2 transaction according to the Acquisition or Disposition Notification of the listed companies. Therefore, after the Company has resolution approved from the Board of Director's meeting no.11/2022 and on 7 December 2022, the Company is required to disclose information memorandum associated with the transaction to The Stock Exchange of Thailand ("SET") and send circular notice to shareholders of the Company for acknowledgment within 21 days from the date of disclosure of the transaction to the SET.

#### 9. Opinions of the Board of Directors

The Board of Directors has considered the disposal of assets, regarding the waiver of the right to purchase the newly issued ordinary shares of STRD with comprehensive resolution, without interest considering the appropriateness and the benefits from entering the transaction as well as other factors related to the transaction and is of the opinion that entering into such transaction is appropriate and beneficial for the Company. Therefore, The Board of Directors has resolved to approve the entering into the transaction.

#### 10. Opinion of Audit Committee different from Opinion of the Board of Directors

-None-