



**Invitation Letter for the Annual General Meeting of Shareholders
No. 1/2020**

MILLCON STEEL PUBLIC COMPANY LIMITED

**29 June 2020
2.00 p.m.**

**Millcon Steel Public Company Limited
28th floors, Thaniya Plaza building, Silom Road, Suriyawongse, Bangrak, Bangkok**



May 28, 2020

Subject: Invitation to the Annual General Meeting of Shareholders No. 1/2020

To: Shareholders of Mill Con Steel Industries Public Company Limited

Enclosures:

1. Minutes of the Annual General Meeting of Shareholders No. 1/2019
2. Annual Report 2019 in a QR CODE
3. Profile of persons nominated for election as directors to replace those retiring by rotation and definition of an Independent Director
4. Guideline on appointment of a proxy, registration for the meeting, identification documents to be presented on the meeting date, voting procedure and meeting procedure
5. Names of independent directors of the Company to be appointed as a proxy to attend the meeting on the shareholders' behalf
6. Proxy Form (Form A, Form B and Form C) and Attachment to Proxy Form
7. Articles of Association pertaining to the shareholders' meeting
8. Map of the meeting venue 2563

The Board of Directors' Meeting of Millcon Steel Public Company Limited ("the Company") resolved to convene the Annual General Meeting of Shareholders No. 1/2020 on June 29, 2020 at 14.00 a.m. at 28th floors, Thaniya Plaza building, Silom Road, Suriyawongse, Bangrak, Bangkok 10500, to consider the businesses on the agenda as follows:

Agenda 1 To consider approving the minutes of the Annual General Meeting of Shareholders No. 1/2019

(Please see details in Enclosure 1.)

Principle and rationale: The Company held the Annual General Meeting of Shareholders No. 1/2019 on April 26, 2019 and subsequently prepared minutes of the said meeting and duly submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within the timeframe specified by laws. The minutes were also made available on website of the Company (<http://www.millconsteel.com>), details of which are presented in Enclosure 1 attached hereto.

Board of Directors' opinion: The Board of Directors has the opinion that the minutes of the Annual General Meeting of Shareholders No. 1/2019, held on April 26, 2019, were correctly and completely recorded and therefore considers it appropriate to propose the said minutes to the Meeting of Shareholders for approval.

Remark: Resolution in this agenda shall be passed by the majority votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 2 To acknowledge the Company's operating performance in 2019

(Please see details in Enclosure 2.)



Principle and rationale: Report on the Company's operating performance in 2019 can be found in the Annual Report which was attached hereto as per Enclosure 2.

Board of Directors' opinion: The Board of Directors considers it appropriate to propose the said report on the Company's operating performance in 2019 for the Meeting of Shareholders' acknowledgement.

Remark: No voting is required for this agenda because it is for the shareholders' information.

Agenda 3 To consider approving the financial statement for the year ended December 31, 2020

Principle and rationale: To comply with Section 112 of the Public Limited Companies Act B.E. 2535 and Article 48 of the Company's Articles of Association, the Board of Directors has arranged for preparation of the balance sheet and statement of income as of the end of the accounting year of the Company and hereby proposed for the Annual General Meeting of Shareholders' approval the financial statement for the accounting year ended December 31, 2019, which has been duly considered by the Audit Committee and audited by the certified public accountant. Here is a summary of the said financial statement:

Unit : Million Baht

Financial Position	2019	
	Consolidated	Company
Assets	22,082	15,062
Liabilities	16,339	8,626
Shareholders' equity	5,743	6,436

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Operating Performance	2019	
	Consolidated	Company
Revenues	17,705	14,054
Total Cost	16,933	13,738
Net profit	(12)	(108)
Earnings per share	(0.01)	(0.03)

Board of Directors' opinion: The Board of Directors considers it appropriate to propose for the Meeting of Shareholders' approval the financial statement for the accounting year ended December 31, 2019, which has been duly considered by the Audit Committee and audited by the certified public accountant.

Remark: Resolution in this agenda shall be passed by the majority votes of the shareholders attending the meeting and having the right to cast vote.

**Agenda 4 To acknowledge the interim dividend payment**

Principle and rationale: Due to the outbreak of the Coronavirus Disease 2019 (“COVID-19”) as a result to postpone the 2020 Shareholders’ Annual General Meeting as scheduled on 29 April 2020. In order to alleviate the effects that may have on the shareholders of the company from the postponement of the shareholders’ meeting without any stipulation. The Board of Directors’ meeting No.4/2020 held on 26 March 2020 had the resolution approved interim dividend payment from the Company’s retained earnings as of 31 December 2019 at the rate of 0.02 baht per, totaling amount of Baht 86,807,645.22. The Record date to specify the right to receive the interim dividend is on Friday, April 10 2020, which has scheduled for dividend payment on Friday, April 24, 2020.

Transactions	Performance	
	2020	2019
1. Net profit (loss) (baht)	- 108,265,656	295,565,904
2. Dividend per share (baht)	0.02	0.03
3. Dividend payout ratio (%)	N/A	44%

Board of Directors’ opinion: The Board of Directors considers it appropriate to propose the Shareholders’ meeting acknowledge the interim dividend payment from the Company’s retained earnings as of 31 December 2019, at the rate of 0.02 baht per, totaling amount of Baht 86,807,645.22. The Company has already paid dividends to shareholders on April 24, 2020.

Remark: No voting is required for this agenda because it is for the shareholders’ information.

Agenda 5 To consider election of directors to replace those retiring by rotation
(Please see details in Enclosures 3.)

Principle and rationale: Pursuant to Article 23 of the Company’s Articles of Association, at each Annual General Meeting of Shareholders, one-third (or nearest to one-third) of the directors who are the longest in office shall retire by rotation. However, the retired directors may be re-elected. At this Annual General Meeting of Shareholders No. 1/2020, one-third of the directors, or three of them, are due to retire by rotation, comprising:

1. Mr. Pravit Horungruang	Director / CG Committee Member / Risk Management Committee Member / Executive Committee Member
2. Mr. Teerayuth Lertsirarankson	Director / Risk Management Committee Member / Executive Committee Member
3. Mr. Vipooltha Trakulhoon	Director / Chairman of Investment Committee
4. Ms. Jureerat Lapanavanich	Director / Risk Management Committee Member / Investment Committee Member / Executive Committee Member

The Company provides opportunities for the shareholders to propose board nominees in advance of the Meeting, through an announcement on the Company’s website and announcements from the SET



since 15 November 2019 – 14 February 2020. When the time ends, there are no board nominees proposed by any shareholder.

In selecting and nominating the candidates, the Nomination and Remuneration Committee considered qualified persons with knowledge, competence, good working experience and track records, leadership skills, a broad vision, morality and ethics, a positive attitude towards the organization, and an ability to sufficiently devote their time to the Company's business. A focus was also placed on the candidates whose qualifications fit well with the Board of Directors' composition and structure in line with the Company's business strategy. It is thus deemed appropriate to nominate the directors retiring by rotation for re-election as directors for another term. Except Mr. Theerayut Lertsirungsan who does not wish to continue to be a director of the Company. The Board of Directors has propose to appoint Ms. Sureerat Leeswadtrakul to be a director of the company instead.

Profile of the directors nominated for re-election and the definition of 'independent directors,' which has been determined by the Company more strictly than the minimum guideline of the Capital Market Supervisory Board, are presented in Enclosure 3.

Board of Directors' opinion: The Board of Directors, excluding the directors with vested interest, has considered the matter as recommended by the Nomination and Remuneration Committee and deems it appropriate to propose Shareholders' meeting approval the re-election of the directors retiring by rotation.

Remark: Resolution in this agenda shall be passed by the majority votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 6 To consider and approve the board's remuneration of 2020

Principle and rationale: The Nomination and Remuneration Committee has reviewed the remuneration for the Company's directors for 2020 to ensure it is commensurate with their roles and responsibilities and has then resolved to propose the remuneration for directors for 2020 as follows:



Remuneration of Director	2020 (Proposed) (Baht / person)		2018 (Previous year) (Baht / person)	
	Monthly	Time	Monthly	Time
Chairman of the Board	60,000	10,000	60,000	10,000
Vice Chairman of the Board	25,000	5,000	25,000	5,000
Director	20,000	5,000	20,000	5,000
Chairman of Audit Committee	30,000	10,000	10,000	-
Audit Committee	5,000	5,000	5,000	-
Chairman of CG Committee	30,000	10,000	30,000	10,000
CG Committee	5,000	5,000	-	5,000
Chairman of Nomination and Remuneration Committee	30,000	10,000	30,000	-
Nomination and Remuneration Committee	5,000	5,000	-	5,000

Remark

The attendance fee to be paid to director who attended the meeting shall not more than 8 times per year. In addition, the director who is Audit Committee / Nomination and Remuneration Committee / Corporate Governance Committee are entitled to receive additional attendance fee in amount of Baht 5,000 per time with the maximum rate of 8 times per year. The above remuneration shall not be applied for executive director of the company.

In this regard, the total of remuneration budget is of Baht 3,740,000. In case, the budget has been allocated to each board and it has not been fully paid, the outstanding budget will be allocated to other board as pro rata basis of each board's performance

Board of Directors' opinion: The Board of Directors has considered the opinion of the Nomination and Remuneration Committee and proposed for the Meeting of Shareholders' approval the board's remuneration of 2020 as detailed above.

Remark: Resolution in this agenda shall be passed by at least two-thirds of total votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 7 To consider appointing an auditor for the accounting year 2020 and fixing an Audit fee

Principle and rationale: To comply with Section 120 of the Public Limited Companies Act B.E. 2535 and Article 45 of the Company's Articles of Association, the Annual General Meeting of Shareholders shall appoint an auditor and fix an audit fee on a yearly basis by the consideration and recommendation of the Audit Committee, the Board of Directors considers it appropriate to propose for the Meeting of Shareholders' approval the appointment of PKF Audit (Thailand) Ltd. as the auditor firm of the Company for 2020, with any of the following auditors to be assigned to perform an audit and render an opinion on the Company's financial statement for 2020:



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|-----------------------------------|-----------------------|--------|
| 1. Miss Sawinee Sawanont | CPA License No. 7092 | and/or |
| 2. Miss Napaporn Sathitthammaporn | CPA License No. 7494 | and/or |
| 3. Mr. Pitinan Lilamethwat | CPA License No. 11133 | |

PKF Audit (Thailand) Ltd. and the auditors as listed above do not have any relationship and/or vested interest with the Company/its subsidiaries/management/major shareholders or the related persons of these parties in such a manner that could have an impact on their independence in performing their audit duty.

As regards the auditor's remuneration, the Audit Committee has considered the tasks of reviewing and auditing financial statements of the Company and its subsidiaries and recommended that the audit fee for 2020 of the Company be fixed at not more than Baht 4,310,000 (excluding VAT and other services fee) and total of subsidiaries not exceeding than 10,340,000 baht (excluding VAT and other services fee). In the case where there is any special assignment other than the usual yearly audit function, the Board of Directors shall be authorized to allocate a special budget case by case.

PKF Audit (Thailand) Ltd. has been the company's auditor 1 year.

Audit fee	2020 (Proposed y)	2019
1. The Company and its subsidiaries	10,340,000 baht	11,145,000 baht*
2. other services	N/A	549,604 baht

Remark: the audit fees include the financial statement adjustment for 2018 and test ERP system.

Board of Directors' opinion: The Board of Directors, with the endorsement of the Audit Committee, considers it appropriate to propose for the Meeting of Shareholders' approval the appointment of PKF Audit (Thailand) Ltd. as the auditor firm of the Company and its subsidiaries for 2020, with any of the following auditors to be assigned to perform an audit and render an opinion on the Company's financial statement for 2020;

- | | | |
|-----------------------------------|-----------------------|--------|
| 1. Miss Sawinee Sawanont | CPA License No. 7092 | and/or |
| 2. Miss Napaporn Sathitthammaporn | CPA License No. 7494 | and/or |
| 3. Mr. Pitinan Lilamethwat | CPA License No. 11133 | |

The fixing of an audit fee of the Company for 2020 not more than Baht 4,310,000 (Excluding VAT and other services fee) and total of subsidiaries not more than 10,340,000 baht (excluding VAT and other services fee). In the case where there is any special assignment other than the usual yearly audit function, the Board of Directors shall be authorized to allocate a special budget case by case.

In the event that the above auditors are unable to perform their duty, PKF Audit (Thailand) Ltd. shall appoint its other auditor to perform the task in their stead.

Remark: Resolution in this agenda shall be passed by the majority votes of the shareholders attending the meeting and having the right to cast vote.

**Agenda 8**

To consider and approve the amendment of Clause 4 of the Company's Memorandum of association to be in line with conversion of the Company's preferred shares into ordinary shares.

Principle and rationale: Clause 4 bis (3) of the Articles of Association of the Company, the term of preferential right of preferred shares shall be 5 years. Upon the completion of such period of time, the preferential right of preferred shares shall immediately expire. The rights of preferred shares shall be the same as that of ordinary shares, and such preferred shares shall be converted to ordinary shares. In 2019, the Company has converted 192,118,226 preferred shares to ordinary shares. Therefore, to be in line with conversion of the Company's preferred shares into ordinary shares. The Company is required to amend Clause 4 in the Company's Memorandum of Association with the following text;

"Clause 4	Registered capital	2,613,513,343.60 Baht	(Two thousand six hundred thirteen million five hundred thirteen thousand three hundred and forty-three baht sixty satang)
	Divided into	6,533,783,359 shares	(Six thousand five hundred thirty three million seven hundred eighty three thousand three hundred and fifty-nine shares)
	Par value per share	0.40 Baht	(Forty satang)
	Separated By		
	Ordinary shares	6,533,783,359 shares	(Six thousand five hundred thirty three million seven hundred eighty three thousand three hundred and fifty-nine shares)
	Preferred shares	-	-

Board of Directors' opinion: The Board of Directors considered and resolved to propose to the Shareholders' Meeting to consider and approve the amendment of the Company's Memorandum of Association, Clause 4 to be in line with conversion of the Company's preferred shares into ordinary shares. Therefore, the authorized person assigned by the Board of Directors for the Amendment of Memorandum of Association at the Department of Business Development and the Ministry of Commerce has authority to change or add words in compliance with the order of the Registrar.

Remark: Resolution in this agenda shall be passed by at least three-fourths of total votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 9

To consider and approve the decrease of the Company's registered capital by Baht 267,827,661.20 (Two hundred sixty seven million eight hundred twenty seven thousand six hundred and sixty one baht twenty satang) by canceling the 669,569,153 unsold ordinary shares (Six hundred sixty nine million five hundred sixty nine thousand one hundred and fifty-three shares) with a par value of Baht 0.40 (zero point four zero baht) per share, from the current registered capital of Baht 2,613,513,343.60 (Two thousand six hundred thirteen million five hundred thirteen thousand three hundred and forty three baht sixty satang) to Baht ,345,685,682.40 (Two thousand three



hundred forty five million six hundred eighty five thousand six hundred and eighty two baht forty satang

Principle and rationale: Due to, the warrant to purchase the ordinary shares of the Company No.3 ("MILL-W3") have expired and ordinary shares reserved for MILL-W3 that have not yet right exercise. Therefore, the Company will decrease registered capital by Baht 267,827,661.20 (Two hundred sixty seven million eight hundred twenty seven thousand six hundred and sixty one baht twenty satang) from 669,569,153 unsold shares with value of Baht 0.40.

Board of Directors' opinion: The Board of Directors considers it appropriate to propose for the Meeting of Shareholders' approval the decrease of the Company's registered capital by Baht 267,827,661.20 (Two hundred sixty-seven million eight hundred twenty-seven thousand six hundred and sixty-one baht twenty satang) by canceling the 669,569,153 unsold ordinary shares (Six hundred sixty nine million five hundred sixty nine thousand one hundred and fifty-three shares) with a par value of Baht 0.40 (zero point four zero baht) per share, from the current registered capital of Baht 2,613,513,343.60 (Two thousand six hundred thirteen million five hundred one thousand three thousand three hundred and forty-three baht sixty satang) to Baht ,345,685,682.40 (Two thousand three hundred forty-five million six hundred eighty-five thousand six hundred and eighty-two baht forty satang).

Remark: Resolution in this agenda shall be passed by at least three-fourths of total votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 10 **To consider and approve the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the decrease in the Company's registered capital.**

Principle and rationale: In order to be consistent with the reduction of the registered capital of the Company as shown in Agenda 9, the Company is required to amend Clause 4 in the Company's Memorandum of Association with the following text



“Clause 4	Registered capital	2,345,685,682.40 Baht	(Two thousand three hundred forty-five million six hundred eighty five thousand six hundred and eighty two baht forty satang)
	Divided into	5,864,214,206 shares	(Five thousand eight hundred sixty four million two hundred and fourteen thousand two hundred and six shares)
	Par value per share	0.40 Baht	(forty satang)
	Separated By		
	Ordinary shares	5,864,214,206 shares	(Five thousand eight hundred sixty four million two hundred and fourteen four thousand two hundred six shares)
	Preferred shares	-	-

Board of Directors’ opinion: The Board of Directors considered and resolved to propose to the Shareholders’ Meeting to consider and approve the amendment of the Company’s Memorandum of Association, Clause 4 to be in line with the reduction of the Company’s registered capital. Therefore, the authorized person assigned by the Board of Directors for the Amendment of Memorandum of Association at the Department of Business Development and the Ministry of Commerce has authority to change or add words in compliance with the order of the Registrar.

Remark: Resolution in this agenda shall be passed by at least three-fourths of total votes of the shareholders attending the meeting and having the right to cast vote.

Agenda 11 To acknowledge the cancellation of acquisition of R.S.P. Steel Co., Ltd.’s assets.

Principle and rationale: The Company has plans restructure of the Company by Partial Business Transfer according to the Annual General Meeting of Shareholders No. 1/2562 on April 26, 2019 had approved it. The company will operate the trading business mainly together with Saharuam Construction Material Co., Ltd. (“Saharuam or the Company’s subsidiary”) to expand the market in Bangkok and the regions of Thailand. As a result to Saharuam do not need to use the area of R.S.P Steel Co., Ltd. to keep products. The Board of Directors of the Company No.5/2019 held on July 8, 2019 had the resolution approved the cancellation of acquisition of R.S.P. Steel Co., Ltd.’s assets.

Board of Directors’ opinion: The Board of Directors considered and proposed to the shareholders’ meeting to acknowledge the cancellation of the acquisition of R.S.P Steel Co., Ltd.’s assets.

Remark: No voting is required for this agenda because it is for the shareholders’s information.

Agenda 12 Other (if any)

The Company has set June 2, 2020 as the record date to determine the shareholders who have the right to attend the Annual General Meeting of Shareholders No. 1/2020



Notice of the Meeting of Shareholders and accompanying documents are also available on the Company's website ([http:// www.millconsteel.com](http://www.millconsteel.com)).

The shareholders are cordially invited to attend the meeting on the date and at the time and place as described above and are requested to prepare all evidences required for the meeting as detailed in the 'Guideline on appointment of a proxy, registration for the meeting, identification documents to be presented on the meeting date, voting procedure and meeting procedure' for the Annual General Meeting of Shareholders No. 1/2020 as presented in Enclosure 4. The Company will conduct the meeting in accordance with the Articles of Association as presented in Enclosure 7. To protect rights and benefits of the shareholders, in the event that any shareholder is unable to attend the meeting and wishes to appoint one of the Company's independent directors as his/her proxy to attend the meeting and cast vote on his/her behalf, the shareholder can then select one of the Company's independent directors whose names and profiles are given in Enclosure 5 and deliver the Proxy Form together with supporting documents to the Department of Company Secretary of Mill Con Steel Industries Plc., address no. 52 Thaniya Plaza Building, 29th Floor, Silom Road, Suriyawong Sub-district, Bang Rak District, Bangkok 10500, Tel. 02-652-3333, no later than 3 business day.

Yours sincerely,

Mr. Pravit Horrungruang
Chief Executive Officer