

**INFORMATION MEMORANDUM ON THE CONNECTED TRANSACTIONS**  
**OF G STEEL PUBLIC COMPANY LIMITED**

July 14, 2017

After the SSG group, led by SSG Capital Holdings Limited (“SSG CH”) expressed its interest in engaging in the debt restructuring of both G Steel Public Company Limited (the “Company”) and GJ Steel Public Company Limited (“GJS”), on May 26, 2017, the Company executed a memorandum of understanding (the “MOU”) with Kendrick Global Limited (“KG”), a subsidiary of SSG Capital Partners III, L.P. (“SSG III”). Under the MOU, SSG III and its subsidiaries wish to engage in the debt restructuring of the Company through the juristic persons under the control of SSG CH, SSG III, and KG, i.e. Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) and Link Capital I (Mauritius) Limited (“Link Capital I”) (collectively referred to as the “SSG Group”).

In this respect, under the MOU, the SSG Group has the following plans for the debt restructuring of the Company:

1. ACO I purchased the debt from 7 previous trade creditors of the Company. In this regard, on March 15, 2017, the Company received a letter from ACO I to confirm the amount of transferred debt as at February 28, 2017, of USD 226,331,648, or equivalent to THB 7,810,529,136.75 (divided into principal of USD 127,885,456, or equivalent to THB 4,413,227,620.09, and interest of USD 98,446,192, or equivalent to THB 3,397,301,516.66) (the “Trade Debt”).
  2. After the purchase of the Trade Debt in 1., the Company entered into a credit agreement dated May 12, 2017 (the “Credit Agreement”) with the loan amount of USD 41,000,000, or equivalent to THB 1,414,878,111.11, with Link Capital I, where the Company will utilize USD 7,053,938, or equivalent to THB 243,425,913.98, for the partial repayment of the Trade Debt to ACO I (divided into principal of USD 3,985,727, or equivalent to THB 137,544,338.76, and interest of USD 3,068,212, or equivalent to THB 105,881,609.73) (the “Partial Repayment”) and the Company will utilize the remaining loan after the Partial Repayment to repay its other creditors and as working capital for its business operation (Please see the details of the repayment to the other creditors in 2.1.2).
- Remark The Company has not drawn any loan under the Credit Agreement since the provision of loans under the said Credit Agreement is subject to various conditions precedent as provided in 6), e.g. the Company must obtain approval from its Board of Directors’ meeting and shareholders’ meeting for entry into the Credit Agreement.
3. After the Partial Repayment, the Company’s outstanding debt owed to ACO I will be USD 219,277,709, or equivalent to THB 7,567,103,188.26 (divided into principal of USD 123,899,729, or equivalent to THB 4,275,683,281.33, and interest of USD 95,377,980, or equivalent to THB 3,291,419,906.93) (the “Pre-Debt to Equity Conversion Debt”).
  4. ACO I agreed to reduce a part of the outstanding Trade Debt (i.e. a haircut) by waiver of the outstanding interest of USD 95,377,980, or equivalent to THB 3,291,419,906.93<sup>1</sup>. As a result, the Company will not have any outstanding interest in the Pre-Debt to Equity Conversion Debt on the day that the shareholders’ meeting approves the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme.
  5. After the Partial Repayment in 2. and the Trade Debt reduction in 4., the Company’s net outstanding debt before the debt to equity conversion is in the amount of USD 123,899,729, or

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<sup>1</sup> The said interest amount is calculated up until February 28, 2017. However, the waiver of interest under the debt restructuring plan includes the interest after February 28, 2017 up until August 30, 2017, the date of the Extraordinary General Meeting of Shareholders No. 1/2017, in the sum of USD 5,461,478, or equivalent to THB 188,471,357.96.

equivalent to THB 4,275,683,281.33 (such amount is entirely principal) (the “**Net Trade Debt**”).

6. Under the said MOU, the Company wishes to repay the Net Trade Debt of USD 123,899,729, or equivalent to THB 4,275,683,281.33, by way of the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme.

Remark - The exchange rate used in this document is the average foreign exchange rate used by commercial banks with their customers from May 2, 2017 to May 26, 2017 as announced by the Bank of Thailand. Please see further information from the website of the Bank of Thailand at ([www.bot.or.th](http://www.bot.or.th)).

In this respect, the Board of Directors’ Meeting No. 6/2017, held on July 14, 2017, approved the allocation and offering of not more than 21,801,000,000 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to ACO I as repayment of the Net Trade Debt of USD 123,899,729, or equivalent to THB 4,275,683,281.33, under the debt to equity conversion scheme where the conversion price will be fixed at THB 0.19613 per share, aggregating not more than THB 4,275,830,130.00 (the “**Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme**”). Since the said conversion price is 58.89 percent lower than the market price, such offering of the newly issued ordinary shares of the Company is an offering of shares with a discount of more than 10 percent of the market price pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Ordinary Shares to Specific Investors (as amended) (the “**Tor Chor. 72/2558 Notification**”).

In this regard, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is considered as a connected transaction under the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governor of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E. 2546 (2003) (as amended) (the “**Connected Transaction Notifications**”) since after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, ACO I will directly hold 76.09 percent of the total issued shares of the Company (after registration of the Company’s paid-up capital)<sup>2</sup>, will nominate new directors to hold more than half of the board seat, and will appoint executives to hold key managerial positions, including the Chief Executive Officer of the Company. The said Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is a transaction with a person who will become a controlling person of the Company and, therefore, is considered as a connected transaction of the Company.

Furthermore, under the debt to equity conversion scheme above, the Company will receive financial assistance from Link Capital I under the Credit Agreement in the amount of USD 41,000,000, or equivalent to THB 1,414,878,111.11, with a loan period of 5 years<sup>3</sup> (the “**Financial Assistance**”). Under the Credit Agreement, the Company is entitled to draw 3 portions of the loan as follows:

1. The first portion of the loan is in the amount of USD 9,000,000, or equivalent to THB 310,583,000 (the “**1<sup>st</sup> Loan Portion**”). The Company will be able to use the 1<sup>st</sup> Loan Portion for

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<sup>2</sup> The said shareholding percentage will change to 58.15 percent in case of registration of the Company’s paid-up capital resulting from the allocation of the newly issued ordinary shares to the existing shareholders pro rata to their shareholdings (Rights Offering) and the allocation of the newly issued ordinary shares to accommodate the adjustment of rights for the warrants of the Company based on the assumption that the newly issued ordinary shares offered to the existing shareholders pro rata to their shareholdings (Rights Offering) are subscribed in full and the rights under the warrants are exercised in full.

<sup>3</sup> In the case that the debt restructuring of the Company, which includes the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, is not completed within the 15-month period following the utilization of the 1<sup>st</sup> Loan Portion, the Company shall make a full repayment of the utilized amount within the last day of the 15-month period following the utilization of the 1<sup>st</sup> Loan Portion.

the purpose of the Partial Repayment as detailed in 2. above. The Company will proceed to draw the 1<sup>st</sup> Loan Portion as soon as the shareholders' meeting approves the Financial Assistance. Nevertheless, the utilization of the 1<sup>st</sup> Loan Portion is subject to certain conditions precedent i.e. the loan under the Credit Agreement must be approved by the Board of Directors' meeting and the shareholders' meeting of the Company and Link Capital I must be satisfied with the result of the due diligence.

Regarding the second portion of the loan and the third portion of the loan, which are the remaining loan portions from the 1<sup>st</sup> Loan Portion, the Company may only utilize such loan portions for the following purposes and as specified in the Credit Agreement.

2. The second portion of the loan is in the amount of USD 14,070,000, or equivalent to THB 485,544,756.67 (the "**2<sup>nd</sup> Loan Portion**"), where the Company shall be entitled to utilize the 2<sup>nd</sup> Loan Portion as capital expenditure, for business operation, as working capital, and for other debt repayments arising from the Company's business operation.
3. The third portion of the loan (the remaining portion from the first and second portions) (the "**3<sup>rd</sup> Loan Portion**"), which the Company must utilize for the repayment of debts owed to Mahachai Steel Center Co., Ltd. and Mr. Nirum Ngamchamnunrith (the "**Mahachai Group**") (Mr. Nirum is a majority shareholder of Mahachai Steel Center Co., Ltd).

In providing the Financial Assistance, Link Capital I will receive the following interest and/or benefits as consideration under the Credit Agreement:

- (1) Interest at the rate of 12 percent per annum, aggregating USD 24,600,000, or equivalent to THB 848,926,866.67. However, the interest amount may be reduced in the case of partial principal prepayment.
- (2) Front end fee in the amount of 2 percent of the utilized loan amount (the Credit Agreement allows for the front end fee to be charged on the utilized amount), aggregating USD 820,000, or equivalent to THB 28,297,562.22 (2 percent of the USD 41,000,000 loan).
- (3) Collaterals, e.g. land, buildings, and machinery, aggregating approximately THB 9,900,145,322 from the book value as at May 31, 2017, and the assignment of beneficiary's rights under insurance policies, aggregating approximately THB 12,222,665,633 (the mortgage limit is approximately not more than THB 2,500,000,000).

The said two transactions' total transaction size is 446 percent of the Company's net tangible assets (NTA) based on the consolidated financial statements of the Company as at March 31, 2017, which is higher than THB 20 million or 3.00 percent of the NTA of the Company. The Company, therefore, is required to proceed as follows:

- (a) disclose information on the connected transactions of the Company to the Stock Exchange of Thailand (the "**SET**") pursuant to the Connected Transaction Notifications;
- (b) obtain approval for the connected transactions from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and
- (c) appoint an independent financial advisor to provide an opinion on the connected transactions and submit such opinion to the Securities and Exchange Commission (the "**SEC**"), the SET, and the shareholders of the Company. In this regard, the Company has appointed Apple Wealth Securities Public Company Limited as the independent financial advisor.

Therefore, the Company would like to provide details regarding the connected transactions of the Company under the Connected Transaction Notifications as follows:

**1) Transaction Date and Relevant Parties****1.1) Transaction Date**

The Company will proceed with the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme after the transaction is approved by the Extraordinary General Meeting of Shareholders No. 1/2017, which will be held on August 30, 2017, and after the material conditions as prescribed in 6) have been fulfilled. Moreover, regarding the Financial Assistance under the Credit Agreement in the amount of USD 41,000,000, or equivalent to THB 1,414,878,111.11, the Company will only be entitled to a drawdown once the conditions under the Credit Agreement have been fulfilled.

**1.2) Relevant Parties****1.2.1) Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme**

<b>Issuer and offeror of the shares</b>	:	The Company
<b>Alottee</b>	:	ACO I
<b>Relationships between the parties</b>	:	At the moment, ACO I does not have any relationship with the Company, its executives, controlling persons, or majority shareholders, and the Company shares no executives, controlling persons, or majority shareholders with ACO I. Nevertheless, after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, ACO I will become a majority shareholder of the Company with a direct shareholding of 76.09 percent of the total issued shares of the Company (after registration of the Company's paid-up capital) <sup>4</sup> , will nominate new directors to hold more than half of the board seat, and will appoint executives to hold key managerial positions, including the Chief Executive Officer of the Company.

**1.2.2) Financial Assistance**

<b>Borrower</b>	:	The Company
<b>Lender</b>	:	Link Capital I
<b>Relationships with the Company</b>	:	As of the Credit Agreement execution date until now, Link Capital I does not have any relationship with the Company, its executives, controlling persons, or majority shareholders of the Company, and the Company shares no executives, controlling persons, or majority shareholders with Link Capital I.

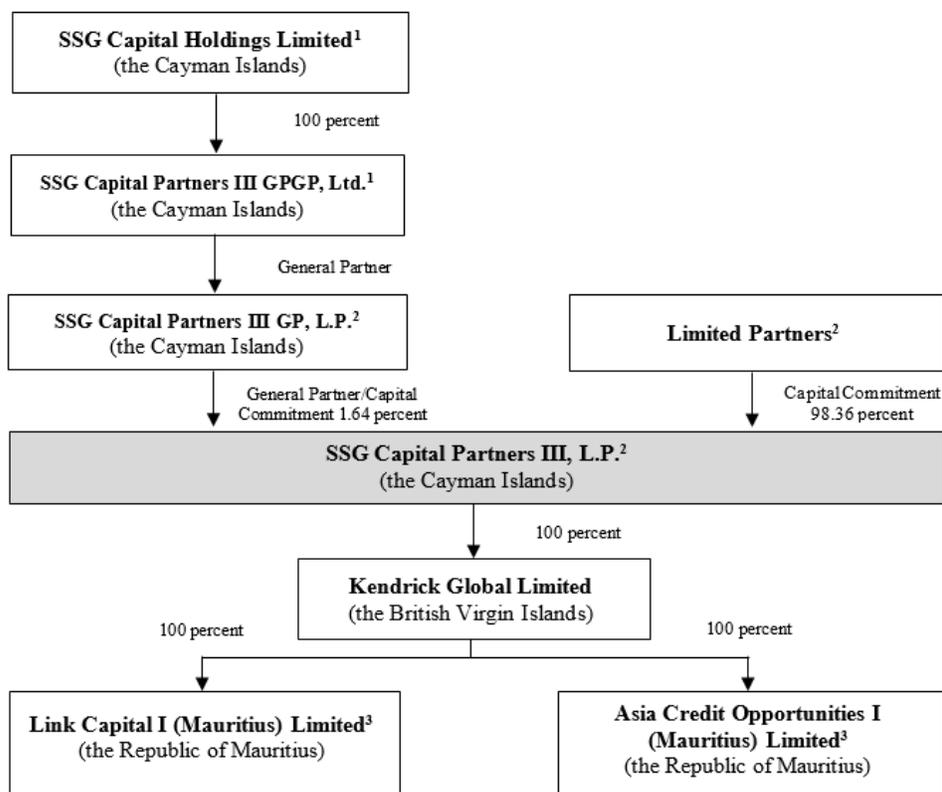
However, after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Link Capital I will become a juristic person with the same majority shareholders as the Company, i.e. KG and the SSG

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<sup>4</sup> Please see footnote 2.

Group (Please see the shareholding structure of the SSG Group below).

### Shareholding Structure of the SSG Group



**Remark** <sup>1</sup> Ching Him Wong (holds 62.75 percent voting rights), Shyam Maheshwari (holds 18.625 percent voting rights), and Andreas Rizal Vourloumis (holds 18.625 percent voting rights) collectively hold equity voting shares in SSG CH in an aggregate amount of 100 percent. SSG CH owns 100 percent equity voting shares in SSG Capital Partners III GPGP, Ltd. (“SSG GPGP”), which is the general partner of SSG Capital Partners III GP, L.P. (“SSG GP”). SSG GPGP has its own investment committee and independent directors who have management control over SSG III’s operations.

<sup>2</sup> SSG III is a Cayman Limited Partnership and is a collective Investment Fund which has capital commitments from the external investors who are limited partners (98.36 percent) and SSG GP (1.64 percent). SSG GP is the general partner who has operational control over SSG III whereas the limited partners are essentially financial investors in SSG III who have no involvement with the operations of SSG III and do not have any relationship with the Company which would lead to them being considered as connected persons of the Company. As of the date of this information memorandum, limited partners mainly comprise investors who are pension funds, sovereign wealth funds, family offices, insurance companies, endowment funds, and fund of funds. Specific details of the limited partners cannot be disclosed to public as they are prohibited under confidentiality agreements.

<sup>3</sup> Link Capital I and ACO I are private limited companies set up as special purpose vehicles for investments by the SSG Group. The SSG Group has decided to have Link Capital I make investments as a secured creditor and have ACO I make investments as an unsecured creditor for ease of management and investment segregation. Moreover, the SSG Group’s investments do not have any conflict of interest with the Company and GJS.

(1) **KG**

<b>Company Name</b>	Kendrick Global Limited
<b>Registered Office</b>	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands
<b>Incorporated under the Laws of</b>	The British Virgin Islands
<b>Date of Incorporation</b>	June 28, 2016
<b>Registered Capital</b>	USD 100
<b>Par Value</b>	USD 1 per share
<b>Shareholding Structure</b>	SSG III directly holds 100 <sup>5</sup> percent
<b>Directors</b>	1. Vishwanand Nursimloo 2. Frank Bernard Balderamos 3. Jeffrey Ishmael Andre Goddard

(2) **ACO I**

<b>Company Name</b>	Asia Credit Opportunities I (Mauritius) Limited
<b>Registered Office</b>	Globefin Management Services Ltd., 1 <sup>st</sup> Floor Anglo-Mauritius House, Intendance Street, Port Louis, Mauritius
<b>Incorporated under the Laws of</b>	The Republic of Mauritius
<b>Date of Incorporation</b>	April 22, 2016
<b>Registered Capital</b>	USD 3,527,969
<b>Par Value</b>	USD 1 per share
<b>Shareholding Structure</b>	Kendrick Global Limited directly holds 100 <sup>6</sup> percent
<b>Directors</b>	1. Roshan Nathoo 2. Vishwanand Nursimloo 3. Ranjan Lath

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<sup>5</sup> Please see the shareholding structure of the SSG Group.

<sup>6</sup> Please see footnote 5.

**(3) Link Capital I**

<b>Company Name</b>	Link Capital I (Mauritius) Limited
<b>Registered Office</b>	Globefin Management Services Ltd., 1 <sup>st</sup> Floor Anglo-Mauritius House, Intendance Street, Port Louis, Mauritius
<b>Incorporated under the Laws of</b>	The Republic of Mauritius
<b>Date of Incorporation</b>	June 29, 2016
<b>Registered Capital</b>	USD 1,000
<b>Par Value</b>	USD 1 per share
<b>Shareholding Structure</b>	Kendrick Global Limited directly holds 100 <sup>7</sup> percent
<b>Directors</b>	<ol style="list-style-type: none"> <li>1. Roshan Nathoo</li> <li>2. Vishwanand Nursimloo</li> <li>3. Ranjan Lath</li> </ol>

**2) General Characteristics of the Transaction and Transaction Size****2.1) General Characteristics of the Transaction****2.1.1) Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme**

The Company will allocate and offer not more than 21,801,000,000 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to ACO I as repayment of the Net Trade Debt, in the amount of USD 123,899,729, or equivalent to THB 4,275,683,281.33, under the debt to equity conversion scheme. The Company will fix the conversion price at THB 0.19613 per share, aggregating not more than THB 4,275,830,130.00. Such conversion price is 58.89 percent lower than the market price and, as a result, such offering of the newly issued ordinary shares of the Company is an offering of shares with a discount of more than 10 percent of the market price pursuant to the Tor Chor. 72/2558 Notification. In this respect, the market price is based on the weighted average price of the Company's shares traded for 7 consecutive days prior to the date on which the Board of Directors resolved to propose that the Extraordinary General Meeting of Shareholders No. 1/2017 approve the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, i.e. from July 4, 2017 to July 13, 2017, which equals to THB 0.4771 per share (information from SETSMART at [www.setsmart.com](http://www.setsmart.com) of the SET).

In this regard, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is considered as a connected transaction under the Connected Transaction Notifications with the transaction size of 127 percent of the Company's net tangible assets (NTA) based on the consolidated financial statements of the Company as at March 31, 2017. Since after the acquisition of the said newly issued ordinary shares, ACO I will directly hold 76.09 percent of the total issued shares of the Company (after registration of the Company's paid-up capital)<sup>8</sup>, will nominate new directors to hold more than half of the board seat, and will appoint executives to hold key managerial positions, including the Chief Executive Officer of the Company. As a result, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is a

<sup>7</sup> Please see footnote 5.

<sup>8</sup> Please see footnote 2.

transaction with a person who will become a controlling person of the Company and, therefore, constitutes a connected transaction of the Company.

Moreover, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme will result in ACO I being required to make a tender offer for all securities of the Company (comprising the Company's ordinary shares, the GSTEL-W1 warrants, GSTEL-W2 warrants, and G-STEL-W3 warrants) as prescribed in the Securities and Exchange Act B.E. 2535 (as amended) and the Notification of the Capital Market Supervisory Board No. Tor Chor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover (as amended) (the "**Tor Chor. 12/2554 Notification**") where the SSG Group will proceed to fix the tender offer price for all such securities as provided under the Securities Act and the Tor Chor. 12/2554 Notification.

### **2.1.2) Financial Assistance**

Under the debt to equity conversion scheme, the Company will receive financial assistance from Link Capital I under the Credit Agreement in the amount of USD 41,000,000, or equivalent to THB 1,414,878,111.11, with a loan period of 5 years<sup>9</sup>. Under the Credit Agreement, the Company is entitled to draw 3 portions of the loan as follows:

1. The 1<sup>st</sup> Loan Portion is in the amount of USD 9,000,000, or equivalent to THB 310,583,000, which the Company shall be entitled to use for the Partial Repayment as detailed in 2. above. In this regard, the utilization of the 1<sup>st</sup> Loan Portion is subject to certain conditions precedent, i.e. the loan under the Credit Agreement must be approved by the Board of Directors' meeting and the shareholders' meeting of the Company and Link Capital I must be satisfied with the result of the due diligence.

Regarding the 2<sup>nd</sup> Loan Portion and the 3<sup>rd</sup> Loan Portion, which are the remaining loan portions from the 1<sup>st</sup> Loan Portion, the Company may only utilize such loan portions for the following purposes and as specified in the Credit Agreement.

2. The 2<sup>nd</sup> Loan Portion is in the amount of USD 14,070,000, or equivalent to THB 485,544,756.67, which the Company shall be entitled to utilize as capital expenditure, for business operation, as working capital, and for other debt repayments arising from the Company's business operation.
3. The 3<sup>rd</sup> Loan Portion (the remaining portion from the first and second portions), which the Company must utilize for the repayment of debts owed to the Mahachai Group.

In providing the financial assistance to the Company, Link Capital I will receive the following interest and/or benefits as consideration in accordance with the Credit Agreement:

- (1) Interest at the rate of 12 percent per annum, aggregating USD 24,600,000, or equivalent to THB 848,926,866.67. However, the interest amount may be reduced in the case of partial principal prepayment.
- (2) Front end fee in the amount of 2 percent of the utilized loan amount (the Credit Agreement allows for the front end fee to be charged on the utilized amount), aggregating USD 820,000, or equivalent to THB 28,297,562.22 (2 percent of the USD 41,000,000 loan).
- (3) Collaterals, e.g. land, buildings, and machinery, aggregating approximately THB 9,900,145,322 from the book value as at May 31, 2017, and the assignment of beneficiary's rights under insurance policies, aggregating approximately THB 12,222,665,633 (the mortgage limit is approximately not more than THB 2,500,000,000).

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<sup>9</sup> Please see footnote 3.

In the case of prepayment, the Company will not be charged any prepayment fee from the second year onwards.

Furthermore, in relation to the Company's obligation to utilize the 3<sup>rd</sup> Loan Portion for the repayment of debts owed to the Mahachai Group, the Company would like to provide details of the debts owed to the Mahachai Group as follows (the "**Financial Assistance from the Mahachai Group**"):

1. The Company entered into a loan agreement dated February 17, 2014, with a loan amount of THB 400,000,000 and a loan period of 5 years, with Mr. Nirum as the lender. The said loan agreement was approved by the Board of Directors' Meeting No. 1/2014 and disclosed to the SET on February 17, 2014. The said transaction was a connected transaction since it was a transaction with a majority shareholder (as at the book closing date on April 3, 2014, the Mahachai Group held 4,183,867,600 ordinary shares of the Company, or equivalent to 12.22 percent of the total issued shares) (at the par value of THB 1 per share).
2. The Company entered into a loan agreement dated February 29, 2016, with a loan amount of THB 30,000,000 with Mr. Nirum as the lender. The said loan agreement was approved by the Board of Directors' Meeting No. 1/2016 and was considered a connected transaction since it was a transaction with a majority shareholder (as at the transaction date, the Mahachai Group held 801,981,949 ordinary shares, or equivalent to 11.71 percent of the total issued shares) (at the par value of THB 5 per share).

In this regard, the Company has summarized the interest and benefits that the Mahachai Group has received from providing the financial assistance to the Company under the aforementioned loan agreements as follows:

(a) Loan Agreement dated February 17, 2014, between the Company, as the borrower, and Mr. Nirum, as the Lender (as amended):

1. interest at the rate of 12 percent per annum, totaling THB 147,582,246.62;
2. stamp duty payable in relation to the loan, which the borrower agreed to pay on behalf of the lender, totaling THB 10,000;
3. withholding tax, half of which the borrower agreed to pay on behalf of the lender, totaling THB 13,021,962.64;
4. collaterals:
  - 4.1 pledge of the 12,000,000,000 shares of GJS at the closing price fixed on the day prior to the agreement execution date of THB 0.04 per share, totaling THB 480,000,000 (at the par value of THB 0.69 per share);
  - 4.2 mortgage of machinery (Heavy Gauge Shearing Line) at the value appraised on December 31, 2013, totaling THB 544,370,000;
  - 4.3 mortgage of condominium units at the Habitat Condo located at 91/67, 27<sup>th</sup> floor, building No.1, Phra Khanong, Bangkok, totaling THB 28,000,000;
  - 4.4 mortgage of 2 parcels of vacant land registered under the title deed No. 20170 with the area of 30 Rai and the title deed No. 44540 with the area of 6 Rai, totaling THB 23,000,000;
  - 4.5 mortgage of 1 parcel of vacant land registered under the title deed No. 241981 with the area of 60 square Wa, totaling THB 37,000,000;

- (b) Financial Assistance Agreement dated February 17, 2014, between the Company, as the receiver, and Mahachai Steel Center Co., Ltd., as the provider (as amended):
1. bank guarantee fee at the rate of 7 percent per annum on the used bank guarantee, totaling THB 73,500,000;
  2. withholding tax, which the receiver agreed to pay in full for the use of the bank guarantee, totaling THB 742,424.24;
  3. collaterals:
    - 3.1 pledge of the 8,000,000,000 ordinary shares of GJS held by the Company and the 2,000,000,000 ordinary shares of GJS held by GS Security Holding Company Limited, at the closing price fixed on the day prior to the loan agreement execution date of THB 0.04 per share, totaling THB 400,000,000 (at the par value of THB 0.69 per share);
    - 3.2 mortgage of machinery (Heavy Gauge Shearing Line) at the value appraised on December 31, 2013, totaling THB 544,370,000;
- (c) Dealership Agreement dated February 17, 2014, between the Company, as the manufacturer, and Mahachai Steel Center Co., Ltd., as the dealer:
1. dealership fee at the rate of 1.5 percent of the total monthly sales for 5 years where the paid dealership fee from February 2014 to February 2017 is THB 450,120,000 and the estimated dealership fee at the rate of 1.5 percent of the total monthly sales until the expiration of the agreement (from February 2017 to February 2019) is THB 316,980,000;
- (d) Loan Agreement dated February 29, 2016, between the Company, as the borrower, and Mr. Nirum, as the Lender:
1. interest at the rate of 12 percent per annum, totaling THB 9,000,000;
  2. stamp duty payable in relation to the loan, which the borrower agreed to pay on behalf of the lender, totaling THB 10,000;
  3. withholding tax, which the borrower agreed to pay on behalf of the lender, totaling THB 1,588,235; and
  4. collateral:
    - 4.1 pledge of a third-party's assets, totaling THB 140,000,000.

The Audit Committee has considered that the abovementioned financial assistance from the Mahachai group in 2014 was positive for the Company and its shareholders rather than prolonging the shutdown of production. The Company has been shutting down the production for almost 2 years during 2012-2013 due to the lack of working capital and deteriorated debt level. Until 2014, the Mahachai group, a major client of the Company at that time, offered the financial assistance to the Company. Such assistance and its related expenses in 2014 includes:

- 5-year secured loan amounted to THB 400,000,000, interest rate of 12 percent per annum, 50 percent payment for withholding tax to the lender;
- Using credit lines and guarantee credit lines from Kasikorn Bank Public Company Limited, Krung Thai Bank Public Company Limited, and Bangkok Bank Public Company Limited of the Mahachai Group with a total amount of THB 4,000,000,000. The Company has to pledge

collaterals for such credit lines. Apart from the direct fees and expenses paying to the banks for the use of such credit lines, the Company has to be responsible for the full amount of withholding tax on behalf of Mahachai Group; and

- Appointment of the Mahachai Group as a selling agent with the fees of 1.5 percent of total sales.

The Audit Committee has considered the related expenses that although the interest rate at 12 percent, including the 50 percent of withholding tax burden was higher than MLR rate, the Company had considerable amount of debt, resulting in having high credit risk and being unable to seek loan from financial institutions. The Company also has litigation risk from the trade creditors. Therefore, the interest rate at 12 percent was acceptable, considering the financial situation of the Company.

For the agent fees at 1.5 percent of sales, this rate was not higher than the rate in the steel industry at 2.00 – 3.00 percent. In addition, the Company does not need to be concerned of its sales since Mahachai Group is the Company's sales agent.

Having considered the advantages of the financial assistance from the Mahachai Group by the time and the Company's situation in which the Company was experiencing excessive losses and unable to receive financial assistance from any financial institutions comparing to all related expenses, the Audit Committee opined that this financial assistance would be beneficial to the Company, shareholders and worth the incurring expenses. In this regard, receiving financial assistance would help the Company have working capital to resume its production and also has several benefits as follows;

- The Company has sufficient working capital and credit facilities for continual production;
- Although resuming its production could produce during only off-peak period, the machines would not be much deteriorated from not being used for a long time which may require more capital to repair afterwards;
- The Company's staff, especially production staff, did not have to be terminated. In 2014, the Company had 432 staff, 378 of which were production staff;
- Resuming of the production can preserve one of the three hot rolled coil companies of Thailand. This could reduce the import of hot rolled steel sheet which represented circa 60.9640 percent of the demand of the country;
- The Company still has the opportunity and time to find a strategic partner to restructure its debt and to enhance the future production. Currently, the Company has got the new investor, SSG Group, who agrees to comprehensively restructure the debt and introduces the expert, Synergy, to improve the Company's production capacity; and
- The Company could maintain its status as a listed company on SET, allowing ordinary shares and warrants to continue being traded on the SET.

In addition, the Audit Committee opined that if at that time, the Company did not receive the financial assistance from Mahachai Group, the Company would not have funding for the production and might not survive until present.

However, the financial assistance from the Mahachai Group is considered as an acceptance of financial assistance transaction with the transaction value of 11.68 percent of the Net Tangible Assets (NTA) of the Company based on the consolidated financial statements of the Company as at December 31, 2013, which is higher than THB 20 million or 3.00 percent of the NTA of the Company pursuant to the Connected Transaction Notifications. In this respect, the Company wishes to disclose information of such transactions and obtain approval from the shareholders' meeting as well as appoint an independent financial advisor to provide an independent opinion on the connected transactions for the shareholders' consideration. However, such process could affect the timing of the debt to equity conversion and other processes under the debt restructuring plan of SSG Group. In this regard, the Company would like to

propose this financial assistance transaction from the Mahachai Group to obtain approval from the shareholders in the next shareholders' meeting.

In this respect, the Company wishes to disclose information on the Financial Assistance from the Mahachai Group as such transaction is related to and is part of the debt to equity conversion scheme of the Company even if such transaction had already been entered into.

However, under the Credit Agreement between the Company and Link Capital I, the Company will only be able to utilize the loan once the conditions under 6) of this information memorandum have been fulfilled whereas the obligations of the Company owed to the Mahachai Group as mentioned above will cease after the Company has repaid the debts owed to the Mahachai Group with the 3<sup>rd</sup> Loan Portion, subject to the conditions regarding the 3<sup>rd</sup> Loan Portion utilization under the Credit Agreement (Please see the material conditions on the utilization of the loan in 6) of this information memorandum).

## 2.2) Connected Transaction Size Calculation

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme and the Financial Assistance from Link Capital I will be considered as an assets or service related transaction and an acceptance of financial assistance transaction, respectively, with the total transaction size of 446 percent of the net tangible assets (NTA) of the Company as at March 31, 2017, which is higher than THB 20 million or 3.00 percent of the NTA of the Company pursuant to the Connected Transaction Notifications. As a result, the Company is required to disclose information on the connected transactions of the Company to the SET under the Connected Transaction Notifications, obtain approval for the connected transactions from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests, and appoint an independent financial advisor to provide an opinion on the connected transactions of the Company and submit such opinion to the SEC, the SET, and the shareholders of the Company.

In this regard, the net tangible assets (NTA) of the Company based on the consolidated financial statements of the Company as at March 31, 2017, are as follows:

<b>Financial Information of the Company</b>	<b>Amount (THB million)</b>
Total Assets	33,079.13
<b>Less:</b> Intangible Assets	14.33
<b>Less:</b> Total Liabilities	20,248.18
<b>Less:</b> Non-controlling Interests	9,438.55
Net Tangible Assets (NTA)	3,378.28

## 3) Total Consideration, Payment Terms, and Basis Used to Determine the Consideration

### 3.1) Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme

The Company wishes to repay the Net Trade Debt of USD 123,899,729, or equivalent to THB 4,275,683,281.33, by issuing newly issued ordinary shares under the debt to equity conversion scheme. In this regard, the total consideration for the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is an issuance of not more than 21,801,000,000 shares, at the conversion price of THB 0.19613 per share, aggregating not more than THB 4,275,830,130.00. Such conversion price is 58.89 percent lower than the market price and is as a

result of the negotiation and agreement between the Company and ACO I and is based on the average closing price of the Company's shares traded on the SET from May 2 to May 26, 2017 (equivalent to THB 0.3156 per share), the period when the Company and the SSG Group negotiated the terms of the MOU, after which the Company and the SSG Group executed the MOU on May 26, 2017. In determining the said offering price or conversion price, the offering price was lowered because of the partial trade debt reduction (i.e. a haircut) by waiver of the outstanding interest of USD 95,377,980, or equivalent to THB 3,291,419,906.93 to the Company.

### **3.2) Financial Assistance**

Moreover, by providing the financial assistance, Link Capital I will receive the following interest and/or benefits as consideration under the Credit Agreement:

- (1) Interest at the rate of 12 percent per annum, aggregating USD 24,600,000, or equivalent to THB 848,926,866.67. However, the interest amount may be reduced in the case of partial principal prepayment.
- (2) Front end fee in the amount of 2 percent of the utilized loan amount (the Credit Agreement allows for the front end fee to be charged on the utilized amount), aggregating USD 820,000, or equivalent to THB 28,297,562.22 (2 percent of the USD 41,000,000 loan).
- (3) Collaterals, e.g. land, buildings, and machinery, aggregating approximately THB 9,900,145,322 from the book value as at May 31, 2017, and the assignment of beneficiary's rights under insurance policies, aggregating approximately THB 12,222,665,633 (the mortgage limit is approximately not more than THB 2,500,000,000).

### **4) List of Connected Persons and Relationships with the Company**

#### **4.1) Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme**

At the moment, ACO I does not have any relationship with the Company, its executives, controlling persons, or majority shareholders, and the Company shares no executives, controlling persons, or majority shareholders with ACO I.

Nevertheless, after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, ACO I will directly hold 76.09 percent of the total issued shares of the Company (after registration of the Company's paid-up capital)<sup>10</sup>, will nominate new directors to hold more than half of the board seat, and will appoint executives to hold key managerial positions, including the Chief Executive Officer of the Company. As a result, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is a transaction with a person who will become a controlling person of the Company and, therefore, is considered as a connected transaction of the Company.

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<sup>10</sup> Please see footnote 2.

A list of the expected majority shareholders of the Company after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is as follows:

No.	Name	Details from the Share Register of the Company as at the Book Closing Date on July 11, 2017		After the Capital Increase <sup>11</sup>	
		Amount	Percentage	Amount	Percentage
1.	ACO I	0	0.00	21,800,233,257 <sup>(1)</sup>	76.09
2.	Mr. Nirum Ngamchamnunrith	503,059,120	7.34	503,059,120	1.76
3.	Khunying Patama Leeswadtrakul	395,895,200	5.78	395,895,200	1.38
4.	Superior Overseas (Thailand) Co., Ltd.	305,776,000	4.46	305,776,000	1.07
5.	Mr. Krisanan Gaywalee	302,418,800	4.41	302,418,800	1.06
6.	Mr. Nuttapol Jurangkool	273,551,500	3.99	273,551,500	0.95
7.	Whiterock Global Fund, SPC.	178,440,083	2.60	178,440,083	0.62
8.	Bangkok Commercial Asset Management Public Company Limited	160,567,780	2.34	160,567,780	0.56
9.	Mr. Chalermchai Mahagitsiri	146,467,412	2.14	146,467,412	0.51
10.	Citibank Nominees Singapore PTE LTD - UBS Switzerland AG	122,323,761	1.79	122,323,761	0.43
11.	Mr. Wiwat Kovitsophon	93,411,600	1.36	93,411,600	0.33
12.	Minority shareholders	4,368,269,708	63.77	4,368,269,708	15.24
Total		6,850,180,964	100.00	28,650,414,221	100.00

**Remark** <sup>(1)</sup> Number of shares from the conversion of the Net Trade Debt of USD 123,899,729, or equivalent to THB 4,275,683,281.33, to equity, at the price of THB 0.19613 per share, which will result in ACO I holding 76.09 percent of the shares.

<sup>11</sup> Only the registration of the Company's paid-up capital resulting from the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme

#### 4.2) Financial Assistance

As of the Credit Agreement execution date (i.e. May 12, 2017) until now, Link Capital I does not have any relationship with the Company, its executives, controlling persons, or majority shareholders, and the Company shares no executives, controlling persons, or majority shareholders with Link Capital I.

However, after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Link Capital I will become a juristic person with the same majority shareholders as the Company, i.e. KG and the SSG Group.

#### 5) Scope of Interests

##### 5.1) Directors Having Interests in the Transactions

No directors of the Company having interests in the transactions attended and voted in the Board of Directors' meeting which approved the said two transactions.

##### 5.2) Shareholders Having Interests in the Transactions

Since the Mahachai Group is the shareholder who will receive benefits from both the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, as well as the Financial Assistance from Link Capital I, the Mahachai Group, whose shareholding of 650,122,279 shares, or equivalent to 9.49 percent of the total issued shares of the Company, is considered as a shareholder having interests in the transactions and will not be able to vote at the shareholders' meeting of the Company.<sup>12</sup>

In this respect, the shareholders in the Mahachai Group are as follows:

Name of the Shareholder	Number of Shares	Percentage
1. Mr. Nirum Ngamchamnunrith	503,059,120	7.34
2. Ms. Ladda Jiraphongtrakul	73,567,740	1.07
3. Mr. Nirut Ngamchamnunrith	73,495,400	1.07
4. The Steel Public Company Limited	19	0.00
Total	650,122,279	9.49

#### 6) Conditions of the Transactions

Apart from the conditions which the Company must fulfill pursuant to the Connected Transaction Notifications as described above, the allocation and offering of the newly issued ordinary shares of the Company to ACO I is also subject to the conditions of the offering of new shares to specific investors (Private Placement) under the Tor Chor. 72/2558 Notification. Therefore, the Company is required to disclose information on the transaction to the SET and proceed as follows:

- (1) obtain approval from the shareholders' meeting of the Company for the connected transactions with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests;

<sup>12</sup> Information as shown on the share register of the Company as at the book closing date on July 11, 2017.

- (2) obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests relating to the offering of the newly issued ordinary shares to a specific investor (Private Placement) at an offering price with a discount of more than 10 percent of the market price without any objection on the proposed offering price by the shareholders with an aggregate shareholding of 10 percent of the total votes of the shareholders attending such meeting and having the right to vote;
- (3) obtain permission for the offering of the newly issued ordinary shares to a specific investor (Private Placement) from the SEC before allocating and offering the newly issued ordinary shares of the Company to ACO I;
- (4) file an application with the SET to list the newly issued ordinary shares as securities in the SET;
- (5) obtain resignation letters from 6 directors of the Company who are currently in office;
- (6) arrange for a Board of Directors' meeting to approve the appointment of 6 directors (including the directors to be nominated by ACO I) and the amendment of the authorized signatories of the Company;
- (7) receive consent or waiver from the Company's creditors for the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme in 2.1.1) in case such undertaking causes or may cause the Company to be in breach of an agreement;
- (8) arrange for the Partial Repayment of USD 7,053,938, or equivalent to THB 243,425,913.98, to be made to ACO I in 2) above; and
- (9) dispose of the Company's shares in GJS so that the Company's shareholding in GJS is not higher than 25 percent, but is not lower than 24.755 percent of the total shares in GJS with voting rights attached to them.

Moreover, as for the Financial Assistance, the Company will be entitled to draw the 1<sup>st</sup> Loan Portion, the 2<sup>nd</sup> Loan Portion, and the 3<sup>rd</sup> Loan Portion for the purposes as described above once all of the conditions under the Credit Agreement have been fulfilled, including the following:

- (a) the transfers of the debt ACO I purchased from the previous trade creditors of the Company in 1. have been completed;
- (b) the debt restructuring is completed within the 15-month period following the date of the 1<sup>st</sup> Loan Portion utilization;
- (c) Link Capital I has completed its due diligence so as to determine the amount of capital expenditure and working capital necessary to increase the Company's production rate up to 100,000 tons per month and finds the result of the due diligence satisfactory;
- (d) Link Capital I finds that the Company does not have an alternative financial source for the capital expenditure and working capital necessary to increase its production rate up to 100,000 tons per month;
- (e) the Company shall provide Link Capital I with evidence for the capital expenditure and business operation for which the 2<sup>nd</sup> Loan Portion shall be utilized and Link Capital I finds such evidence satisfactory;
- (f) the Company shall provide Link Capital I with the debt repayment terms to its creditors in relation to other debts incurred in the Company's business operation and for which the 2<sup>nd</sup> Loan Portion shall be used and Link Capital I finds such terms satisfactory;

- (g) the Company shall, to the satisfaction of Link Capital I, ensure the repayment of all debts owed to the Mahachai Group with the 3<sup>rd</sup> Loan Portion; and
- (h) the Company shall, to the satisfaction of Link Capital I, ensure the termination of any agreement which creates debt including the dealership agreement in relation to the Financial Assistance from the Mahachai Group.
- (i) The Company shall obtain approval from its Board of Directors' meeting and shareholders' meeting for entry into the Credit Agreement.

In addition, the Credit Agreement contains conditions that may affect the shareholders' rights in receiving dividends as the Credit Agreement specifies that the Company must obtain prior written consent from Link Capital I before any dividend distribution.

#### **7) Opinion of the Board of Directors on the Transactions**

The Board of Directors has considered and viewed that the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme will enable the Company to clear a total debt of USD 242,534,385 (divided into the Net Trade Debt to be converted into equity of USD 123,899,729, the first and second portions of waived interest, aggregating USD 100,839,458, and the relevant outstanding withholding tax of USD 17,795,198<sup>13</sup>), or equivalent to THB 8,369,672,988.50, and the Company will have ACO I, a company in the SSG Group, as a majority shareholder, who is a capable investor having readily available funds as well as expertise in various industries and is also ready to offer funding to support the Company's continuous operation in the future. The transactions will also help the Company to repay its debts owed to the Mahachai Group.

The SSG Group has a clear problem-solving guideline, which will help ameliorate the financial status of the Company. Nevertheless, in order to minimize the risk regarding the Company's management and to reinforce the confidence that the management is carried out by professionals in order to achieve its goals under the debt restructuring plan of the Company and the conditions under the Credit Agreement, the Company must hire Synergy Strategic Solutions Management DMCC ("**Synergy**"), a business and management advisory service provider whose clients include international steel manufacturers, having a team of experts with experience in the steel industry at the international level. Moreover, one of the Synergy team members, i.e. Sudhir Maheshwari, has successfully revived the financial status of several companies with a similar business to the Company in various countries and has work experience with ArcelorMittal engaging in the steel industry at the international level (Please consider the details on the work experience of Sudhir Maheshwari in 1.1 of the Information Memorandum on the Offering of the Newly Issued Ordinary Shares of G Steel Public Company Limited to (1) the Existing Shareholders Pro Rata to Their Shareholdings (Rights Offering) and (2) a Specific Investor (Private Placement) (Enclosure 5).). In this regard, Synergy does not have any relationship with the SSG Group which will make it a connected person of the SSG Group. Furthermore, in order for the Company to have continuous working capital, be able to repay its other debts, and have flexibility in its business operations in the future, the Company will, as part of the said debt restructuring, receive the financial assistance from Link Capital I under the Credit Agreement, with the loan amount of USD 41,000,000, or equivalent to THB 1,414,878,111.11. for the purposes of the Partial Repayment to ACO I as detailed in 2.1.2 above and for use as capital expenditure, for business operation, as working capital, and for other debt repayments arising from the business operation of the Company, as well as repayment of the debts owed to the Mahachai Group.

Furthermore, in receiving the Financial Assistance, the Board of Directors has considered the terms under the Credit Agreement, including the interest rate and fees, loan period, and collaterals thereunder, in comparison with the interest rates or other terms offered by private equity funds the Company has

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<sup>13</sup> Pursuant to the agreement with its foreign trade creditors, if the Company is in default of its debt, it must pay a default interest at the rate of approximately 7.5 percent and be liable for withholding tax at the rate of 15 percent on the default interest on behalf of the creditors.

contacted in the past, as well as the terms in other financial agreements of the Company in the past, especially in relation to the financial assistance from the Mahachai Group, and found that the terms under the Credit Agreement are reasonable and are not less favorable than the terms under other financial agreements of the Company in the past. As such, the Board of Directors has approved the said Financial Assistance. Moreover, the interest rate and fees, loan period, and collaterals under the Financial Assistance from Link Capital I are suitable for the Company's current status, since it is unlikely or unfit for the Company to obtain a loan from a commercial bank given its current financial status (as at March 31, 2017).

**8) Opinion of the Audit Committee and/or Director Different from the Board of Directors' Opinion in 7)**

The Audit Committee's opinion is in line with the Board of Directors' opinion in 7) above.

**9) Brief information concerning the Company and its business operation.**

G Steel Public Company Limited runs a business of producing and selling hot-rolled steel sheet in coils (or hot-rolled coils) as main products, also including slitting and shearing services as per customers' orders, and steel slabs as supplementary products. The Company's main products are used directly in construction works, water irrigation and civil engineering, and used as substrates or raw materials for many downstream industries, such as cold-rolling and galvanizing industries to make steel products for several kinds of industrial manufacturing, in steel sheet fabrication industry, e.g. making pipes, tubes and structural shapes for uses in construction, other downstream industries, namely, automotive parts (for passenger cars, buses, trucks) and parts for other vehicles, for making oil drums, gas cylinders, general industrial equipment or parts, etc.

The Company's hot-rolled coil plant has deployed state-of-the-art technologies that perfectly and efficiently integrate melting, casting and rolling processes in one plant, or known as "Compact Mini Mill", which consists of melting technology with Electric Arc Furnaces (EAFs), Continuous Casting Machine technology and Hot Strip Mill in tandem continuously throughout all the said processes.

The Company's production process, in brief, begins from taking ferrous scraps and pig iron to melt in the EAFs to make liquid steel at 1,600 degrees Celsius, then improving the quality of liquid steel with ferro-alloys and other substances to meet the requirements of the standard or customer's specification, and casting the improved liquid steel into the continuous casting machine to make steel slabs of 80-100 mm thickness, and

hot-rolled to reduce the thickness down to the range of 1.0 – 13.0 mm as per the customer's order. The Company's plant is the first in Thailand and one of a few plants in the world that can make as thin as 1.0 mm hot-rolled sheet. The said production process is thoroughly continuous and takes just 3 hours and a half to finish.

The Company's hot-rolled coil plant has a *designed* capacity of 3.4 million tons per year at maximum, currently has implemented a capacity of 1.8 million tons per year, and currently has an *effective* capacity of 1.5 million tons per year that meets the various product mixes by customers' orders. Our hot-rolled coil products are made to comply with the Thai industrial standards (TIS), and also international and foreign standards, for instances, Japanese standards (JIS), American or the U.S. standards (ASTM and SAE), European standards (EN, DIN and BS) etc. according to the local and foreign markets' needs.

- 10) List of the management and list of the first 10 shareholders as at the date of close of share register book.

List of Directors as of July 14, 2017, includes 12 directors as follows:

No.	Name	Position
1.	Mr. Yanyong Kurovat	Chairman
2.	Mr. Ryuzo Ogino	Chief Executive Officer, Director
3.	Khunying Patama Leeswadtrakul	Director
4.	Ms. Soontareeya Wongsirikul	Director
5.	Mr. Somchai Leeswadtrakul	Director
6.	Mrs. Churairat Panyarachun	Director
7.	Mr. Komol Wong-Apai	Director
8.	Ms. Methikan Chutipongsiri	Director
9.	Mr. Paichitr Rojanavanich	Independent Director, Chairman of the Audit Committee
10.	Mr. Chainarong Monthienvichienchai	Independent Director, Audit Committee
11.	Mr. Teerapol Pussadet	Independent Director, Audit Committee
12.	Mr. Sarin Chintanaseri	Independent Director

List of Management as of July 14, 2017, includes 5 Management as follows:

No.	Name	Position
1.	Mr. Ryuzo Ogino	Chief Executive Officer
2.	Mr. Sittisak Leeswadtrakul	Chief Production Officer
3.	Mr. Tushar Kanti Sahu	Chief Commercial Officer
4.	Ms. Soontareeya Wongsirikul	Chief Financial Officer
5.	Ms. Methikan Chutipongsiri	Chief Administration Officer

List of 10 major shareholders as of July 11, 2017 (Please refer to the updated List of 10 major shareholders as of August 1, 2017, the latest date of close of share register book of the Company, in the Addendum to the Invitation for the Extraordinary General Meeting of Shareholders No.1/2017):

**11) Inter-transactions during the past year and present year until the latest quarter (if any).**

Significant transactions for the three-month periods ended March 31, 2017 and 2016 with related parties were as follows:

<i>Three-month period ended March 31,</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in THB million)</i>			
<b>Subsidiaries</b>				
Sale of raw material	-	-	-	1
Purchase of raw material and finished goods	-	-	-	1
Financial costs	-	-	19	33
<b>Related parties</b>				
Sale of finished goods	82	39	76	22
Purchase of raw material	2,447	1,355	1,903	1,225
Rental and service expenses	3	4	2	3
Sale agent fee	31	31	31	31
Finance costs	27	23	27	23
<b>Key management personnel</b>				
Key management personnel compensation				
Salary and bonus	13	13	4	4
Meeting allowance and other benefits	2	2	1	1
Total key management personal compensation	<u>15</u>	<u>15</u>	<u>5</u>	<u>5</u>

Balances as at March 31, 2017 and December 31, 2016 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
<b>Trade accounts receivable</b>				
<b>Other related parties</b>				
Advance Metal Fabrication Co., Ltd.	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>
<i>Less</i> allowance for doubtful accounts	<u>(54)</u>	<u>(54)</u>	<u>(54)</u>	<u>(54)</u>
<b>Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Amount receivable from related parties</b>				
<b>Receivable from sales of raw materials and other</b>				
<b>Subsidiary</b>				
G J Steel	-	-	-	-
 <b>Other related party</b>				
Advance Metal Fabrication Co., Ltd.	1	1	1	1
<i>Less</i> allowance for doubtful account	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
<b>Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Receivable from operating service income</b>				
<b>Subsidiary</b>				
OAC	-	-	1,199	1,245
<i>Less</i> allowance for doubtful account	-	-	<u>(1,199)</u>	<u>(1,245)</u>
<b>Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Enclosure 4**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
<b>Receivable from guarantee obligation</b>				
<b>Subsidiary</b>				
OAC	-	-	1,313	1,313
Less allowance for doubtful account	-	-	(1,313)	(1,313)
<b>Net</b>	-	-	-	-
<b>Total</b>	-	-	-	-
 <b>(Reversal of) bad and doubtful debts expense for the:</b>				
- three-month period ended March 31	-	-	(46)	(29)
 <b>Received in advance</b>				
<b>Other related parties</b>				
Mahachai Steel Center Co., Ltd.	35	37	-	-

	<b>Consolidated and Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>	
<b>Receivables from scrap sales</b>		
<b>Other related parties</b>		
Advance Metal Fabrication Co., Ltd.	338	338
Less allowance for doubtful accounts	(338)	(338)
<b>Net</b>	-	-

	<b>Consolidated and Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>	
<b>Advance payment for purchases of property, plant and equipment</b>		
<b>Other related parties</b>		
Grand Asia Steel Processing Center Co., Ltd.	8	8
Less allowance for impairment asset	(8)	(8)
<b>Net</b>	-	-

<b>Other non – current assets</b>	
<b>Loans to and interest receivable from related parties</b>	
<b>Subsidiaries</b>	
<b>Loans to related parties</b>	
OAC	2,547      2,547

**Enclosure 4**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
SPH			7	7
			<u>2,554</u>	<u>2,554</u>
<i>Less allowance for doubtful accounts</i>			<u>(2,554)</u>	<u>(2,554)</u>
<b>Net</b>			<u><b>-</b></u>	<u><b>-</b></u>

	<b>Consolidated and Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>	
<i>Interest receivable from related parties</i>		
OAC	209	209
SPH	<u>1</u>	<u>1</u>
	210	210
<i>Less allowance for doubtful accounts</i>	<u>(210)</u>	<u>(210)</u>
<b>Net</b>	<u><b>-</b></u>	<u><b>-</b></u>
 <i>(Reversal of) bad and doubtful debts expense for the:</i>		
- three-month period ended March 31	<u><b>-</b></u>	<u><b>-</b></u>

Movements of loans to related parties for the three-month period ended March 31, 2017 was as follows:

	<b>Consolidated and Separate financial statements</b>
	<i>(in THB million)</i>
<i>Loans to related parties</i>	
As at December 31, 2016 (audited)	2,554
Increase	-
Decrease	-
<b>As at March 31, 2017 (unaudited but reviewed)</b>	<u><b>2,554</b></u>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
<i>Deposit - other related parties</i>				
Sukhumvit Inter Development Co., Ltd.	2	2	2	2
SSP Place Co., Ltd.	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total</b>	<u><b>3</b></u>	<u><b>3</b></u>	<u><b>3</b></u>	<u><b>3</b></u>
 <i>Trade accounts payable</i>				
<b>Other related parties</b>				
Advance Metal Fabrication Co., Ltd.	19	19	19	19

**Enclosure 4**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
Mahachai Steel Center Co., Ltd.	843	488	798	440
Metal Inter Co., Ltd.	394	358	394	358
Panich Sawad Co., Ltd	-	8	-	-
<b>Total</b>	<b>1,256</b>	<b>873</b>	<b>1,211</b>	<b>817</b>

***Current portion of long-term loan  
from related party***

***Other related party***

Mr. Nirum Ngarmcharmnarit

<b>66</b>	<b>108</b>	<b>66</b>	<b>108</b>
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***Advance received from customer***

***Other related parties***

Asia Metal PCL.

Advance Metal Fabrication Co., Ltd.

**Total**

1	1	1	1
1	1	1	1
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

***Other payables and accrued expenses***

***Other related parties***

Arnoma Hotel Bangkok Co., Ltd.

SSP Place Co., Ltd.

Mahachai Steel Center Co., Ltd.

**Total**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
Arnoma Hotel Bangkok Co., Ltd.	6	6	2	2
SSP Place Co., Ltd.	17	16	17	16
Mahachai Steel Center Co., Ltd.	19	11	19	11
<b>Total</b>	<b>42</b>	<b>33</b>	<b>38</b>	<b>29</b>

***Amount due to related party***

***Subsidiary***

GS Securities

-	-	<b>19</b>	<b>19</b>
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***Accrued interest expense***

***Subsidiary***

GS Securities

-	-	230	212
---	---	-----	-----

***Other related parties***

Mrs. Naengnoi Trivuth

Mahachai Steel Center Co., Ltd.

**Total**

7	7	7	7
1	1	1	1
<b>8</b>	<b>8</b>	<b>238</b>	<b>220</b>

***Machinery and construction payables***

***Other related party***

Grand Asia Steel Processing

Center Co., Ltd.

<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
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	Consolidated financial statements		Separate financial statements	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
<i>(in THB million)</i>				
<b>Other current liabilities</b>				
<b>Short-term loan</b>				
<b>Subsidiaries</b>				
G J Steel	-	-	13	-
GS Securities	-	-	1,385	1,321
	-	-	1,398	1,321
<b>Other related parties</b>				
Mrs. Naengnoi Trivuth	30	30	30	30
<b>Total</b>	<b>30</b>	<b>30</b>	<b>1,428</b>	<b>1,351</b>

Movements of short-term loans from related parties for the three-month period ended March 31, 2017 were as follows:

	Consolidated financial statements	Separate financial statements
<i>(in THB million)</i>		
<b>Short-term loans from related parties</b>		
As at December 31, 2016 (audited)	30	1,351
Increase	-	77
Decrease	-	-
<b>As at March 31, 2017 (unaudited but reviewed)</b>	<b>30</b>	<b>1,428</b>

**Other current liabilities - Short-term loan from related parties**

**Related person**

On 28 March 2012, the Company entered into a loan agreement with Mrs. Naengnoi Trivuth in the amount of THB 30 million, which bears interest at the rate of 12 percent per annum. Under the terms of this loan, the Company pledged 500 million shares of GJS (Equivalent to 50 million shares after the change in the par value of shares) held by the Company as collateral for the benefit of the lender.

**Related companies**

Loan from GS Securities as of March 31, 2017, amount of THB 1,385 million (*December 31, 2016: THB 1,321 million*) are upon demand promissory note bears interest at the rate of 3.25 percent per annum.

The Company has entered to short-term loan agreement from GJS in the credit facilities of THB 94 million by which the principal and interest are to be repaid within the period of 6 months with interest rate at 12.50 percent per annum.

Loan from GJS as of March 31, 2017, amount of THB 13 million is a promissory note.

**Other non-current liabilities - Long-term loans from related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
<b>Long-term loans from related parties</b>				
<b>Subsidiary</b>				
GS Securities (See Note 3(a) and 3e))	-	-	1,086	1,086
<b>Related party</b>				
Mr. Nirum Ngamchamnunrit (See Note 3(d))	248	242	248	242
<b>Total</b>	<b>248</b>	<b>242</b>	<b>1,334</b>	<b>1,328</b>

Movements of long-term loans from related parties for the three-month period ended March 31, 2017 were as follows:

	<b>Consolidated financial statement</b>	<b>Separate financial statement</b>
	<i>(in THB million)</i>	
<b>Long-term loans from related parties</b>		
<b>Subsidiary</b>		
As at December 31, 2016 (audited)	350	1,436
Increase	-	-
Decrease	(36)	(36)
Total	314	1,400
Transfer to current portion	(66)	(66)
<b>As at March 31, 2017 (unaudited but reviewed)</b>	<b>248</b>	<b>1,334</b>

**Loans from shareholders**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)	March 31, 2017 (Unaudited but reviewed)	December 31, 2016 (Audited)
	<i>(in THB million)</i>			
<b>Loans from Shareholder 1</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

Movements of Loans from shareholders for the three-month period ended March 31, 2017 were as follows:

	<b>Consolidated financial statement</b>	<b>Separate financial statement</b>
	<i>(in THB million)</i>	
<b>Loans from shareholders</b>		
As at December 31, 2016 (audited)	4	4
Increase	-	-
Decrease	-	-
<b>As at March 31, 2017 (unaudited but reviewed)</b>	<b>4</b>	<b>4</b>

**Other significant agreements with related parties**

- (a) On January 15, 2013, the Company borrowed an amount of THB 683 million, bearing interest at 3 percent per annum, by entering into a loan agreement with GS Securities with the first

repayment on December 30, 2013 and will pay every last working day of each year until the principal is repaid in full. The principal is scheduled to be repaid within December 30, 2017.

On December 26, 2016, the Company had made the memorandum to extend the repayment to within December 30, 2019.

On February 21, 2013, GJS partially redeemed its debentures from GS Securities for a net amount of THB 403 million and in the meantime the Company borrowed from GS Securities amounting to THB 403 million and then provided a loan to OAC for an amount of THB 403 million in order for OAC to repay debt to its financial institution creditor, with interest at 8 percent per annum with the first repayment on December 30, 2013 and will pay every last working day of each year until the principal is repaid in full. The principal is scheduled to be repaid within December 30, 2017.

On May 30, 2016, the Company had made the memorandum to revise interest rate from 8 percent per annum to 3.25 percent per annum since June 1, 2016.

On December 26, 2016, the Company had made the memorandum to extend the repayment to within December 30, 2019.

- (b) In year 2013, GJS entered into an agreement with OAC in which OAC accepts liabilities arising from the compromise agreement with Master Steel Company Limited amounting to THB 17.91 million in exchange for the transfer of 35.82 million shares of the Company held by OAC at the agreed price of THB 0.50 per share to Master Steel Company Limited.

In addition, GJS settled a labor case with a former employee at the Central Labor Court. Under this agreement, GJS agreed to transfer the Company's shares of 33 million shares which held by OAC to the former employee at an agreed price of THB 0.45 per share, amounting to THB 14.85 million and OAC agreed to guarantee the share price at THB 0.45 per share in 90 days from the transferred share date ("guarantee period").

Therefore, GJS entered into a memorandum with OAC to accept the liabilities arising from the compromised debt agreement in amounting of THB 32.76 million. The said debt shall be mature on June 30, 2014. On June 5, 2015, GJS paid to OAC for the amount of THB 29.54 million which the outstanding debts remained at THB 3.22 million.

- (c) On January 13, 2014, OAC deposited 102.3 million shares of the Company with Deposit Office, Legal Execution Department as a guarantor under the compromise agreement to transfer additional 102.3 million shares of the Company at THB 0.10 per share (the market price at the end of guarantee period) to the employee.

And the same date, GJS entered into an memorandum with OAC to accept additional liabilities of THB 10.23 million. This said liabilities will be due within June 30, 2014. At present these liabilities is in the process of negotiations to extend the repayment schedule.

- (d) On February 17, 2014, the Company's Board of Directors approved the Company's execution of financial support agreements in the aggregate amount of THB 4,610 million, comprising a long-term loan in the amount of THB 400 million with the loan period of 5 years which bears interest at 12 percent per annum repayment in 48 installments. Bank guarantee facilities in the aggregate amount of THB 210 million and trade credit facilities for purchase of raw material and spare parts for production in the amount of THB 4,000 million with a Supporting Customer. To reciprocate the support, the Company has appointed the supporting customer to be the distributor for the hot rolled coil steel products produced by the Company and the Company is entitled to certain percentage of sales for the period of 5 years. Moreover, the supporting customer and a group of other customers have agreed to purchase all of the hot rolled coil steel products which the Company is able to produce for a period of 2 years. Under the conditions of financial support agreements, the Company pledged GJS's shares in the amount of 12,000 million shares and the Heavy Gauge Shearing Line as collateral in favor of Supporting Customer.

On May 2, 2014, the Company already registered the mortgage with the central registration office, Department of Industrial Works.

On February 17, 2014, the loan of THB 400 million was drawn down by the Company.

On March 27, 2017, the Company had made the memorandum of amendment to revise repayment period to be 38 equal monthly installment of THB 8 million commencing in September 2017.

On February 29, 2016, the Company entered into additional short - term secured loan agreement with the above related person, bears interest at the rate of 12 percent per annum, repayment in monthly installment of THB 1 million commencing in January 2017.

- (e) On February 28, 2014, GS Securities entered into a mortgage agreement of 2,000 million shares of GJS held by GS Securities and the supporting customers (Pledgee) to secure the repayment of loans the Company has with the Pledgee.
- (f) On May 7, 2014, OAC enters into a Transfer of assets for debt repayment contract with Shareholder 2 of the Company agreeing to partially pay the debts by transferring ownership of assets value THB 303 million which composes of 4,125 million of GJS shares, 274 million units of GJS-W2, 413 million units of GJS-W4 and 209 million of the Company shares. Besides, at the same date, the Company and Shareholder 2 agreed to extend the payment of debts to June 30, 2016, provided that OAC has complied to debt payment in according to the Transfer of assets for debt repayment contract. OAC transfers the aforementioned assets to Shareholder 2 on June 18, 2014. Thus, the Company classifies the outstanding balance of loans to non-current liabilities since the 2<sup>nd</sup> quarter of 2014.

Then the Lenders of OAC's loan complaint case to OAC and the Company as guarantor to repay the outstanding debt of OAC's loan and OAC has other obligations with third parties. Based on the current financial position of OAC, OAC was unable to meet its obligations. The Company was guarantor of OAC's loan and as its parent company has obligations making it jointly liable for OAC's obligations.

Later, on May 29, 2015, the Southern Bangkok Civil Court have made a judgment to the Company to pay the above shareholder amounted to THB 592 million including interest 7.5 percent p.a. of Principal at THB 392 million since May 8, 2015. Later the Company had entered into a memorandum with the shareholder that the Company will instalment within 9 months Since August 10, 2015 and the Shareholder will release OAC's obligations. Therefore, the Company transfer provision for guarantee subsidiary amount of THB 522 million to other payable and accrued expenses and accrued interest.

On May 4, 2016, the Company had made the memorandum to extend the repayment period to within 28 February 2017.

On February 28, 2017, the Company had made the memorandum to extend the repayment period to within August 31, 2018.

- 12) **Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating result in the past year and the present year until the latest quarter.**

**Separate financial statements which have been audited Y2014 – Y2016 and Separate financial statement which has been reviewed by the auditor Q1-17**

## 12.1 Separate Statement of Financial Position

(Unit: THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	17,549	9,850	1,327	4,272
Trade accounts receivable	42,447	76,427	26,738	-
Amounts receivable from related parties	18	-	4,784	1,732
Inventories	1,696,231	1,136,938	1,027,195	2,236,932
Receivables from scrap sales	-	-	-	-
Other current assets	146,337	97,287	138,886	363,759
<b>Total current assets</b>	<b>1,902,582</b>	<b>1,320,501</b>	<b>1,198,930</b>	<b>2,606,695</b>
<i>Non-current assets</i>				
Restricted deposits at financial institutions	-	-	-	-
Investments in subsidiaries	4,227,308	4,026,239	4,028,701	4,343,565
Advance payment for purchases of property, plant and equipment	-	-	-	-
Property, plant and equipment	12,978,942	13,180,569	13,998,710	14,815,146
Intangible assets	6,934	7,368	8,247	9,925
Cash guarantee for the utility usage	-	-	-	-
Other non-current assets	282,694	279,213	207,501	143,761
<b>Total non-current assets</b>	<b>17,495,878</b>	<b>17,493,389</b>	<b>18,243,158</b>	<b>19,312,397</b>
<b>Total assets</b>	<b>19,398,460</b>	<b>18,813,890</b>	<b>19,442,088</b>	<b>21,919,092</b>
<b>Liabilities and equity</b>				
<i>Current liabilities</i>				
Short-term loans from financial institution	297,257	315,857	365,057	435,940
Trade accounts payable	1,360,919	5,439,635	6,003,199	6,226,460
Amount due to related parties	18,954	18,954	18,954	18,954
Current portion of liabilities under rehabilitation plan	238,527	238,527	244,479	271,420
Current portion of long-term loan from related party	66,000	108,000	106,000	88,000
Current portion of bonds	536,952	558,485	562,383	513,665
Short-term loan from related parties	1,427,969	1,350,769	1,006,534	591,948
Short-term loan from other parties	116,931	118,894	89,844	40,868
Loan from shareholder	3,850	3,850	3,850	36,350
Advances received from customers	19,538	14,269	25,982	25,905
Other payables and accrued expenses	6,016,578	2,279,775	2,033,131	1,642,521
Accrued interest expenses	4,730,619	2,696,246	1,234,499	841,563
Provisions	378,151	3,302,980	2,907,988	3,034,854
Other current liabilities	58,878	61,154	61,940	64,922
<b>Total current liabilities</b>	<b>15,271,123</b>	<b>16,507,397</b>	<b>14,663,839</b>	<b>13,833,371</b>
<i>Non-current liabilities</i>				
Liabilities under rehabilitation plan - net of current portion	245,112	245,113	249,767	245,680
Trade accounts payable	-	-	503,714	577,708
Long-term loan from related parties	1,334,448	1,328,448	1,350,448	1,398,448
Long-term loan from other party	-	-	-	36,000
Other payables and accrued expenses	852,368	418,973	598,534	663,314
Accrued interest expenses	199,030	-	19,160	312,702
Provision	-	-	648,121	175,408
Employee benefit obligations	52,571	51,210	48,975	36,737
<b>Total non-current liabilities</b>	<b>2,683,529</b>	<b>2,043,743</b>	<b>3,418,719</b>	<b>3,445,997</b>
<b>Total liabilities</b>	<b>17,954,652</b>	<b>18,551,140</b>	<b>18,082,558</b>	<b>17,279,369</b>

## Enclosure 4

Item	Q1 – 2017	2016	2015	2014
<b>Liabilities and equity</b>				
Share capital				
Authorized share capital	48,775,744	48,775,744	54,573,626	54,573,626
Issued and paid-up share capital	34,250,905	34,250,905	34,250,905	34,250,905
Warrants	14,050	14,050	14,050	14,050
Additional (Discount) paid in capital:				
Share discount	(10,163,276)	(10,163,276)	(10,163,276)	(10,163,276)
Premium on capital reduction	206,307	206,307	206,307	206,307
Retained earnings (deficit)				
Appropriated:				
Legal reserve	763,977	763,977	763,977	763,977
Unappropriated	(23,628,155)	(24,809,213)	(23,712,432)	(20,432,240)
Own shares held by a subsidiary			-	-
<b>Equity attributable to owners of the Company</b>	<b>1,443,808</b>	<b>262,750</b>	<b>1,359,531</b>	<b>4,639,723</b>
Non-controlling interests		-	-	-
<b>Total equity</b>	<b>1,443,808</b>	<b>262,750</b>	<b>1,359,531</b>	<b>4,639,723</b>
<b>Total liabilities and equity</b>	<b>19,398,460</b>	<b>18,813,890</b>	<b>19,442,088</b>	<b>21,919,092</b>

## 12.2 Separate Statement of Income

(Uni : THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Income</b>				
Revenue from sale of goods	2,772,856	10,014,154	10,566,106	9,427,852
Reversal of bad and doubtful debts expense	71,732	17,620	-	-
Reversal of loss on devaluation of inventories	-	-	-	-
Reversal of provision for tax related liabilities	-	-	-	-
Reversal of provision for loss on purchase orders for undelivered raw material	-	25,956	15,683	-
Reversal of loss on impairment in subsidiaries	201,069	-	-	-
Reversal of provision for deferred difference from debt restructuring	764,902	-	-	-
Net foreign exchange gain	354,318	2,289	-	-
Gain from debt restructuring	-	51,225	21,035	62,716
Other income	32,746	87,430	77,022	130,618
<b>Total income</b>	<b>4,197,623</b>	<b>10,198,675</b>	<b>10,679,845</b>	<b>9,621,186</b>
<b>Expenses</b>				
Cost of sale				9,406,895
- Cost of goods sold	2,563,575	9,562,043	11,183,910	
- Idle cost	-	191,177	250,200	
- Loss on devaluation of inventories (Reversal)	45,583	(60,483)	(102,750)	
Total cost of sale	2,609,158	9,692,737	11,331,360	
Selling expenses	79,138	298,242	325,542	262,022
Administrative expenses	60,638	454,049	385,253	771,636
Loss on devaluation of inventories	-	-	-	159,874
Loss on confirmed purchase orders for undelivered raw materials	67,835	-	-	41,638
Bad and doubtful debts expense - net	-	-	88,894	6,112
Net foreign exchange loss	-	-	682,609	64,406
Other expenses	3,225	271,603	623,620	448,803
Finance costs	196,571	578,825	522,758	403,849
<b>Total expenses</b>	<b>3,016,565</b>	<b>11,295,455</b>	<b>13,960,037</b>	<b>11,565,236</b>
Profit (loss) before income tax expense	1,181,058	(1,096,781)	(3,280,192)	(1,944,050)
Income tax expense	-	-	-	-
<b>Profit (loss) for the period</b>	<b>1,181,058</b>	<b>(1,096,781)</b>	<b>(3,280,192)</b>	<b>(1,944,050)</b>

Item	Q1 – 2017	2016	2015	2014
<b>Profit (loss) attributable to:</b>				
Owners of the Company	1,181,058	(1,096,781)	(3,280,192)	(1,944,050)
Non-controlling interests	-	-	-	-
<b>Profit (loss) for the period</b>	<b>1,181,058</b>	<b>(1,096,781)</b>	<b>(3,280,192)</b>	<b>(1,944,050)</b>
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share	<b>0.17</b>	<b>(0.16)</b>	<b>(0.48)</b>	<b>(0.28)</b>
<b>Profit (loss) for the period</b>	1,181,058	(1,096,781)	(3,280,192)	(1,944,050)
<b>Other comprehensive income (loss):</b>				
Actuarial gains (losses) on defined employee benefit plans	-	-	-	-
<b>Other comprehensive income (loss) for the years</b>	-	-	-	-
<b>Total comprehensive income (loss) for the years</b>	<b>1,181,058</b>	<b>(1,096,781)</b>	<b>(3,280,192)</b>	<b>(1,944,050)</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the parent	1,181,058	(1,096,781)	(3,280,192)	(1,944,050)
Non - controlling interests	-	-	-	-
<b>Total comprehensive income (loss) for the years</b>	<b>1,181,058</b>	<b>(1,096,781)</b>	<b>(3,280,192)</b>	<b>(1,944,050)</b>

### 12.3 Separate Statement of Cash Flow

(Unit: THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	1,181,058	(1,096,781)	(3,280,192)	(1,944,050)
<i>Adjustments for</i>				
Depreciation and amortization	220,261	884,943	887,993	901,215
Unrealized loss (gain) on exchange rate	(342,265)	88,540	862,385	59,535
Loss on devaluation of inventories (Reversal of)	45,583	(60,483)	(102,750)	159,874
Loss on confirmed purchase orders of undelivered raw material (Reversal of)	67,835	(25,956)	(15,683)	41,638
Loss from disposal of assets	-	-	-	-
Gain from debt restructuring	(15,406)	(51,225)	(21,035)	(62,716)
Reversal of provision for deferred difference from debt restructuring	(764,902)	-	-	-
Gain from the Creditor waived the debt	-	-	-	-
Gain from offsetting transaction	-	-	-	-
Reversal of bad and doubtful debts expense	(71,732)	(17,620)	88,894	6,112
Write-off advance payment for purchase goods	-	-	-	-
Loss on impairment of assets	-	-	314,864	14,017
Reversal of loss on impairment in subsidiaries	(201,069)	1,461	-	-
Loss on liquidation of a subsidiary	-	47	-	-
Loss from disposal of assets	-	-	-	-
Loss on sale of investment	-	-	-	194,829
Provision for court case claim	-	256,991	250,107	226,528
Provision for a guarantee of subsidiary	3,225	13,103	46,688	13,428
Finance costs	196,571	578,825	522,758	403,849
Interest income	(1)	(324)	(129)	(215)
Employee benefit obligations	1,362	2,235	12,238	9,447
Tax expense	-	-	-	-
	<b>320,520</b>	<b>573,757</b>	<b>(433,862)</b>	<b>23,492</b>
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	33,979	(49,681)	(25,006)	-
Amount due from related parties	(18)	4,784	(4,784)	(1,558)
Inventories	(604,876)	(49,259)	1,312,487	(1,810,183)
Other current assets	(28,501)	48,741	226,451	(208,461)
Cash guarantee for the utility usage	-	-	-	-
Other non-current assets	(21,480)	(135,849)	(130,724)	(48,862)

## Enclosure 4

Item	Q1 – 2017	2016	2015	2014
Trade accounts payable	388,058	(504,577)	(625,528)	1,045,624
Advance received from customers	5,269	(11,713)	77	(19,450)
Other payables and accrued expenses	(72,611)	20,117	(235,812)	377,084
Other current liabilities	(1,240)	(599)	(5,326)	(36,090)
Cash received (paid) for Income tax	(90)	(259)	(50)	(241)
<b>Net cash used in operating activities</b>	<b>19,010</b>	<b>(104,537)</b>	<b>77,923</b>	<b>(678,646)</b>
<i>Cash flows from investing activities</i>				
Interest received	1	324	129	215
Purchase of property, plant and equipment	(287)	(983)	(2,701)	(490)
Purchase of intangible assets	-	(821)	-	-
Cash received (payment) to long-term loans	-	708	(6,100)	-
Proceeds from long-term loan to and receivables from former related parties	-	-	-	-
Payment for long-term loans to related parties	(1)	-	-	(2,108)
Proceeds from liquidation of subsidiary	-	953	-	-
Proceed from disposal of investment in subsidiary	-	-	-	74,800
<b>Net cash from (used in) investing activities</b>	<b>(287)</b>	<b>182</b>	<b>(8,672)</b>	<b>72,417</b>
<i>Cash flows from financing activities</i>				
Increase of ordinary shares	-	-	0	-
Finance costs paid	(31,660)	(126,925)	(376,019)	(124,903)
Repayment of liabilities under rehabilitation plan	-	(10,605)	(22,855)	(5,295)
Proceeds (Repayment) from loans from financial institution	(18,600)	(49,200)	(70,883)	-
Proceeds (Repayment) of short-term loans from related parties	-	290,557	414,586	306,337
Proceeds (Repayment) of short-term loans from related parties	77,200	-	-	-
Proceeds (Repayment) from short-term loans from other parties	(1,964)	29,051	12,975	(14,132)
Proceeds (Repayment) from long-term loans from related parties	(36,000)	(20,000)	(30,000)	400,000
Proceeds (Repayment) from long-term loans from other parties	-	-	-	36,000
Repayment of long-term loans from other party	-	-	-	-
Repayment of finance lease liabilities	-	-	-	(149)
Proceeds from issue ordinary shares of subsidiary to non-controlling interests	-	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>(11,024)</b>	<b>112,878</b>	<b>(72,196)</b>	<b>597,859</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,699</b>	<b>8,522</b>	<b>(2,945)</b>	<b>(8,370)</b>
Cash and cash equivalents at 1January	9,850	1,327	4,272	12,643
Effect of exchange rate changes on balances held in foreign currencies	-	-	-	-
<b>Cash and cash equivalents at December 31,</b>	<b>17,549</b>	<b>9,850</b>	<b>1,327</b>	<b>4,272</b>
<i>Non-cash transactions</i>				
Transfer provisions to trade accounts payable	-	101,036	-	-
Transfer provisions to accrued interest	2,230,988	386,549	29,582	-
Transfer trade accounts payable to other payables and accrued expenses	4,442,185	-	-	-
Transfer provisions to trade accounts payables and accrued interest	-	-	-	590,209
Transfer provisions to other payables and accrued expenses	-	-	539,584	-
Transfer trade accounts payable to provisions	-	-	101,036	-
Transfer trade account payables to accrued interest	-	649,846	-	-
Transfer trade account payables to accrued expenses	-	49,846	-	-

Item	Q1 – 2017	2016	2015	2014
Transfer accrued interest to provisions	-	-	293,924	-
Transfer accrued interest to short-term loans from related party	-	53,678	-	-

**Consolidated financial statements which have been audited Y2014 – Y2016 and Consolidated financial statement which has been reviewed by the auditor Q1-17**

**12.4 Consolidated Statement of Financial Position**

(Unit: THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	693,352	623,204	159,333	247,871
Trade accounts receivable	288,295	272,386	241,644	198,833
Amounts receivable from related parties	-	-	-	-
Inventories	2,641,439	1,991,563	1,688,075	3,331,179
Other current assets	340,354	199,985	254,104	649,000
<b>Total current assets</b>	<b>3,963,440</b>	<b>3,087,139</b>	<b>2,343,155</b>	<b>4,426,883</b>
<i>Non-current assets</i>				
Restricted deposits at financial institutions	-	-	-	-
Investments in subsidiaries	-	-	-	-
Advance payment for purchases of property, plant and equipment	210,000	210,000	210,000	210,000
Property, plant and equipment	28,302,309	28,738,713	30,445,902	32,183,417
Intangible assets	14,330	15,175	17,413	34,198
Cash guarantee for the utility usage	-	-	-	252,000
Other non-current assets	589,268	563,640	419,232	360,178
<b>Total non-current assets</b>	<b>29,115,907</b>	<b>29,527,529</b>	<b>31,092,546</b>	<b>33,039,793</b>
<b>Total assets</b>	<b>33,079,347</b>	<b>32,614,668</b>	<b>33,435,702</b>	<b>37,466,676</b>
<b>Liabilities and equity</b>				
<i>Current liabilities</i>				
Short-term loans from financial institution	297,257	315,857	365,057	435,940
Trade accounts payable	1,985,004	7,479,044	8,043,402	8,463,907
Amount due to related parties				
Current portion of liabilities under rehabilitation plan	456,130	464,261	486,295	515,632
Current portion of long-term loan from related party	66,000	108,000	106,000	88,000
Current portion of bonds	536,952	558,485	562,383	513,665
Short-term loan from related parties	30,000	30,000	30,000	30,000
Short-term loan from other parties	135,431	137,394	119,844	77,160
Loan from shareholder	3,850	3,850	3,850	36,350
Advances received from customers	162,366	204,365	203,595	332,621
Other payables and accrued expenses	6,769,591	3,506,161	3,176,848	2,944,800
Accrued interest expenses	4,629,405	3,969,003	2,336,899	1,681,630
Liabilities under the process of debt restructuring	1,269,050	-	-	-
Provisions	155,917	3,156,212	2,702,082	2,367,767
Other current liabilities	349,204	346,309	348,544	338,688
<b>Total current liabilities</b>	<b>16,846,157</b>	<b>20,278,942</b>	<b>18,484,798</b>	<b>17,826,161</b>
<i>Non-current liabilities</i>				
Liabilities under rehabilitation plan - net of current portion	245,112	245,113	249,767	245,680
Trade accounts payable	-	-	518,314	577,708
Long-term loan from related parties	248,000	242,000	264,000	312,000
Long-term loan from other party	1,386,204	-	-	36,000
Other payables and accrued expenses	1,215,363	875,195	1,238,394	1,211,112
Accrued interest expenses	199,030	-	19,160	312,702
Provision	-	-	648,121	657,235
Employee benefit obligations	108,314	105,192	96,433	73,934
<b>Total non-current liabilities</b>	<b>3,402,023</b>	<b>1,467,499</b>	<b>3,034,189</b>	<b>3,426,370</b>

Item	Q1 – 2017	2016	2015	2014
<b>Total liabilities</b>	<b>20,248,180</b>	<b>21,746,442</b>	<b>21,518,987</b>	<b>21,252,531</b>
<b>Liabilities and equity</b>				
Share capital				
Authorized share capital	48,775,744	48,775,744	54,573,626	54,573,626
Issued and paid-up share capital	34,250,905	34,250,905	34,250,905	34,250,905
Warrants	14,050	14,050	14,050	14,050
Additional (Discount) paid in capital:				
Share discount	(10,163,276)	(10,163,276)	(10,163,276)	(10,163,276)
Premium on capital reduction	206,307	206,307	206,307	206,307
Retained earnings (deficit)				
Appropriated:				
Legal reserve	763,977	763,977	763,977	763,977
Unappropriated	(21,679,351)	(22,923,616)	(21,880,352)	(18,609,314)
Own shares held by a subsidiary				
<b>Equity attributable to owners of the Company</b>	<b>3,392,612</b>	<b>2,148,347</b>	<b>3,191,611</b>	<b>6,462,649</b>
Non-controlling interests	9,438,555	8,719,880	8,725,103	9,751,495
<b>Total equity</b>	<b>12,831,167</b>	<b>10,868,226</b>	<b>11,916,714</b>	<b>16,214,144</b>
<b>Total liabilities and equity</b>	<b>33,079,347</b>	<b>32,614,668</b>	<b>33,435,702</b>	<b>37,466,676</b>

## 12.5 Consolidated Statement of Income

(Unit: THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Income</b>				
Revenue from sale of goods	6,298,875	21,683,626	22,826,488	23,940,851
Reversal of bad and doubtful debts expense	21,671	6,534	-	982
Reversal of loss on devaluation of inventories	-	-	-	-
Reversal of provision for tax related liabilities	-	-	-	-
Reversal of provision for loss on purchase orders for undelivered raw material	-	25,956	15,683	-
Reversal of provision for deferred difference from debt restructuring	764,903	-	-	-
Gain from the Creditor waived the debt	622,311	-	-	-
Net foreign exchange gain	542,974	35,452	-	-
Gain from debt restructuring	-	58,937	27,773	109,684
Other income	40,320	109,173	114,753	193,651
<b>Total income</b>	<b>8,291,054</b>	<b>21,919,676</b>	<b>22,984,697</b>	<b>24,245,169</b>
<b>Expenses</b>				
Cost of sale				23,398,175
- Cost of goods sold	5,668,481	20,370,578	23,573,926	
- Idle cost	-	257,303	306,280	
- Loss on devaluation of inventories (Reversal)	45,585	(69,091)	(108,684)	
Total cost of sale	5,714,066	20,558,791	23,771,522	
Selling expenses	122,430	458,056	486,241	414,715
Administrative expenses	179,384	983,017	950,566	1,506,571
Loss on devaluation of inventories	-	-	-	108,227
Loss on confirmed purchase orders for undelivered raw materials	67,835	-	-	41,638
Bad and doubtful debts expense - net	-	-	8,252	-
Net foreign exchange loss	-	-	1,096,392	97,839
Other expenses	3,363	270,856	304,654	349,123
Finance costs	237,076	676,024	689,760	474,421
<b>Total expenses</b>	<b>6,324,154</b>	<b>22,946,744</b>	<b>27,307,387</b>	<b>26,390,709</b>
Profit (loss) before income tax expense	1,966,900	(1,027,068)	(4,322,690)	(2,145,540)
Income tax expense	3,959	21,424	22,740	20,234
<b>Profit (loss) for the period</b>	<b>1,962,941</b>	<b>(1,048,492)</b>	<b>(4,345,430)</b>	<b>(2,165,775)</b>

Item	Q1 – 2017	2016	2015	2014
<b>Profit (loss) attributable to:</b>				
Owners of the Company	1,244,265	(1,043,269)	(3,223,379)	(1,870,080)
Non-controlling interests	718,676	(5,224)	(1,122,051)	(295,695)
<b>Profit (loss) for the period</b>	<b>1,962,941</b>	<b>(1,048,492)</b>	<b>(4,345,430)</b>	<b>(2,165,775)</b>
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share	<b>0.18</b>	<b>(0.15)</b>	<b>(0.47)</b>	<b>(0.27)</b>
<b>Loss for the years</b>	1,962,941	(1,048,492)	(4,345,430)	(2,165,775)
<b>Other comprehensive income (loss):</b>				
Actuarial gains (losses) on defined employee benefit plans	-	-	-	-
<b>Other comprehensive income (loss) for the years</b>	-	-	-	-
<b>Total comprehensive income (loss) for the years</b>	1,962,941	(1,048,492)	(4,345,430)	(2,165,775)
<b>Profit (loss) attributable to:</b>				
Equity holders of the parent	1,244,265	(1,043,269)	(3,223,379)	(1,870,080)
Non - controlling interests	718,676	(5,224)	(1,122,051)	(295,695)
<b>Total comprehensive income (loss) for the years</b>	1,962,941	(1,048,492)	(4,345,430)	(2,165,775)

## 12.6 Consolidated Statement of Cash Flow

(Unit: THB Thousand)

Item	Q1 – 2017	2016	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	1,962,941	(1,048,492)	(4,345,430)	(2,165,775)
<i>Adjustments for</i>				
Depreciation and amortization	474,146	1,905,923	1,912,025	1,955,072
Unrealized loss (gain) on exchange rate	(437,149)	58,143	462,953	65,426
Loss on devaluation of inventories (Reversal of)	45,585	(69,091)	(108,684)	108,227
Loss on confirmed purchase orders of undelivered raw material (Reversal of)	67,835	(25,956)	(15,683)	41,638
Loss on written off inventories	-	-	-	-
Gain from debt restructuring	(15,406)	(58,937)	(27,773)	(109,684)
Reversal of provision for deferred difference from debt restructuring	(764,902)	-	-	-
Gain from the Creditor waived the debt	(622,311)	-	-	-
Gain from offsetting transaction	-	-	-	-
Reversal of bad and doubtful debts expense	(21,671)	(6,534)	8,252	(982)
Loss on liquidation of a subsidiary	-	47	-	-
Loss from disposal of assets	7,358	(1,126)	31	744
Advisory fee for debt restructuring paid by shares	-	-	-	-
Loss on sale of investment	-	-	-	84,019
Provision for court case claim	-	256,991	250,107	265,104
(Reversal of) provision for tax - related liabilities	-	-	-	(8,218)
Finance costs	237,076	676,024	689,760	474,421
Interest income	(1)	(3,355)	(1,559)	(4,226)
Employee benefit obligations	3,122	8,759	22,499	18,622
Tax expense	3,959	21,424	22,740	20,234
	940,582	1,713,822	(1,130,761)	744,623
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	(15,909)	(30,735)	(42,811)	(56,993)
Amount due from related parties	-	-	107,081	(1,732)
Inventories	(695,460)	(234,397)	1,751,788	(1,958,935)
Other current assets	(122,952)	44,975	503,586	(144,962)
Cash guarantee for the utility usage	-	-	252,000	-
Other non-current assets	(69,093)	(304,583)	(222,504)	(177,290)
Trade accounts payable	428,888	(508,782)	(670,900)	1,107,881
Advance received from customers	(41,999)	771	(129,027)	(37,825)
Other payables and accrued expenses	(213,690)	(69,978)	(248,048)	354,093
Other current liabilities	2,566	(1,412)	15,145	(125,558)

**Enclosure 4**

Provision for tax-related liabilities	-	72,240	-	-
Provision for court case claim paid	-	-	-	(26,043)
Cash received (paid) for Income tax	(1,512)	(7,045)	(27,929)	(20,464)
<b>Net cash used in operating activities</b>	<b>211,421</b>	<b>674,876</b>	<b>157,622</b>	<b>(343,205)</b>
<b><i>Cash flows from investing activities</i></b>				
Interest received	1	3,313	1,559	4,226
Purchase of property, plant and equipment	(794)	(33,758)	5,848	(1,507)
Purchase of intangible assets	(81)	(1,454)	-	-
Proceeds from liquidation of subsidiary	-	953	-	-
Proceeds from disposal of investment in subsidiary	-	-	48,000	108,089
<b>Net cash from (used in) investing activities</b>	<b>(874)</b>	<b>(30,947)</b>	<b>55,407</b>	<b>110,809</b>
<b><i>Cash flows from financing activities</i></b>				
Increase of ordinary shares	-	-	0	-
Proceeds from issue ordinary shares of subsidiary to non-controlling interests	-	-	0	-
Finance costs paid	(571,085)	(102,035)	(158,049)	(174,249)
Repayment of liabilities under rehabilitation plan	(4,103)	(25,383)	(16,559)	(18,097)
Repayment of liabilities under the process of debt restructuring	(906,110)	-	-	-
Proceeds (Repayment) from loans from financial institution	(18,600)	(49,200)	(70,883)	-
Proceeds (Repayment) from short-term loans from other parties	1,395,696	17,551	6,683	20,376
Proceeds (Repayment) from long-term loans from related parties	(36,000)	(20,000)	(30,000)	400,000
Proceeds (Repayment) from long-term loans from other parties	-	-	-	36,000
Repayment of finance lease liabilities	-	-	-	(149)
Repayment of loan from shareholder	-	-	(32,500)	-
<b>Net cash from (used in) financing activities</b>	<b>(140,202)</b>	<b>(179,067)</b>	<b>(301,308)</b>	<b>263,881</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>70,345</b>	<b>464,863</b>	<b>(88,279)</b>	<b>31,485</b>
Cash and cash equivalents at 1 January	623,204	159,333	247,871	216,360
Cash and cash equivalents decrease on liquidation of a subsidiary	-	(953)	-	-
Effect of exchange rate changes on balances held in foreign currencies	(197)	(38)	(258)	26
<b>Cash and cash equivalents at December 31,</b>	<b>693,352</b>	<b>623,204</b>	<b>159,333</b>	<b>247,871</b>
<b><i>Non-cash transactions</i></b>				
Offset of trade accounts receivable and advance payment to suppliers with trade accounts payables, accrued interest expenses and short-term loan from other parties	-	-	-	129,918
Transfer provisions to trade accounts payable	-	101,036	-	-
Transfer provisions to accrued interest	2,230,988	386,549	-	-
Transfer trade accounts payable to other payables and accrued expenses	4,442,185	-	-	-
Transfer trade accounts payable to liabilities under the process of debt restructuring	1,453,513	-	-	-
Transfer accrued expenses to liabilities under the process of debt restructuring	612,840	-	-	-
Transfer accrued interest expenses to liabilities under the process of debt restructuring	1,182,189	-	-	-
Transfer accrued interest expenses to other payables and accrued expenses	206,578	-	-	-
Transfer provisions to trade accounts payables and accrued interest	-	-	-	1,001,734
Transfer provisions to other payables and accrued expenses	72,240	-	543,124	74,384
Transfer trade accounts payable to provisions	-	-	101,036	-

Transfer trade account payables to accrued interest	-	649,846	-	-
Transfer trade account payables to accrued expenses	-	49,846	-	-
Transfer accrued interest to provisions	-	-	293,924	-
Offset of enforced sales of company's shares held by a subsidiary with other payables, accrued expenses and loans from shareholders	-	-	-	31,118
Offset of enforced sales of investment in subsidiary with loans from shareholders and provision	-	-	-	281,827

## 12.7 The explanation and analysis of financial condition and operating result

### Performance

#### Revenue from sales and cost of goods sold

The Company recorded a sales volume of 333,147 tons for the 1<sup>st</sup> quarter of 2017, decreased by 28,817 tons from the 1<sup>st</sup> quarter of 2016 or decreased by 8 percent (Separated Financial Statement: 144,536 tons and 175,568 tons, for the 1<sup>st</sup> quarter of 2017 and 2016 respectively)

Consolidated revenue from sales for the 1<sup>st</sup> quarter of 2017 and 2016 amounting to THB 6,299 million and THB 5,580 million, respectively, (Separate: THB 2,773 million and THB 2,750 million for the 1<sup>st</sup> quarter of 2017 and 2016, respectively), and consolidated gross profit amounting to THB 630 million and gross profit amounting to THB 360 million for the 1<sup>st</sup> quarter of 2017 and 2016, respectively, (Separate: gross profit THB 209 million and gross profit THB 143 million for the 1<sup>st</sup> quarter of 2017 and 2016, respectively). Revenue from sales increased comparing with the same period last year and also the Company has efficient management in term of raw material cost as well as conversion cost which result in the lower production cost compare to the same period last year. This leads to the positive gross profit in this quarter.

Consolidated financial statement, the Company recorded net profit of THB 1,963 million and THB 58 million for the 1<sup>st</sup> quarter of 2017 and 2016 (Separate: THB 1,181 million and THB 69 million net profit for the 1<sup>st</sup> quarter of 2017 and 2016). The Company would like to provide the following explanations.

#### Net foreign exchange gain

The Company recorded consolidated net gain on foreign exchange for the 1<sup>st</sup> quarter of 2017 amounting to THB 543 million (Separate: THB 354 million). The gain is attributed to the appreciation of the Thai THB versus the US dollar.

#### Selling expenses

Consolidated selling expenses for the 1<sup>st</sup> quarter of 2017 and 2016 amounting to THB 122 million and THB 126 million, respectively, (Separate: THB 79 million and THB 86 million, respectively). Major factor come from the decrease of sale volume.

#### Administrative expenses

Consolidated administrative expenses for the 1<sup>st</sup> Quarter of 2017 and 2016 amounting to THB 179 million and THB 291 million, respectively, (Separate: THB 61 million and THB 185 million, respectively), decrease by THB 112 million (Consolidated) and THB 124 million (Separate). The major reason came from the expenses recorded in the 1<sup>st</sup> quarter of 2016 resulting from the additional claimed from the creditor due to the Company breached some condition in the agreement.

#### Financial costs

Consolidated financial costs for the 1<sup>st</sup> quarter of 2017 and 2016 amounting to THB 237 million and THB 218 million, respectively, increased by THB 19 million. (Separate: THB 197 million and 203 million, respectively). The decrease of THB 6 million (Separate) came from the repayment of short term loan which lead to the decrease of financial cost.

**12.8 Statement of financial positions**

**Total assets**

As of March 31, 2017, the Company and subsidiary has total asset amounted to THB 33,079 million, increased 1.42 percent from year 2016. Total assets separate into current assets amounted to THB 3,963 million, increased 28.38 percent from year 2016 and non-current assets amounted to THB 29,116 million, decreased 1.4 percent from year 2016. Current assets mainly increased from the increase of inventory due to more hot-rolled coil stock, from THB 1,991 million as of December 2016 to THB 2,641 million as of March 31, 2017.

**Total Liabilities**

As of March 31, 2017, the Company and its subsidiaries have total liabilities in amount of THB 20,248 million, decreasing from year 2016 in amount of THB 1,498 million (Approx. 6.89 percent) which is the impact from decrease in current liabilities amounting to THB 3,433 million since there was recognition of reversal of provision from deferred difference debt restructure. Also, there was recognition of gain from debt reduction by the creditor because of partially debt payment. Non-current liabilities increase THB 1,935 million from long-term loans from other parties and debt repayment extension from other creditors.

**Total equity**

As of March 31, 2017, the Company and subsidiary has total equity amounted to THB 12,831 million, increased THB 1,963 million or 18.06 percent from year 2016 due to the operating profit generate by the Company.

**13) Other information that may materially affect the decision of investors (if any).**

-None-

The Board of Directors hereby certifies that the information contained in this information memorandum is true and complete in all respects.

Please be informed accordingly.

Sincerely yours,

(Miss Soontareeya Wongsirikul)

Director