

Debt to Equity Conversion Scheme of G Steel Public Company Limited

1. Policy and procedures of the Debt to Equity Conversion Scheme, reasons, advantages, disadvantages and benefits which will gain from an implementation of the Debt to Equity Conversion Scheme

1.1. Policy of the Debt to Equity Conversion Scheme

Background of the First Attempt of Debt to Equity Conversion

Since G Steel Public Company Limited (the “**Company**”) has suffered from the financial situation problems in the past, such as continuous losses of the Company’s performance and lack of financial liquidity since 2008, resulting in the inadequate capital for running the Company’s business and the Company had to cease the manufacturing of hot rolled coil (“**HRC**”), which is the main product of the Company, generating the revenue of approximately 95 percent of the total revenue for two years since May 2012 to March 2014. As a consequence, the Company lacked the liquidity and was unable to repay large amount of debt within the maturity. Throughout the period, the Company had to enter into the debt restructuring process for several times. Even though the Company had put the best effort to recover the Company’s financial situation, the Company is still suffering from the performance losses from the Company’s business operation.

In the early 2016, SSG Group (comprising SSG Capital Holdings Limited (“**SSG CH**”), SSG Capital Partners III, L.P. (“**SSG III**”), SSG Capital Partners IV GP. Ltd. (“**SSG IV**”), and Kendrick Global Limited (“**KG**”) expressed their intense intention to assist in debt restructuring to the Company, and started the Due Diligence processed with respect to legal, accounting, and financial issues. Since SSG Group satisfied with the results of such Due Diligence, and believed that they can manage and improve the business of the Company, they negotiated with seven foreign commercial creditors, i.e., Stena Fragmentering AB, Cargill International Trading, Duferco Asia Pte, Prime Carbon, Integrate AG, SMS Innse and SMS Siemag, and later bought debts from such creditors.

In the early of 2016, the Company was contacted by the SSG Group (the SSG Group comprised of SSG Capital Holdings Limited (“**SSG CH**”), SSG Capital Partners III, GPGP, Ltd. (“**SSG III**”) and SSG Capital Partners IV GP. Ltd. (“**SSG IV**”) and Kendrick Global Limited (“**KG**”)) which demonstrated the intention to seriously provide assistance in the debt restructuring for the Company and started the due diligence in legal, accounting and financial aspects. The SSG Group found that the result of the due diligence is satisfying and was confident that the SSG Group will be able to enter into and modify the business of the Company. Accordingly, the Company started negotiating with 7 majority foreign trade creditors i.e. Stena Fragmentering AB, Cargill International Trading, Duferco Asia Pte, Prime Carbon, Integrate AG, SMS Innse and SMS Siemag and agreed to purchase debts from such creditors. Further in 2017, the Company and Asia Credit Opportunities I (Mauritius) Limited (“**ACO I**”), an entity under the control of the SSG Group negotiated and made an effort to restructure the Company’s debts with the debt to equity conversion. At such moment, both of the Company and ACO I considered and viewed that if the debt to equity conversion scheme was successful, the Company would be able to clear liabilities in the total amount of USD 242,534,385 (net trade debts converted into equity in the amount of USD 123,899,729, first part of the interest and the second part of interest annulled in total amount of USD 100,839,458 and relevant outstanding withholding tax in the amount of USD 17,795,198) or equivalent to THB 8,369,672,988.50 all at once and the Company would be quickly accessible to large amount

of source of fund as the calculation based on the separate financial statement of the Company as of 30 March 2017 demonstrated that the total debt to equity ratio would change from 12.44 to 1.01 (if the calculation was based on the consolidated financial statements of the Company, such ratio would decrease from 1.58 to 0.57). However, such undertaking did not gain support from certain majority shareholders of the Company and the debt to equity conversion with ACO I was not approved by the shareholders' meeting as a result. Therefore, the Company still has net trade debts with ACO I as per the confirmation letter of debt transferred until 28 February 2017 in the amount of USD 226,331,648 or equivalent to THB 7,810,529,136.75 (dividing into the principal in the amount of USD 127,885,456 and the interests in the amount of USD 98,446,192 or equivalent to THB 3,397,301,516.66)

For the first debt to equity conversion, the Company attempted to convert the debt to equity in the amount of THB 4,275,683,281.33 with ACO I, or equivalent to 23.08 percent of total liability of THB 18,527.27 million as of 30 June 2017. Nonetheless, the Extraordinary General Meeting of Shareholder No. 1/2017 held on 30 August 2017 resolved to disapprove the entering into such transaction.

Remark - Only the exchange rate above is the average selling foreign exchange rate used by commercial banks with their customers from 2 May 2017 to 26 May 2017 as announced by the Bank of Thailand, which is the exchange rate used in the calculation in the Extraordinary General Meeting of Shareholders no. 1/2017. All of the rest exchange rate applied in this information memorandum is the average selling foreign exchange rate used by commercial banks with their customers on 28 June 2019 as announced by the Bank of Thailand, which is the exchange rate use in the calculation in the Board of Directors' Meeting of Company No. 8/2019 on which the average selling foreign exchange rate for the USD currency is equivalent to THB 30.9152 per USD.

Procedures after the Failure of the First Attempt of Debt to Equity Conversion

After the Extraordinary Meeting of Shareholders No. 1/2018 resolved to disapprove such transaction, the Company tried to seek for new sources of fund to repay the debts to ACO I, such as inviting new investors to help solving the Company's financial position which the Company put its best effort to seek for the new investors. However, since the amount of the Company's debt was very high and there was also a risk from the disapproval of the shareholders' meeting for another time, there was no investors showing interest. The Company tried to seek for other sources of fund, such as applying for loan from financial institutions, but there were limitations on applying for loans from which because of the continuation of operating losses of the Company and a very low cash flow from business operation in each quarter compared to total liabilities, including the risk from the lawsuit brought against the Company by other creditors such as ACO I. As a result, the Company decided to enter into the reorganization process so as to prevent the Company's bankruptcy and to protect the rights and status of the shareholders (especially the minority shareholders who were investors in the Stock Exchange of Thailand (the "SET") who might lose all of the investment. Nonetheless, on 24 December 2018, the Bankruptcy Court dismissed the Company's reorganization application.

Since the Central Bankruptcy Court pondered and was of the opinion on 14 November 2017, which was the date that the Company submitted the petition for business rehabilitation to the Central Bankruptcy Court according to the interim financial statement of the Company for the third quarter of 2017 ended as of 30 September 2017 reviewed by A. M. T. Associates, an auditor of the Company, that it was found that as per the financial status of the Company, the Company had more assets than the liabilities of approximately THB 373 million, thus the

Company was not deemed insolvent and this was not in accordance with Section 90/3¹ of the Bankruptcy Act B.E. 2483 (1940) (the enforceable version at the time of petition submission) and the Central Bankruptcy Court is accordingly not able to grant the business rehabilitation. Consequently, the business rehabilitation plan and liquidity enhancement of the Company, such as the debt restructuring by the debt to equity conversion, the extension of repayment period, the request for debt reduction in certain parts of the principal and/or outstanding interests and the request for the reduction of default interest rate and etc., planned to be undertaken during business rehabilitation period had to be terminated. The Company resumed its own existing position without earning any benefits from the moratorium and the protection from the civil execution enforcement under the conditions specified by law and the Company needed to resume the business operation with a large amount of THB 17,518.15 million as of 31 December 2018, according to the separate financial statement.

Attempt to Implement of Debt to Equity Conversion of the Company

During February to April 2019, the Company needed to temporally cease all of the product manufacturing due to the cancellation of manufacturing agreement from G J Steel Public Company Limited² which resulted in severe lack of the Company's working capital. In this situation, the Company put in a great deal of effort to seek outside sources of fund. The Company entered into the credit agreement dated 2 April 2019 and its amendment dated 22 July 2019 with Link Capital I (Mauritius) Limited ("**Link Capital I**"), an entity within the SSG Group, in the total amount of USD 84,100,000, consisting of the Facility A in the amount of USD 30,000,000, the Facility B in the amount of USD 40,000,000 and the Facility C in the amount of USD 14,100,000, for which the Company placed land, properties and machines as a collateral (the details of the Credit Agreement are mentioned in *Clause 1.2.2 Commercial Creditors according to the memorandum of understanding* of this Memorandum), so as to liquidate the Company's working capital for the business operation and for the Company to resume the production. However, applying for the loan for the Company to have working capital in running the business was not sufficient for the solution for the Company's financial crisis in a long run. Therefore, the Company has continuously put a great deal of effort to restructure the debt so as to decrease the Company's large amount of debt and have a strong and sustainable financial structure in the long run.

In such period, the Company considered and viewed that the restructuring of large amount of debts of the Company may be undertaken by 2 approaches i.e. (i) submitting the business rehabilitation petition of the Company; or 2) debt to equity conversion. However, pursuant to Section 90/5³ of the Bankruptcy Act B.E. 2483 (1940) (as amended) (current version) the

¹ Section 90/3. When the debtor becomes insolvent and is indebted to one creditor or several creditors altogether in a definite amount of not less than ten million Baht, if there arises, whether such debt is due immediately or at a future time, a reasonable cause and prospect for the rehabilitation of the debtor's business, the person under section 90/4 may file a petition with the Court for the business rehabilitation.

² Since the Company did not have adequate working capital to purchase raw materials and in order to maintain the machines to continuously manufacture, the Company was thus hired by G J Steel Public Company Limited to manufacture products since 23 November 2017. G J Steel Public Company Limited cancelled such manufacturing agreement on 31 January 2019.

³ Section 90/5 The person under section 90/4 may not file a petition for the rehabilitation of the debtor's business in the following cases:

- (1) the Court has issued an absolute receivership order against the debtor; or
- (2) the Court or the Registrar has issued an order for the dissolution or revocation of registration of the juristic person that is the debtor or registration has been made for dissolution of such juristic person or the

Company is not able to file the petition for business rehabilitation for another time as the Court used to issue an order dismissing the petition for business rehabilitation within a period of six months before the new petition is submitted. Moreover, the business rehabilitation approach requires certain preparation period and large amount of expenses for the hiring of relevant advisors. Furthermore, the business rehabilitation processes are very time-consuming and the relevant legal processes of which take a very long period which will result in the delay of the debt structure adjustment plan. It is necessary for the Company to utilise the working capital in business operation of the Company and if the Company does not proceed with any action, shareholders' equity will be more negative and the Company will lack the qualification to remain the listed company. Another necessity is that the entering into the rehabilitation processes is still uncertain as it depends on the discretion of the Bankruptcy Court. Therefore, the Company considers and views that if the Company obtains an approval from the shareholders' meeting to proceed with the debt to equity conversion scheme, the Company will be able to reduce large amount of liabilities of the Company. Besides, the procedure and processes of the debt to equity conversion scheme are uncomplicated and time-saving compared to the business rehabilitation under the bankruptcy law. Therefore, it will promptly enable the Company to solve problem regarding the negative amount of shareholders' equity and enable the Company to secure working capital to use in the business operation within a very short period. In addition, the expenses for the operation of the debt to equity conversion scheme are not that high compared to the business rehabilitation.

The Company considered the situation and viewed that the debt to equity conversion will help reduce large amount of the Company's liabilities which will provide positive effect to the financial statement and financial structure of the Company significantly and as such, the Company will resume its status which will be able to operate the business and is of adequate creditability to secure additional source of funds from both of the investors and institutional investors. Therefore, the debt to equity conversion is the best way that the Company decided to undertake which will enable the Company to retrieve its stable and sustainable business operation for another time. The Company thereby started carrying out according to the debt to equity conversion scheme for another time by beginning the negotiation with creditors.

The Company decided to select creditors to enter into the Debt to Equity Conversion Scheme and the Company started the negotiation with ACO I in early 2019 after the Central Bankruptcy Court issued the order dismissing the petition for business rehabilitation of the Company as ACO I is a majority creditor of the Company which used to express intention to participate in the Debt to Equity Conversion Scheme as mentioned above and ACO I still sees the opportunity and potential of the Company. In this regard, in the second quarter of 2019, the Company began the negotiation with a group of creditors who exercise their legal rights through the courts filing the lawsuit against the Company and there are the final court decisions ruling that the Company is required to repay debts to them in total of 10 creditors as follows: (1) M-Power TT Limited ("**M-Power**"), (2) D-Sinchai Steel Company Limited ("**D-Sinchai**"), (3) Mrs. Vanida Yomjinda ("**Mrs. Vanida**"), (4) Mrs. Benjamas Phitaktham

juristic person that is the debtor must be dissolved on any other ground, whether the liquidation of such juristic person has been completed or not.

(3) the Court has issued an order dismissing the petition, cancelling the business rehabilitation order or cancelling the rehabilitation of the debtor's business in accordance with the provisions of this Chapter within a period of six months before the petition is submitted.

(“Mrs. Benjamas”), (5) New World Intermetal Company Limited (“New World Intermetal”), (6) Mr. Thanuchai Vesarutchanon (“Mr. Thanuchai”), (7) Superior Oversea (Thailand) Company Limited (“Superior”), (8) one natural person creditor, (9) one natural person creditor and (10) one company which is a business partner. Such 10 creditors are the judgement creditors (together as “Judgement Creditors”)⁴ If the Company is unable to make repayment to any one of the Judgement Creditors, such the Judgement Creditors are thereby able to file the lawsuit for the property seizure according to the writ of execution and if the Company’s property is seized according to the writ of execution, the Company will fall under the presumption that the Company becomes insolvent as a result. Consequently, each of any creditors of the Company is able to file against the Company to be bankrupt. If the Court uses the discretion and orders that the Company is bankrupt, the Company needs to terminate its operation and dissolve the Company eventually. The bankruptcy will have immeasurable disadvantages to the Company and the shareholders of the Company collectively.

Seven out of ten of the creditors under the judgement, i.e., (1) M-Power, (2) D-Sinchai, (3) Mrs. Vanida, (4) Mrs. Benjamas, (5) New World Intermetal, (6) Mr. Tanuchai and (7) Superior expressed their intention to participate in the Debt to Equity Scheme, as they deemed that ACO I, a major creditor possessing potential and capability, had participated in this Debt to Equity Scheme, and would later become a major shareholder of the Company. The seven creditors under the judgement believed that this Debt to Equity Scheme would enable the Company to regularly operate its service.

For the 3 creditors under the judgement who did not participate in the Debt to Equity Conversion Scheme i.e. two natural person creditors and one company which is a business partner, the Company has negotiated and entered into the agreement on the relief of debt repayment condition and memorandum of understanding on the settlement with 3 of the Judgement Creditors. In this regard, two natural person creditors and one company which is a business partner will not be able to take legal action against the Company for the repayment and enforcement of execution according to the court decision with the Company as long as the Company still amortises the debt as per such agreement and memorandum of association. The details are as follows:

- 1) The Company and one natural person creditor enter into the agreement on the relief of debt repayment condition on 18 April 2019 for the debt repayment in the amount of THB 77,500,000 of which the Company already amortised in certain parts. During the repayment as per this agreement, such natural person creditor agrees not to enforce any execution against the Company.
- 2) The Company and one natural person creditor enter into the memorandum of understanding on the settlement on 24 April 2019 which was agreed to relieve the repayment of the Company to amortise credit facility in the amount of THB 30,000,000 of principal and THB 5,000,000 of interest, totalling THB 35,000,000. Provided that the Company repays such amount to the natural person creditor in full within the term specified, such natural person creditor will consent to discharge full amount of debt in the case and will not further claim any debt relating to this case with the Company; and

⁴ The Company reserves the right to disclose the names of the judgement creditors who are the third parties irrelevant to this Debt to Equity Conversion Scheme in order to prevent the information disclosure of other persons and possible impact which may occur to the relationship between the Company and such creditors.

- 3) The Company and the business partner company entered into the memorandum of understanding on the settlement on 24 April 2019 which was agreed to relieve the repayment of the Company to amortise credit facility only in the part of principal in the amount of THB 25,524,045.21. Provided that the Company repays such amount to the business partner company in full within the term specified, such business partner will consent to discharge full amount of debt in the case and will not further claim any debt relating to this case with the Company. If the debt to equity conversion and the clearing of above outstanding interest are complete, the Company will not have any further outstanding debt with this creditor.

If the debt to equity conversion and the clearing of above outstanding interest are complete, the Company will not have any further outstanding debt with this creditor.

The plan for the repayment of the outstanding debts to the creditors who do not participate in the Debt to Equity Conversion Scheme is detailed in clause 4.4 *Reasonableness of the Capital Increase and Adequacy of Source of Funds in Case Where the Proceeds Received from the Shares Offering Do Not Cover Total Budgets to be Used in the Operation under the Scheme* in the Information Memorandum regarding the Offering of Newly Issued Ordinary Shares of G Steel Public Company Limited to Specific Investors (Private Placement) (Enclosure 7).

In sum, from the negotiation with the creditors to the debt to equity conversion, there are 8 of the creditors intend to provide assistance to the Company in the debt restructuring with the Company by the debt to equity conversion. These creditors are Group 1 creditors, who are the judgement creditors, comprising of (1) M-Power (2) D-Sinchai (3) Mrs. Vanida (4) Mrs. Benjamas (5) New World Intermetal, (6) Mr. Thanuchai, (7) Superior and Group 2 creditor who is the trade creditor according to the MOU i.e. ACO I, The details of which can be found in clause 2. *Source of Debts* in this Information Memorandum.

For the information for the consideration regarding the financial situation of the Company from the separate financial statement of the Company as of 30 June 2019, the Company has high deficit of THB 28,921.90 million, total liabilities of THB 18,832.94 million, while the operating cash flow is negative in the amount of THB -777.20 million which affects the financial liquidity and adequacy of cash flow used as the working capital of the Company. Also, the Company is not able to repay debt and there is not adequate source of fund for the repayment of large amount of outstanding trade debts in the past. (Please consider the summary of the separate financial statement of the Company as of 30 June 2019, which is the latest financial statement reviewed by the certified public accountant).

In conclusion, after the negotiation with creditors in debt to equity scheme, there are totally eight creditors who expressed their intentions to support the debt restructuring of the Company by converting debt to equity, i.e. creditor group 1 – creditors under the judgement, consisting of (1) M-Power, (2) D-Sinchai (3) Mrs. Vanida (4) Mrs. Benjamas, (5) New World Intermetal, (6) Mr. Tanuchai and (7) Superior; and creditor group 2 – commercial creditor comprising ACO I, the details of which are mentioned in *Clause 2 Sources of Debt* of this memorandum.

For the consideration of financial status of the Company, according to the interim financial statement as of 30 June 2019, the Company has deficit amounting THB 28,921.90 million, and total liability amounting THB 18,832.94 million.

1.2. Procedures of the Debt to Equity Conversion Scheme

The Company will allocate 22,078,584,468 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to the specific investors, including the creditors under the judgement and the commercial creditor under the memorandum of understanding as follows:

1.2.1 The Creditors under the Judgement

- (1) Allocate the newly issued ordinary shares of the Company in the amount of 4,571,096,822 shares, at the par value of THB 5 per share, to M-Power under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 868,508,396.18, to repay M-Power's principal debt in the amount of THB 868,508,396.18 under the Debt to Equity Conversion Scheme and after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, M-Power will become the shareholder of the Company, holding 15.80 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

Even though the consequence of the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is that M-Power will become a major shareholder of the Company, holding 15.80 percent of Company's total number of sold shares (after registering the paid-up capital of the Company), such the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is not considered a transaction with connected person under the Notifications on Connected Transactions since M-Power will not become a controlling person of the Company and does not have any relationship or connection with the Company as specified in the Notifications on Connected Transactions. For this Debt to Equity Conversion, M-Power has no intention in proposing any representative to be designated as committee or executive of the Company.

- (2) Allocate the newly issued ordinary shares of the Company in the amount of 566,056,684 shares, at the par value of THB 5 per share, to D-Sinchai under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 107,550,769.96, to repay D-Sinchai's principal debt in the amount of THB 107,550,769.96 under the Debt to Equity Conversion Scheme and after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, D-Sinchai will become a shareholder of the Company, holding 1.96 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme does not make D-Sinchai becomes the major shareholder or the controlling person of the Company, as well as D-Sinchai does not have any relationship or connection with the Company under the Notifications on Connected Transactions. Therefore, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to D-Sinchai is not a transaction with connected person pursuant to the Notifications on Connected Transactions. For this Debt to Equity Conversion, D-Sinchai has no intention in proposing any representative to be designated as committee or executive of the Company.

- (3) Allocate the newly issued ordinary shares of the Company in the amount of 52,631,578 shares, at the par value of THB 5 per share, to Mrs. Vanida under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 9,999,999.82, to repay Mrs. Vanida's Debt in the amount of THB 9,999,999.82 under the Debt to Equity Conversion Scheme and after this Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Mrs. Vanida will become the shareholder of the Company, holding 0.18 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme does not make Mrs. Vanida becomes the major shareholder or the controlling person of the Company, as well as Mrs. Vanida does not have any relationship or connection with the Company under the Notifications on Connected Transactions. Therefore, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to Mrs. Vanida is not a transaction with connected person pursuant to the Notifications on Connected Transactions. For this Debt to Equity Conversion, Mrs. Vanida has no intention in proposing any representative to be designated as committee or executive of the Company.

- (4) Allocate the newly issued ordinary shares of the Company in the amount of 78,947,368 shares, at the par value of THB 5 per share, to Mrs. Benjamas under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 14,999,999.92, to repay Mrs. Benjamas's principal debt in the amount of THB 14,999,999.92 under the Debt to Equity Conversion Scheme and after this Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Mrs. Benjamas will become a shareholder of the Company, holding 0.27 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme does not make Mrs. Benjamas becomes the major shareholder or the controlling person of the Company, as well as Mrs. Benjamas does not have any relationship or connection with the Company under the Notifications on Connected Transactions. Therefore, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to Mrs. Benjamas is not a transaction with connected person pursuant to the Notifications on Connected Transactions. For this Debt to Equity Conversion, Mrs. Benjamas has no intention in proposing any representative to be designated as committee or executive of the Company.

- (5) Allocate the newly issued ordinary shares of the Company in the amount of 567,312,699 shares, at the par value of THB 5 per share, to New World Intermetal under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 107,789,412.81, to repay New World Intermetal's Debt in the amount of THB 107,789,412.81 under the Debt to Equity Conversion Scheme and after this Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, New World Intermetal will become a shareholder of the Company, holding 1.96 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme does not make New World Intermetal becomes the major shareholder or the controlling person of the Company, as well as New World Intermetal does not have any relationship or connection with the Company under the Notifications on Connected Transactions. Therefore, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to New World Intermetal is not a transaction with connected person pursuant to the Notifications on Connected Transactions. For this Debt to Equity Conversion, New World Intermetal has no intention in proposing any representative to be designated as committee or executive of the Company.

- (6) Allocate the newly issued ordinary shares of the Company in the amount of 31,578,947 shares, at the par value of THB 5 per share, to Mr. Thanuchai under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 5,999,999.93, to repay Mr. Thanuchai's principal debt in the amount of THB 5,999,999.93 under the Debt to Equity Conversion Scheme and after this Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Mr. Thanuchai will become a shareholder of the Company, holding 0.11 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme does not make Mr. Thanuchai becomes the major shareholder or the controlling person of the Company, as well as Mr. Thanuchai does not have any relationship or connection with the Company under the Notifications on Connected Transactions. Therefore, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to Mr. Thanuchai is not a transaction with connected person pursuant to the Notifications on Connected Transactions. For this Debt to Equity Conversion, Mr. Thanuchai has no intention in proposing any representative to be designated as committee or executive of the Company.

- (7) Allocate the newly issued ordinary shares of the Company of 1,749,470,897 shares, at the par value of THB 5 per share, to Superior under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 332,399,470.43, to repay Superior's principal debt of THB 332,399,470.43. The total number of newly issued ordinary shares allocated to Superior under the Debt to Equity Conversion Scheme equal 6.05 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) and if such allocated newly issued ordinary shares are aggregated with the ordinary shares currently held by Khunying Patama Leeswadtrakul ("**Khunying Patama**")'s group of approximately 8.27 percent will result in, after the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, Khunying Patama's group will become the shareholder of the Company, holding 8.01 percent of Company's total number of sold shares (after registering the paid-up capital of the Company).

In addition, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to Superior is a transaction with a juristic person of which major shareholder is a director of the Company i.e. Khunying Patama who is the director of the Company, including persons who have relationship with her and close relatives are the major shareholders in Superior who is considered a connected person of the Company (as detailed in Clause 1.2.1 *The*

Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to Superior in the Information Memorandum on the Connected Transactions of G Steel Public Company Limited). Thus, it is considered a connected transaction under the Notifications on Connected Transactions of which the size exceeds THB 20 million. The Net Tangible Assets (“NTA”) of the Company is negative, according to the reviewed consolidated interim financial statement of the Company for 6 months ended as of 30 June 2019, which is the latest financial statement reviewed by the authorized auditor of the Company; thus, the NTA of the Company cannot be calculated.

The Company has not entered into any transaction with a person who has a relationship with Superior during 6 months prior to the entering into this transaction. Please consider the details of the connected transactions in the Information Memorandum on the Connected Transactions of G Steel Public Company Limited (**Enclosure 6**). For this Debt to Equity Conversion, Superior has no intention in proposing any representative to be designated as committee or executive of the Company.

1.2.2 Commercial Creditor under the Memorandum of Understanding

Allocate of 14,461,489,473 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to ACO I under the Debt to Equity Conversion Scheme. The Company will determine the debt to equity conversion price at the offering price of THB 0.19 per share, totalling THB 2,747,682,999.87, to repay the ACO I’s principal debt in the total amount of THB 2,747,682,999.87 and 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 the major shareholder of the Company, holding 49.99 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) and have the controlling power over the appointment or removal of at least half of all of the directors, whether directly or indirectly. As a consequence, the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is the entering into the transaction with the person who will have the controlling power over the Company which is considered a connected transaction of the listed company specified in the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 (2008) Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003) (as amended) (the “**Notifications on Connected Transactions**”), of which the size exceeds THB 20 million. As the Net Tangible Assets (“NTA”) of the Company, according to the calculation based on the reviewed interim consolidated financial statements of the Company ended as of 30 June 2019, which is the latest financial statement reviewed by the certified public accountant of the Company, is minus, the Company cannot calculate the size of the transaction based on the NTA of the Company.

In this regard, the Company has not entered into any transactions with a related person of ACO I during 6 months prior to the entering into this transaction. However, the Company has entered into the transactions with Link Capital I, SSG Capital Management (Mauritius) Limited (“**SSG Capital Management**”), which are the companies in the SSG Group, and Siam Power Generation Public Company Limited (“**SIPCO**”) as follows:

1. The Company entered into the credit agreement dated 2 April 2019 and its amendment dated 22 July 2019 with Link Capital I in the total amount of USD 84,100,000, consisting of the Facility A in the amount of USD 30,000,000, the Facility B in the amount of USD 40,000,000 and the Facility C in the amount of USD 14,100,000, of which details are summarized as follows:

Parties	G Steel Public Company Limited or the Company as the “ Borrower ”, and Link Capital I (Mauritius) Limited, or Link Capital I as the “ Lender ”
Facilities	<p>The Lender had made available to the Borrower credit facilities in an aggregate amount equal to USD 84,100,000 comprising:</p> <ol style="list-style-type: none"> 1. Under the Credit Agreement dated 2 April 2019, the facilities comprise: <ul style="list-style-type: none"> • Term loan facilities - Facility A of USD 30,000,000; and • Standby Letters of Credit (“SBLC”) - Facility B of USD 40,000,000. 2. Under the Amendment of Credit Agreement dated 22 July 2019, the facility comprises: <ul style="list-style-type: none"> • Facility C of USD 14,100,000.
Purpose of the Facilities	<p>The primary purpose of the facilities under the Credit Agreement is for the Company to use as working capital of the Company. The use of Facility A, Facility B and Facility C, are as follows:</p> <ul style="list-style-type: none"> • The Borrower must apply all amounts borrowed by it under Facility A and Facility C towards the following: <ul style="list-style-type: none"> - the payment of Operating Costs to the extent approved by the Lender in writing; and - the payment or reimbursement of the fees, costs, and expenses incurred by the Lender in connection with granting of the facilities under the Credit Agreement.⁵ • The SBLC’s under Facility B are to be used as follows: <ul style="list-style-type: none"> - for securing the payment for raw materials to suppliers; and - to provide collateral to any bank or financial institution issuing or providing any bank guarantee or letter of credit to secure the obligations of the Borrower to any person providing water, gas, electricity or other utilities to the Borrower.
Interest	The Borrower shall pay interest on amounts borrowed under Facility A and C at the rate of 12 percent per annum.
Fees	<ul style="list-style-type: none"> • The Borrower shall pay to the Lender a front-end fee of 3 percent of the Facility A Commitment on the first utilisation of Facility A. • The Borrower shall pay to the Lender a front-end fee of 3 percent of the Facility C Commitment on the first utilisation of Facility C. • The Borrower shall pay the following fees with respect to Facility B:

⁵ Fees, costs and expenses which are incurred by the Lender in connection with the appraisals, due diligence on the Company and negotiating and entering into the Credit Agreement.

	<ul style="list-style-type: none"> - a commitment fee of 3 percent per annum on the undrawn Available Commitment under Facility B payable quarterly in arrears; and - a utilisation fee of 8 percent per annum on the aggregate undrawn face amount of all outstanding Standby Letters of Credit procured by the Lender at the request of the Borrower in accordance with the Credit Agreement. • Currently, the Company has withdrawn money under the Facility B in the amount of USD 39,891,649.75, and returned USD 9,094,566.47. As such, the Facility B has been withdrawn in the amount of USD 30,797,093.
<p>Withdrawal of Facilities</p>	<ul style="list-style-type: none"> • Facility A has been fully withdrawn in the amount of USD 30,000,000; • Facility B is a rollover facility within the amount of USD 40,000,000. The Company has withdrawn the Facility B for 6 times with the total amount of USD 39,891,649.75, and repaid in the amount of USD 9,094,566.47. As such, the Facility B has been withdrawn in the amount of USD 30,797,093; and • Facility C has been fully withdrawn in the amount of USD 14,100,000.
<p>Key Initial Conditions Precedent to the First Utilisation of the Facilities</p>	<p>The Lender has notified the Borrower that (a) the Lender has received (or waived receipt of) all of the documents and other evidence as specified in the Credit Agreement and (b) the conditions precedent as specified in the Credit Agreement have been fulfilled to the Lender’s satisfaction. In such case, it will be deemed that the initial conditions precedent to the first utilisation of the Facilities have been completed.</p> <p>The Borrower already utilised the first utilisation of Facility A, Facility B and Facility C on 17 April 2019, 18 April 2019 and 23 July 2019, respectively.</p>
<p>Key Conditions Precedent to the Subsequent Utilisations of Facility A and Facility B</p>	<ul style="list-style-type: none"> • Initial conditions precedent to the first utilisation of the Facilities have been fulfilled; • Each pledge of listed shares as required under the Credit Agreement had been registered with the Thai Securities and Depository Co., Ltd.; • The Borrower has delivered debt restructuring agreements with each creditor specified in the Credit Agreement to the Lender; • An original acknowledgment of the notice of assignment required by the Assignment of Insurance issued by the insurer and the insurance policy endorsement in the form acceptable to the Lender as required by the Assignment of Insurances have been obtained by the Company and delivered to the Lender; • The Borrower has delivered the subsequent land and building mortgage as specified under the Credit Agreement to the Lender; • The Borrower has provided to the Lender any documents or other evidence contemplated in the Credit Agreement for Conditions Precedent to Utilisation of the Facilities which the Lender may, in its absolute discretion, also require.

<p>General Undertakings and Events of Default</p>	<p>General Undertaking</p> <ul style="list-style-type: none"> • The Borrower must maintain, and comply with, each Business Advisory Agreement or similar arrangement approved by the Lender, and entered into with Synergy Strategic Solutions Management DMCC or SSG Capital Management (Mauritius) Limited on terms satisfactory to the Lender. <p>This obligation of the Company shall no longer be applicable following any assignment or transfer by the Lender to a new lender if the new lender is not an affiliate of the Lender.</p> <ul style="list-style-type: none"> • The Borrower's incompliance with such Business Advisory Agreement shall constitute the Borrower's breach of the Credit Agreement; unless the non-compliance is capable of remedy and is remedied within 15 days of the earlier of (i) Lender giving notice to the Borrower of the failure; or the Borrower becoming aware of the failure; unless the non-compliance is capable of remedy and is remedied within 15 days of the earlier of (i) Lender giving notice to the Borrower of the failure; or the Borrower becoming aware of the failure. • By 31 December 2019, the Borrower must have and maintain a Debt to Equity of no greater than 4.5 to 1. In addition, by 30 June 202 and thereafter, the Borrower must have and maintain a Debt to Equity of no greater than 4.0 to 1; unless the non-compliance is capable of remedy and is remedied within 15 days of the earlier of (i) Lender giving notice to the Borrower of the failure; or the Borrower becoming aware of the failure. <p>Event of Default</p> <ul style="list-style-type: none"> • The failure to complete the rights offering within 2 years of the first Utilisation of the Facilities shall constitute the Borrower's breach of the Credit Agreement
<p>Repayment</p>	<ul style="list-style-type: none"> • The Borrower shall repay the loans made under Facility A by the following instalments: <ul style="list-style-type: none"> - 30 percent of the aggregate principal amount of the Loans then outstanding under Facility A on the fourth anniversary of the Agreement Date (2 April 2019); and - All remaining principal amount of the Loans then outstanding under Facility A on the Final Maturity Date (2 April 2024). • The Borrower shall return and cancel each standby letter of credit on or before the date being 7 days after the maturity date in the standby letter of credit and in any event prior to the Final Maturity Date (2 April 2024). • The Borrower shall repay the loans made under Facility C (and any accrued but unpaid interest thereon and any other outstanding amount in respect thereof) on or before 9 months from the amendment date of the Credit Agreement (22 July 2019) • The Credit Agreement does not provide for extension of repayment period by the parties. If the Borrower fails to pay any amount within the repayment period as set out above, the Borrower will be default on payment and subject to default interest of 3 percent per annum. The Lender may then declare that all or part of the facilities, together with

	accrued interest, be immediately due and payable or be payable on demand of the Lender and may exercise right to enforce the security.
Securities	<p>There are following securities under this Credit Agreement:</p> <ul style="list-style-type: none"> • 10 Lands and Building Mortgage; • 79 Machineries Mortgage; • Pledge of shares in GJ Steel Public Company Limited of Superior amounting 255,776,000 shares and of Khunying Patama amounting 273,095,200 shares; • Assignment of Insurance; and • Assignment of rights of Superior against the Borrower to Link Capital I, including rights in the Superior Overseas Judgement claim. <p>In this regard, Superior and Khunying Patama have not received any benefits from the pledging of shares from the Company.</p>

For the receipt of the assistance as collateral under the Credit Agreement above. As stated in the effort on the debt and equity restructuring of the Company in clause 1.1 Policy of the Debt to Equity Conversion Scheme in this Information Memorandum.

During the period that the Company entered into this Credit Agreement, the Company needed to cease the production of all products temporarily and the Company severely lacks the working capital as a result. Therefore, it is essential for the Company to obtain the loan facility according to the credit agreement for the survival of the Company. Since the credit facility according to the credit agreement is in a very high amount of USD 84,100,000, the assets that the Company has the ownership over and may be placed as collateral thus may not be sufficient or cover the facility amount (since the value of the security may considerably decrease in the mortgage execution and public auction). Therefore, the Company needed to ask for the assistance in a form of additional security from Superior and Khunying Patama without the compensation. Provided that the Company is able to completely repay the facility according to the Credit Agreement above, the Company expects that the Company no longer needs to ask for the assistance or financial support from Superior and Khunying Patama whether with or without compensation.

Moreover, when the Debt to Equity Conversion Scheme is complete, the Company will have the outstanding debts to Superior as the principal as per the court decision in the amount of THB 59,145,030.02 and the damages including the fees in total amount of THB 145,885,696.50. The Company is required to complete the amortisation of all debts within 9 years from the date that Superior receives the offering of newly issued ordinary shares (Please consider the details in clause 2.1 Judgement Creditors in this Information Memorandum). Aside from the debts to be repaid above, the Company has no other outstanding debts to Superior and it is expected that the Company will not further be indebted to Superior.

For the plan to utilise the proceeds from capital increase for the allocation of shares to existing shareholders in proportion to their shareholding (Right Offering: RO) according to the Credit Agreement Above, please consider the plan for the repayment of outstanding debts of the creditors who do not participate in the Debt to Equity Conversion Scheme in clause 2.4 Total Budgets Expected to be Used in the Early Stage and Total Budgets Expected to be Used for the Scheme to be able to Generate Revenue to the Company in the Information

Memorandum regarding the Offering of Newly Issued Ordinary Shares of G Steel Public Company Limited to Specific Investors (Private Placement) (**Enclosure 7**).

For the plan for the repayment according to the Credit Agreement above, the Company will repay the facility according to the period specified in the agreement by materially taking into account the effect from business operation and working capital. In this regard, it does not deprive the right of the Company to consider negotiating with Link Capital I or other investors or financial institutions in order to enter into new credit agreement with better conditions such as extension of repayment period or lending money for repaying current facility by that the expense incurred from the new facility regarding the interest is lower. The details of the plan for the repayment of outstanding debts to the creditors who do not participate in the Debt to Equity Conversion Scheme can be found in the Plan for the Repayment of Outstanding Debts to the Creditors who Do Not Participate in the Debt to Equity Conversion Scheme in clause 2.4 Total Budgets Expected to be Used in the Early Stage and Total Budgets Expected to be Used for the Scheme to be able to Generate Revenue to the Company in the Information Memorandum regarding the Offering of Newly Issued Ordinary Shares of G Steel Public Company Limited to Specific Investors (Private Placement) (**Enclosure 7**).

2. The Company entered into the Financial Advisory Services Agreement with SSG Capital dated 3 April 2019 in order to hire SSG Capital Management to provide advices and examine the financial management policy for the Company so as to improve the potential of the Company and for the Company to have highest financial performance (in compliance with the general undertakings of the credit agreement with Link Capital I). SSG Capital Management will receive the service fees from the Company in the total amount of 1.5 percent of the revenue from monthly sale volumes of the HRC of the Company. As of 23 August 2019, the Company paid such service fees to SSG Capital for 3 months, starting from May 2019 in the amount of THB 9,899,660.73, June 2019 in the amount of THB 9,060,719.91, and July 2019 in the amount of THB 10,511,093.72, totaling the amount paid to SSG Capital of THB 29,471,474.36. The details of which are summarized as follows:

Parties	G Steel Public Company Limited or the Company and SSG Capital Management (Mauritius) Limited, or the Advisor
Commencement Date	3 April 2019
Services	The Advisor shall provide the financial advisory services to the Company, including but not limited to: <ul style="list-style-type: none"> • Deal with and advise on any major issues or crises that may arise concerning the management and financial performance of the Company; • Recommend any steps needed to be taken by the Company to rectify any instances of cash or credit liquidity shortfall; • Provide financial management and advisory services by reviewing and advising on financial performance and management policy, business and prospects of the Company, credit and borrowing practices, and the Company's financial liquidity and evaluation options to improve such

	<p>liquidity, among others;</p> <ul style="list-style-type: none"> • Provide advice on the financing and working capital arrangements and relevant policy; • Evaluate business and debt restructuring by reviewing and advising on long-term business plan of the Company, the possible sale or disposition of the Company's assets, and assist in arranging any refinancing, among others; and • Perform all other advisory services as the Parties may agree as long as the services requested are within the capability of the Advisor. <p>In performing the Services, the Advisor shall use reasonable commercial efforts not to obstruct or cause any damage to the Company's operation unless such actions or abstention are necessary for the overall benefits of the Company on justifiable grounds</p>
Recurring Fee	<p>1.5 percent of the Operating Revenue, payable within fifteen (15) days of the end of that calendar month for each of the calendar month beginning from the Commencement Date up to the Expiry Date</p> <ul style="list-style-type: none"> • Operating Revenue is defined as all gross proceeds from the sales of HRC steel net of only value added tax payable
Expiry Date	<p>The Financial Advisory Services Agreement shall expire on the earlier of:</p> <ul style="list-style-type: none"> • The fifth anniversary of the Commencement Date; or • Completion of the Services, in accordance with the terms of the Agreement.

3. The Company entered into the Power Service Providing Agreement with SIPCO dated 16 July 2015 (which is used to replace the agreement dated 19 August 2008) and its amendment dated 16 September 2016 with the summary of material information as follows:

Contracting parties	G Steel Public Company Limited (the " Company ") as a Purchaser Siam Power Generation Public Company Limited as a Seller
Contract Start Date	16 July 2015
Term of Contract	<p>The Power Service Providing Agreement will be terminated when one of the following situations occurs (depending on whichever occurs first)</p> <ul style="list-style-type: none"> • 29 December 2035; or • Termination of agreement agreed upon between both of the Contracting parties; or • Exercising of right to terminate the agreement by each of the Contracting parties
Quantity of electricity	<ul style="list-style-type: none"> • 30 million watts at 230 kilovolt
Service fees	<ul style="list-style-type: none"> • Electricity charges are in the same rate as the Provincial Electricity Authority

	<ul style="list-style-type: none"> • The Purchaser agreed to be bound in the buying of the electricity in the minimum quantity of 210,240,000 kWh per year. In case where the buying quantity does not reach the minimum quantity, the Company agrees to pay minimum fee calculated based on electricity charges rate * (minimum electricity quantity per year – actual electricity quantity used in such year) “Take or Pay Agreement”). • Take or Pay Agreement is exempted until 31 December 2016. This exemption will be extended automatically 3 month per time, up to the maximum of 3 times with the condition that the Company shall make a repayment within the time specified.
Collateral	<ul style="list-style-type: none"> • The Company is required to provide collateral for the fee payment in the amount of THB 60 million. • The providing of collateral is exempted until 31 December 2016. This exemption will be extended automatically 3 month per time, up to the maximum of 3 times with the condition that the Company shall make a repayment within the time specified. <p>Remark: The Company is currently negotiating to expand the period of providing collateral with SIPCO, as well as searching for collateral from financial institution. The Company expected to be able to provide collateral amounting THB 60 million in bank guarantee form, and expected to take concrete measure after the completion of the debt to equity conversion.</p>

KG holds 100 percent shares in Link Capital I and SSG Capital Holding Limited holds 100 percent shares in SSG Capital Management, of the entire voting rights of Link Capital I and SSG Capital Management, respectively. (Please see the details of which in Clause 1.2.1) *The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to ACO I* in the Information Memorandum on the Connected Transactions of G Steel Public Company Limited). In this regard, Link Capital I, SSG Capital Management and SIPCO are not the connected persons of the Company pursuant to the Notifications on Connected Transactions on the date that the board of directors of the Company resolved to propose the agenda item to the Extraordinary General Meeting of Shareholders no. 2/2019 for an approval on the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme in any aspect.

After the registration of the Company’s paid-up capital, ACO I will be entitled to nominate 6 persons to be appointed as the directors of the Company to replace the existing directors, consisting of 2 representatives from ACO I, 2 persons who are experts in steel industry and 2 members of the Audit Committee, who are legally qualified to take part in the management and administration of the Company. Therefore, it is an investment which desires to hold the shares of the Company for a long run, rather than to speculate the profits in a short period.

Before the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, ACO I was not the connected person of the Company pursuant to the Notifications on Connected Transactions (information as of 23 August 2019). Nevertheless, ACO I will become the connected person of the Company as a result of the Allocation and Offering of the

Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme as per the reasons stipulated above.

Please consider the details of the connected transactions in the Information Memorandum on the Connected Transactions of G Steel Public Company Limited. **(Enclosure 6)**

The conditions entering into transactions of creditors according to Debt to Equity Conversion are as appeared in *Clause 1.1 Necessity and Characteristic of the Transaction* of the Information Memorandum on the Offering of the Newly Issued Ordinary Shares of G Steel Public Company Limited to Specific Investors (Private Placement) **(Enclosure 7)**.

To comply with the conditions prescribed in the Debt to Equity Conversion Scheme, ACO I will be entitled to nominate 6 persons to be appointed as the directors of the Company to replace the existing directors, consisting of 4 directors and 2 members of the Audit Committee to take part in the management and administration of the Company. Therefore, it is an investment which desires to hold the shares of the Company for a long run, rather than to speculate the profits in a short period. The details are as follows:

Name of person nominated to be director	Position for nomination	Source	Director/ executives position taken in other listed companies
1. Mr. Andreas Rizal Vourloumis	Director	<ul style="list-style-type: none"> • Representative from ACO I • Founder and existing Partner of SSG Capital Management (Hong Kong) Limited 	Director of G J Steel Public Company Limited
2. Mr. Sharad Bajpai	Director	<ul style="list-style-type: none"> • Representative from ACO I • Existing Managing Director and Head of Asset Management of SSG Capital Management (Hongkong) Limited 	None
3. Mr. Sudhir Maheshwari	Director	<ul style="list-style-type: none"> • Third party who is an expert in steel industry • Founder and existing Managing Partner in Synergy Capital 	Director of G J Steel Public Company Limited
4. Mr. Amrendra Prasad Choudhary	Director	<ul style="list-style-type: none"> • Third party who is an expert in steel industry • Existing Advisory Board Member in Synergy Capital 	Chief Executive Officer of G J Steel Public Company Limited
5. Mr. Panai Awasonn	Independent director/ member of Audit Committee	<ul style="list-style-type: none"> • member of Audit Committee having qualifications as stipulated by law • Existing Executive Director, Credit Structuring and Distribution Group of Standard Chartered Bank, Singapore 	None

Details of which can be found on the Information of Persons Nominated for Appointment of Directors, Replacing the Directors Retired by Rotation and Persons Nominated to be New Directors (**Enclosure 12**).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme will make ACO I become the Company's major shareholder with a shareholding of 49.99 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company). Therefore, ACO I will be required to make a tender offer for the securities of the Company as ACO I will hold the ordinary shares in the number that reaches or exceeds the trigger point to make a tender offer for the securities as specified in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) ("**Notification No. TorChor. 12/2554**"). Nonetheless, ACO I has no obligation to purchase the newly issues ordinary shares of the G Steel Public Company Limited No. 3/2012 ("**GSTEEL-W3**"), as the exercise price for the GSTEEL-W3 warrants is equal or higher than the offering price for the same ordinary shares of the Company which will be obtained from the exercise of such right (the exercise price of GSTEEL-W3 exercise price is THB 2.15). Furthermore, ACO I has never acquired and will not acquire GSTEEL-W3 with the consideration during the period of 90 days prior to the date on which the tender offer is submitted to the Office of the Securities and Exchange Commission (the "**SEC**") as specified in Clause 7 of Notification No. TorJor. 12/2554.

However, ACO I does not wish to make a tender offer for all securities of the Company and intends to apply for a waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting of the Company (Whitewash). Therefore, if ACO I receives the waiver from the requirement to make a tender offer for all securities of the Company from the SEC and the Shareholders' Meeting passes a resolution to approve the waiver of ACO I from the requirement to make a tender offer for all securities of the Company and complies with any other related procedures pursuant to the Notification of the Office of the Securities and Exchange Commission No. SorKor. 29/2561 Re: Rules for the Application for Waiver from the Requirement to Make Tender Offer for All Securities of the Business by Virtue of the Shareholders' Meeting, ACO I will receive the waiver from the requirement to make a tender offer for all securities of the Company (Whitewash).

Please consider the details of the connected transactions in the Information Memorandum on the Connected Transactions of G Steel Public Company Limited. (**Enclosure 6**)

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is offering of the newly issued ordinary shares to specific investors (Private Placement) as specified in Part 2 Chapter 2 of the Notification of the Capital Market Supervisory Board No. TorChor. 72/2558 Re: Permission for Listed Companies to Offer Newly Issued Ordinary Shares to Specific Investors (as amended) (the "**TorChor. 72/2558 Notification**") which is the share offering that the offering price is clearly determined by the shareholders' resolution by using the market price as the offering price.

Since the SET marks the NC (Non-Compliance) sign on the securities of the Company, which means that the securities of a listed company face possible delisting or are temporarily not allowed to be traded. The SET temporarily allowed the trading of the Company's shares from 1-31 July 2019. However, the board of directors' meeting of the Company will be held on 8 August 2019 thus, the market price is not able to be calculated from the weighted average price of the Company's ordinary shares traded on the SET from seven to fifteen consecutive working days prior to the date on which the board of directors of the Company resolves to propose the agenda item to the Extraordinary General Meeting of Shareholders no. 2/2019 for an approval on the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme. Therefore, the Company determines the market price by applying the fair value determination method by Baker Tilly Corporate Advisory Services (Thailand) Limited, which is the financial advisor in the list of financial advisors approved by the Office of Securities and Exchange Commission (the "**Financial Advisor**") pursuant to TorChor. 72/2558 Notification. In this regard, the Financial Advisor has determined the fair value of the Company's shares as of 8 August 2019 which is equal to THB 0.07 (the "**Fair Value**"). (Please consider the assumption and calculation of the fair value of the ordinary shares of the Company (**Enclosure 5**)).

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme to M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior, and ACO I at the offering price of THB 0.19 per share is the offering of the newly issued ordinary shares at the price higher than the Fair Value of approximately 171 percent, thus it does not fall under the offering of the newly issued shares at the price with discount pursuant to TorJor. 72/2558 Notification, associated with the Notification of the Office of the Securities and Exchange Commission No. SorChor. 39/2551 Re: Calculation of Offering Price of Securities and Determination of Market Price for Considering the Offering of Newly Issued Shares with Discount.

The Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme in this case is required to obtain the approval from the shareholders' meeting with the vote of not less than three-fourths of the total votes of the shareholders attending the meeting and entitled to vote, excluding the vote of shareholders having vested interest. Moreover, after receiving the approval from the Extraordinary General Meeting of Shareholders no. 2/2019 for the Allocation and Offering of the Newly Issued Ordinary Shares of the Company to M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior, and ACO I. the Company is also required to obtain the approval from the Office of Securities and Exchange Commission (the "**SEC**") pursuant to TorJor. 72/2558 Notification before offering the newly issued ordinary shares to M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior, and ACO I.

Such offering price is the price lower than the par value of the Company's registered ordinary shares which the Company is required to comply with the conditions and receive an approval from the shareholders' meeting as specified in Section 52 of

Public Company Limited Act B.E. 2535 (as amended). The Company is able to offer the newly issued ordinary shares at the price lower than the par value of the Company's registered ordinary shares since the Company has an operation loss and deficit shown on the Company's separate financial statements and consolidated financial statements as of 30 June 2019 which is the latest financial statement reviewed by the certified public accountant.

In the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, there is no relationship or action between M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I, which can be considered an Acting in Concert according to the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behaviour and requirements under Sections 246 and 247 (as amended). The allocation and offering of the newly issued shares under the Debt to Equity Conversion Scheme will not cause M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, and Superior to hold the shares of the Company in the amount equal to or exceed the trigger point (Tender Offer) according to the Notification No. TorChor. 12/2554. Furthermore, M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I do not have any relationship or connection with each other pursuant to the Notifications on Connected Transactions. In addition, pursuant to Article 8 of the Articles of Association of the Company specifying that "Shares of the Company can be transferred without any restriction", the increase of foreign shareholding proportion as M-Power and ACO I will become the shareholders of the Company which make the Company has the foreign shareholding ratio at 67.19 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) is thus neither contradictory to nor inconsistent with the Articles of Association of the Company and shareholding requirement under the Investment Promotion Certificate No. 1047/2539 dated 26 January 1996, No. 1579(2)/2548 dated 29 June 2005 and No. 1829(2)/2549 dated 29 August 2006, and their amendment which was approved by the Board of Investment according to the letter of the Board of Investment No. AorGor 0906/008025, dated 7 September 2011.

The Structure of the Shareholders Before and After the Allocation and Offering of the Newly Issued Ordinary Shares with Specific Objective to the Specific Investors (Private Placement) under the Debt to Equity Conversion Scheme.

Name of the Shareholders	Before the Allocation of Shares *(Information as of 23 Aug 2019 Calculated based on the Paid-up Capital)		After the Allocation of Shares (Estimated Information on the Date of Registering the Paid-up Capital for the Specific Investors under the Debt to Equity Conversion Scheme)	
	Number of Shares	Shareholding Proportion (percent)	Number of Shares	Shareholding Proportion (percent)
1. Mr. Niram Ngarmchamnunridh	444,682,520	6.49	444,682,520	1.54
2. Mr. Taveechat Jurangkool	432,208,900	6.31	432,208,900	1.49

Shareholding Name of the Shareholders	Before the Allocation of Shares *(Information as of 23 Aug 2019 Calculated based on the Paid-up Capital)		After the Allocation of Shares (Estimated Information on the Date of Registering the Paid-up Capital for the Specific Investors under the Debt to Equity Conversion Scheme)	
	Number of Shares	Shareholding Proportion (percent)	Number of Shares	Shareholding Proportion (percent)
3. Mr. Nattapol Jurangkool	402,878,400	5.88	402,878,400	1.39
4. Mr. Kritsanant Kewalee	276,463,000	4.04	276,463,000	0.96
5. Superior Oversea (Thailand) Company Limited	275,776,000	4.03	2,025,246,897	7.00
6. Khunying Patama Leeswadtrakul	273,095,200	3.99	273,095,200	0.94
7. UOB KAY HIAN PRIVATE LIMITED	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. Chaloechai Mahakijisiri	146,467,412	2.14	146,467,412	0.51
10. Miss Amporn Sriphotong	129,305,800	1.89	129,305,800	0.45
11. M-Power TT Limited	0	0.00	4,571,096,822	15.80
12. D-Sinchai Steel Company Limited	0	0.00	566,056,684	1.96
13. Mrs. Vanida Yomjinda	0	0.00	52,631,578	0.18
14. Mrs. Benjamas Phitaktham	0	0.00	78,947,368	0.27
15. New World Intermetal Company Limited	0	0.00	567,312,699	1.96
16. Mr. Thanuchai Vesarutchanon	0	0.00	31,578,947	0.11
17. Asia Credit Opportunities I (Mauritius) Limited	0	0.00	14,461,489,473	49.99

1.3. Reasons, advantages, disadvantages and benefits which will gain from an implementation of the Debt to Equity Conversion Scheme

➤ Reasons, advantages and benefits which will gain from an implementation of the Debt to Equity Conversion Scheme

- The Company is able to clear the principal debt in the amount of THB 4,194,931,049.56 and the outstanding interest released as per the acquittance calculated until 30 June 2019 in the total amount of THB 4,372,318,556.93, totaling the principal and interest which will be cleared, calculated until 30 June 2019 of THB 8,567,249,606.49 as detailed in the table below:

No.	Creditors	Principal converted to Equity (THB)	Principal Released as per the Acquittance (THB)	Total Principal converted to Equity and released as per the Acquittance (THB)	Outstanding Interest Released as per the Acquittance, calculated as of 30 June 2019 (THB)	Number of Ordinary Shares Allocated as a Repayment of Principal (Shares)
1	M-Power	868,508,396.18	0.12	868,508,396.30	326,725,720.19	4,571,096,822
2	D-Sinchai	107,550,769.96	0.02	107,550,769.98	-	566,056,684
3	Mrs. Vanida	9,999,999.82	0.18	10,000,000.00	3,570,411.01	52,631,578
4	Mrs. Benjamas	14,999,999.92	0.08	15,000,000.00	18,554,794.59	78,947,368
5	New World Intermetal	107,789,412.81	0.17	107,789,412.98	-	567,312,699
6	Mr. Thanuchai	5,999,999.93	0.07	6,000,000.00	2,065,534.08	31,578,947
7	Superior	332,399,470.43	-	332,399,470.43	289,461,142.25	1,749,470,897
8	ACO I	2,747,682,999.87	-	2,747,682,999.87	3,731,940,954.81	14,461,489,473
Total		4,194,931,048.92	0.64	4,194,931,049.56	4,372,318,556.93	22,078,584,468

- Aside from the forgiveness of principal and interests specified above, since the Company is responsible for withholding tax for the interests which shall be paid to ACO I as per the agreement between the Company and the existing foreign trade creditors in case where the Company is required to pay such interests to ACO I, Mrs. Vanida and Mr. Thanuchai, the acquittance of such interests above thus discharges the Company from the burden to pay withholding tax calculated as of 30 June 2019 in the total amount of THB 659,572,394.10. The total liabilities which will be cleared under the Debt to Equity Conversion Scheme calculated as of 30 June 2019 are equivalent to THB 9,226,822,000.59.
- On 30 June 2019, the Company was indebted in the total number of THB 18,832,937,418.26, comparing to the debt to be converted to equity in the amount of THB 4,194,931,048.92, or equivalent to 22.27 percent of total debt, the fraction of shares in the amount of THB 0.64 which was released, the outstanding interest released which is calculated up to 30 June 2019 in the amount of THB 4,194,931,048.92, or equivalent to 23.22 percent of total debts and withholding tax calculated up to 30 June 2019 which is no longer borne in the amount of THB

659,572,394.10, or equivalent to 3.50 percent of total debt, totaling THB 9,226,822,000.59, or equivalent to 48.99 percent of total debt. The amount of remaining debt which is not converted to equity is THB 9,606,115,417.67. Details of which are in the below table:

No.	Name of creditor	Total principal converted to equity and released (THB)	Percent of total debts as of 30 June 2019 according to separated financial statements	Outstanding interest released, calculated up to 30 June 2019 (THB)	Percent of total debts as of 30 June 2019 according to separated financial statements	Outstanding withholding tax released as of interest relief (THB)	Percent of total debts as of 30 June 2019 according to separated financial statements	Total debts converted (THB)	Percent of total debts as of 30 June 2019 according to separated financial statements
1	M-Power	868,508,396.30	4.61%	326,725,720.19	1.73%	0.00	0.00%	1,195,234,116.55	6.35%
2	D-Sinchai	107,550,769.98	0.57%	-	0.00%	0.00	0.00%	107,550,769.99	0.57%
3	Mrs. Vanida	10,000,000.00	0.05%	3,570,411.01	0.02%	630,072.53	0.00%	14,200,483.54	0.08%
4	Mrs. Benjamas	15,000,000.00	0.08%	18,554,794.59	0.10%	0.00	0.00%	33,554,794.59	0.18%
5	New World Intermetal	107,789,412.98	0.57%	-	0.00%	0.00	0.00%	107,789,412.99	0.57%
6	Mr. Thanuchai	6,000,000.00	0.03%	2,065,534.08	0.01%	364,506.02	0.00%	8,430,040.10	0.04%
7	Superior	332,399,470.43	1.76%	289,461,142.25	1.54%	0.00	0.00%	621,860,612.71	3.30%
8	ACO I	2,747,682,999.87	14.59%	3,731,940,954.81	19.82%	658,577,815.55	3.50%	7,138,201,770.58	37.90%
	Total debt	4,194,931,049.56	22.27%	4,372,318,556.93	23.22%	659,572,394.10	3.50%	9,226,822,001.05	48.99%

- The Company is able to adjust debt structure and financial structure by reducing debts THB 9,226,822,000.59, or equivalent to 48.99 percent of total debts as of 30 June 2019. The Company can use cash flow to fully operate business since the Company does not bear debt and interest. Without debt to equity conversion, the Company speculates that the Company shall pay principal of debts in installments under the Debt to Equity Conversion Scheme up to THB 41,011,141 per month, for the longest period of 9 years, meanwhile the Company could further spend this amount of money to improve, extend and develop business in order to sustainably generate profit and stability for the shareholders. In addition, when debt to equity ratio of the Company changes to be in the level that the Company can manage, the Company will have liquidity to manage the work, increase the capability and potential for the Company to seek for new sources of fund and negotiate with the existing creditors or other investors or financial institutions in order to enter into new facility agreement with the better conditions. Moreover, the Company can save time and human resources, staffs, executives and directors, from managing the matter on debt which could spend time and human resources focusing on improve, extend and develop business instead.
- The SSG Group has suggested the Company to employ Synergy Strategic Solutions Management DMCC (“**Synergy**”). The Company entered into the Business Advisory and Review Agreement with Synergy, on 12 May 2017, and the Amendment and Restatement Agreement, on 17 June 2019, having the purpose to employ Synergy to be a service provider to advise the Company on planning for operating and managing business and finance of the Company, since Synergy has a work team that has an expertise and experience on the international steel industry. In other words, the work team is an expert in steel industry having experience on managing the work and business turnaround of the leading steel company worldwide. One of Synergy’s work team, Mr. Sudhir Maheshwari who ACO I nominated for the appointment of directors of the company, is experienced and specialized in the international steel industry,

having working experience for 27 years with ArcelorMittal, the biggest company operating steel manufacturing business in the world. He had taken various position in ArcelorMittal, such as Group Management Board Alternate Chairman of the Corporate Finance & Tax Committee and Chairman of the Risk Management Committee. As such, Synergy's work team will assist in an increase in efficiency on manufacturing process and internal management system which will cause the Company to reduce cost of manufacturing per unit and be able to effectively manage and administer inventories, including negotiate other commercial contracts in order to increase competition capability of products and to complete and make clear on business plan. After having become a shareholder of the Company, ACO I will closely examine on the performance of Synergy in order to make sure that business development Plan for the Company progresses in accordance with the plan. If ACO I, in the future, opines that Synergy cannot operate the work to progress in accordance with the business development plan expected by the Company, ACO I may propose to the Company to amend the employment conditions or terminate the employment contract with Synergy.

In this regard, since 12 May 2017, the Company have not repay Synergy any consideration under the Business Advisory and Review Agreement (as amended thereof).

- Details of the supporting plan on the development of manufacturing efficiency and business operation and the supporting plan on the preparation of financial advices and financial support can be found in the details related to the Application for a Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting (Whitewash) (**Enclosure 9**) and Clause 9 *Action plan after the acquisition of securities* in Clause 1. of Notice to Request for the Resolution of the Shareholders' Meeting for an Approval on the Acquisition of New Securities Without Making a Tender Offer for All Securities of the Business (247-7 Form) (**Enclosure 10**).
- ACO I will support the management and administration of the Company. At present, the work team from Synergy provides advices for the executives of the Company and takes essential position in the Company as follows:
 - 1) Mr. Amrendra Prasad Choudhary, Chief Executive Officer of the Company (currently being Chief Executive Officer of G J Steel Public Company Limited) is an expert, on both operation and management, in steel industry for more than 38 years, including being a former Executive Director of Steel Authority of India Limited (SAIL);
 - 2) Mr. Rajeev Jhavar – Chief Financial Officer (as well as being Chief Financial Officer of G J Steel Public Company Limited), an experienced professional with 14 years of Finance and Commercial experiences. His core competencies include Strategy Formulation and Implementation, Fund Raising, Project Financing, Debt Restructuring, Investor Relation, M&A, Risk Management, among others;
 - 3) Mr. Sunil Kumar - Chief Marketing Officer (as well as being Chief Marketing Officer of G J Steel Public Company Limited), an experienced senior Sales and Marketing professional with proven expertise over 30 years in Sales, Marketing, Distribution & Supply Chain Management, and Business & Product Development. He was also a Chief Marketing Officer and Regional Head of different units at ArcelorMittal. His past experiences also include working for top tier companies such as Tata Motors and Essar Steel;

- 4) Mr. Ashis Kumar Mahapatro - Senior General Manager, Procurement, an experienced professional with over 18 years of experience in sourcing and procurement and was a Country Manager at Danieli (Indonesia).

Approach of Synergy is aimed to improve the management and administration, increase an efficiency on manufacturing process and internal management system of the Company, which will cause the Company to reduce cost of manufacturing per unit and be able to effectively manage and administer inventories, including negotiating other commercial contracts in order to increase the interest and profit in the Company's products. Moreover, to be in compliance with the conditions specified in the Debt to Equity Conversion Scheme of ACO I, ACO I will be entitled to nominate 6 persons to be appointed as the directors of the Company, consisting of 2 representatives from ACO I, 2 persons who are experts in steel industry and 2 members of the Audit Committee, who are legally qualified to take part in the management and administration of the Company. According to the management plan of the Company, the SSG Group has a clear solution practice which will help solving the current situation of the Company and minimizing the management risk of the Company, including reinforcing the confidence that the management will be carried out by professionals and in accordance with the goals.

Details of the supporting plan on the development of manufacturing efficiency and business operation and the supporting plan on the preparation of financial advices and financial support can be found in the details related to the Application for a Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting (Whitewash) (**Enclosure 9**) and Clause 9 *Action plan after the acquisition of securities* in Clause 1. of Notice to Request for the Resolution of the Shareholders' Meeting for an Approval on the Acquisition of New Securities Without Making a Tender Offer for All Securities of the Business (247-7 Form) (**Enclosure 10**).

- The Company is confident that the Allocation and Offering of Newly-Issued Ordinary Shares under the Debt to Equity Conversion Scheme will benefit the Company because the Company will be discharged from the liability of principal, interest and withholding tax calculated until 30 June 2019 in the total amount of THB 9,226,822,000.59 from M-Power's Debt, D-Sinchai's Debt, Mrs. Vanida's Debt, Mrs. Benjamas's Debt, New World Intermetal's Debt, Mr. Thanuchai's Debt, Superior's Debt and ACO I's Debt which are the Trade Debt, the debts as per the judgements of the courts and the debt under the settlement agreement as detailed in Clause 1.2 *Procedures of the Debt to Equity Conversion Scheme* in this Information Memorandum at the same time. Consequently, the Company will have better capital structure from the decrease of debt and the increase of equity. If the calculation is based on the separate financial statements of the Company as of 30 June 2019, which is the latest financial statements reviewed by the certified public accountant, the debt to equity ratio will be amended from (4.89) to 1.87 (If calculated based on the consolidated financial statements of the Company, such D/E ratio will be amended from 1.83 to 0.53), which is a D/E ratio that is manageable by the Company. Regarding the calculation of the D/E ratio, please consider *Clause 2.3.1 Opportunity in Generating Revenue to the Company* of the Information Memorandum on the Offering of the Newly Issued Ordinary Shares of G Steel Public Company Limited to Specific Investors (Private Placement) (**Enclosure 7**).

➤ **Effects or disadvantages which will occur from an implementation of the Debt to Equity Conversion Scheme**

- The effects from the capital increase and the allocation of the newly issued ordinary shares to the specific investors (Private Placement) from the Debt to Equity Conversion Scheme have details as follows:
 1. The dilution effect on the shareholding ratio (control dilution) which may solely occur from the issuance of the newly issued ordinary shares to the specific investors (Private Placement) under the Debt to Equity Conversion Scheme is equivalent to 76.32 percent, while the dilution effect on the shareholding ratio (control dilution) which may occur from the offering of the newly issued ordinary shares to the specific investors (Private Placement) under the Debt to Equity Conversion Scheme and the exercise of warrants⁶ is equivalent to 78.33 percent.
 2. There is no dilution effect on the market price of the shares (price dilution) as the average market price of the Debt to Equity Conversion Scheme is greater than the fair price of the Company, estimated by the Financial Advisor, for both the situation that there is only the offering of the newly issued ordinary shares to the specific investors (Private Placement) under the Debt to Equity Conversion Scheme and the situation that there is also the exercise of warrants.
 3. The dilution effect on the earnings per share (earnings per share dilution) which may solely occur from the issuance of the newly issued ordinary shares to the specific investors (Private Placement) under the Debt to Equity Conversion Scheme is equivalent to 76.32 percent, while the dilution effect on the earnings per share (earnings per share dilution) which may occur from the offering of the newly issued ordinary shares to the specific investors (Private Placement) under the Debt to Equity Conversion Scheme and the exercise of warrants is equivalent to 78.33 percent.
- Nevertheless, after taking into consideration a comparison between the benefits that the shareholders will obtain from the debt restructuring plan of the Company, as well as the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme, and the effects on the decrease in shareholding and decrease in the earnings per share, the Board of Directors of the Company views that the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme is more beneficial to the shareholders and outweighs the effects on the decrease in shareholding and decrease in the earnings per share. Please see details in *Reasons, advantages and benefits which will gain from an implementation of the Debt to Equity Conversion Scheme* as specified above.
- According to the Debt to Equity Conversion Scheme, ACO I will become the major shareholder of the Company, holding 49.99 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) and have the controlling power over the appointment or removal of at least half of all of the directors, whether directly or indirectly. As a result of such status, ACO I may have an ability to control policies and direction of the Company through the actions of

⁶ The warrant of the Company means the warrants to purchase the newly issues ordinary shares of the G Steel Public Company Limited No. 3 (GSTEEL-W3), which remains 7,500,000,000 units and will expire on 17 May 2020.

6 directors nominated by ACO I (consisting of 2 representatives from ACO I, 2 persons who are experts in steel industry and 2 members of the Audit Committee, who are legally qualified to take part in the management and administration of the Company), out of 11 directors and control the Company through several matters in the shareholders' meeting, no matter what the appointment of directors or request for the resolution on the matters required majority votes of the shareholders' meeting (excluding the matters which laws or the Articles of Association of the Company stipulate the requirement of the votes of not less than third-fourth votes of the shareholders attending the meeting and being entitled to vote). Therefore, other shareholders of the Company may take the risk from the policies and the direction of the Company specified by ACO I who will have the controlling power over the Company and minor shareholders may not be able to gather their votes to balance the matters proposed by major shareholders. However, in order to transparently operate business in accordance with the principles of corporate governance, the Company will arrange management and administrative structure which includes knowledgeable staffs and clearly determines scope of powers and duties, including an appointment of the Audit Committee, consisting of 3 independent directors having no vested interests with the Company, responsible for sufficient examination of the Company's operation and advantages of minor shareholders, causing the balance of power in management and administration in an appropriate level and being able to be examined.

- In addition, the Company may be required to depend on ACO I as it is the major shareholders and a person who has the controlling power over the Company. Under the managing and administrative strategies of the ACO I, the Company may be required to depend on directors, executives and advisors appointed by ACO I. Therefore, after this Debt to Equity Conversion, the Company may encounter the problem in relation to the negotiation to seek for new sources of fund from other creditors, including reduce the opportunities in seeking for advisors for business management and administration of the Company. However, the Company viewed that the case that major shareholders will become shareholders of the Company results in a significant advantage, i.e. the Company does not have relationship with the SSG Group in the terms of creditor and debtor which the creditors must gain only benefits from lending money. Nevertheless, being the major shareholders of ACO I will reinforce the confidence for the Company that the SSF Group still continually assists and supports the Company, on both finance and business operation. If directors, executives and advisors, who ACO I has a trust and credibleness in and has considered and viewed that they are professionals and experts on finance and steel industry, can solve several problem faced by the Company, it will result in the better overall image of the Company, including operating results. Consequently, all shareholders of the Company will gain the benefit from the better situation of the company as well.

2. Sources of debts

The creditors of the Debt to Equity Scheme can be categorized into 2 groups, consisting of the creditors under the judgement, i.e., (1) M-Power, (2) D-Sinchai, (3) Mrs. Vanida, (4) Mrs. Benjamas, (5) New World Intermetal, (6) Mr. Tanuchai and (7) Superior; and the commercial creditor under the memorandum of understanding , i.e., ACO I.

Type of Creditors	Name List	Source of Obligations
1. Creditors under the Judgement	1) M-Power TT Limited	Electricity fee and service fee under the electricity providing service agreement
	2) D-Sinchai Steel Company Limited	Service and product fee

Type of Creditors	Name List	Source of Obligations
	3) Mrs. Vanida Yomjinda	Loan debt under loan and pledge agreement
	4) Mrs. Benjamas Phitaktham	Loan debt under loan and pledge agreement
	5) New World Intermetal Company Limited	Loan debt under loan agreement and cost of product and service under the judgement
	6) Mr. Thanuchai Wesaratchanon	Loan debt under loan agreement
	7) Superior Overseas (Thailand) Company Limited	Debt from the enforcement of pledge of Superior's share resulting from the breach of the lender
2. Commercial Creditor under the memorandum of understanding	Asia Credit Opportunities I (Mauritius) Limited	Commercial debt bought from the 7 foreign creditors in iron surplus industry

2.1 Creditors under the Judgement

1) M-Power's Debt

On 19 August 2008, the Company entered into the electricity providing service agreement with Siam Power Generation Public Company Limited ("**Siam Power**") ("**Electricity Providing Service Agreement**"), which is an electricity generator and seller, as well as, providing station and electricity power system transfer to the Company. Under such Electricity Providing Service Agreement, the Company is obliged to pay the electricity fee and service fee to Siam Power within 15 days from the date Siam Power submitted an invoice to the Company. However, when the due date passed, the Company did not pay and thus remained the total debt of electricity fee, service fee and VAT in the amount of THB 868,508,396.30. Later, on 28 January 2016, Siam Power entered into the debt selling agreement which sold the debt under the Electricity Providing Service Agreement. As such, M-Power is the Company from the assignment of rights from Siam Power.

After receiving the transfer of rights from Siam Power, on 3 November 2017, M-Power submitted the case to Southern Bangkok Civil Court as a civil case with the black case no. For. 2171/2560 for breach of agreement, assignment of rights and acknowledgement of debt. Later, on 24 December 2018, the Central Bankruptcy Court ruled to revoke the petition to rehabilitation. Thus, on 4 February 2019, the Southern Bangkok Civil Court resumed the procedure of this case. Later, M-Power and the Company entered into the settlement agreement as per the judgement of the court which the Southern Bangkok Civil Court ruled in the court decision in the red case no.1555/2562 (2019) as a decided case upon such settlement agreement on 14 June 2019. M-Power is the creditor who is assigned the right from Siam Power Generation Public Company Limited ("**Siam Power**"), the manufacturer and seller of electricity who also provides the substation and power transmission device service to the Company. In this regard, Siam Power assigned the right to receive the repayment from the Company to M-Power on 28 January 2016.

Under such settlement agreement as per the red case no.1555/2562 (2019), the Company admitted the liability to M-Power in a total principal of THB 868,508,396.30 and a total interest of THB 326,725,720.19, totaling the debt of THB 195,234,166.49 and M-Power

agreed that the Company will repay only the principal in the amount of THB 868,508,396.30 by the debt to equity conversion (hereinafter “**M-Power’s Debt**”).

The Company and M-Power have negotiated the debt restructuring of the Company. The M-Power’s Debt restructuring plan with M-Power is the conversion of principal debt under the settlement agreement as per the judgement of the court in the total amount of THB 868,508,396.18 to equity by issuing the newly issued ordinary shares of the Company in the amount of 4,571,096,822 shares or equivalent to 15.80 percent of the Company’s total number of sold shares (after registering the paid-up capital of the Company) with the debt to equity conversion price of THB 0.19 per share. The creditor agrees to discharge the debtor from repaying the outstanding principal which is not able to be converted into the equity since it is the fraction as a result of the allocation and offering in the amount of THB 0.12 and after the debt to equity conversion, the creditor agrees to discharge the Company from the liability to repay the entire amount of the outstanding interest incurred until 30 June 2019 and the amount which will incur until the offering date of the newly issued ordinary shares.

After the completion of the debt to equity conversion and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

2) D-Sinchai’s Debt

D-Sinchai sued the Company to be a defendant in the claim of failure to pay cost of product and service in the amount of is the judgement creditor under the court decision in the red case no. P THB 117,550,769.98, including the interest at the rate of THB 7.5 per annum calculated from the date of default to the date filing a case with the Central Bankruptcy Court on 13 September 2017. Later, the Company and D-Sinchai entered into settlement agreement, in which the Central Bankruptcy Court rendered to be in favor with the settlement agreement in the red case No. PorGor. 10/2560 (2017) that the Company shall repay the principal in the amount of THB 117,550,769.98, together with the interest in the amount of THB 4,260,812.84 to D-Sinchai. Later, the Company and D-Sinchai agreed to enter into the settlement agreement on 30 March 2019. Under such settlement agreement, the Company agreed to repay only the principal of THB 117,550,769.98 to D-Sinchai by making the first instalment of THB 10,000,000 within 31 December 2019 and amortizing the outstanding principal in the total amount of THB 107,550,769.98, into 60 instalments, with duration of one month in the total amount of THB 1,792,512.83 for each instalment. The maturity of each instalment is at the end of each month which shall start at the end of July 2020 and D-Sinchai agreed that there will be no interest upon such debt except the case of the default interest (hereinafter “**D-Sinchai’s Debt**”).

The Company and D-Sinchai have negotiated the debt restructuring of the Company. The D-Sinchai’s Debt restructuring plan is the conversion of the principal debt under the settlement agreement in the total amount of THB 107,550,769.96 to equity by issuing the newly issued ordinary shares of the Company in the amount of 566,056,684 shares or equivalent to 1.96 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) with the debt to equity conversion price of THB 0.19 per share. The creditor agrees to discharge the debtor from repaying the outstanding principal which is not able to be converted into the equity since it is the fraction as a result of the allocation and offering in the amount of THB 0.02. The debtor will repay the outstanding principal of THB 10,000,000 within 31 December 2019 without the interest incurred.

After the completion of the debt to equity conversion, repayment of the outstanding principal, and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

3) Mrs. Vanida's Debt

Mrs. Vanida is the loan creditor under the loan and pledge agreement dated 12 September 2014 including the MOU of extension of the term of such loan and pledge agreement. Under the loan and pledge agreement and the MOU, Mrs. Vanida agreed to lend the Company in the amount of THB 10,000,000 with the interest of 8 percent per annum and the due date at 30 June 2017. On 26 February 2019, Mrs. Vanida filed a case against the Company at the Southern Bangkok Civil Court for a claim of breach of loan agreement, pledge, and compensation according to loan agreement. Later, the Company and Mrs. Vanida entered into the settlement agreement as per the judgement of the court which the Southern Bangkok Civil Court ruled in the court decision in the red case no.1456/2562 (2019) as a decided case upon such settlement agreement on 5 June 2019. Under such settlement agreement, the Company admitted the liability to Mrs. Vanida in a total principal of THB 10,000,000 and a total interest of THB 3,570,411.01, totaling debt of THB 13,570,411.01 and Mrs. Vanida agreed that the Company will repay only the principal in the amount of THB 10,000,000 by amortizing into 36 instalments, with duration of one month in the total amount of THB 277,777.78 for each instalment. The maturity of each instalment is at the end of each month which shall start at the end of May 2021 until the last instalment at the end of April 2024 (hereinafter "**Mrs. Vanida's Debt**").

After the completion of the debt to equity conversion and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

4) Mrs. Benjamas' Debt

Mrs. Benjamas is the loan creditor under the loan and pledge agreement dated 9 December 2010 including the memorandum of understanding of extension of the term of such loan and pledge agreement. Under the loan and pledge agreement and the MOU, Mrs. Vanida agreed to lend the Company in the amount of THB 15,000,000 with the interest of 15 percent per annum and the due date at 30 June 2017. On 6 March 2019, Mrs. Benjamas filed a case against the Company at the Southern Bangkok Civil Court for a claim of breach of loan agreement, pledge, and compensation according to loan agreement. Later, the Company and Mrs. Benjamas entered into the settlement agreement as per the judgement of the court which the Civil Court ruled in the court decision in the black case no. Por.547/2562 (2019) as a decided case upon such settlement agreement on 6 June 2019. Under such settlement agreement, the Company admitted the liability to Mrs. Benjamas in a total principal of THB 15,000,000 and a total interest of THB 18,554,794.59, totaling debt of THB 33,554,794.59 and Mrs. Benjamas agreed that the Company will repay only the principal in the amount of THB 15,000,000 by amortizing into 36 instalments, with duration of one month in the total amount of THB 416,666.67 for each instalment. The maturity of each instalment is at the end of each month which shall start at the end of May 2021 until the last instalment at the end of April 2024 (hereinafter "**Mrs. Benjamas's Debt**").

The Company and Mrs. Benjamas have negotiated the debt restructuring of the Company. Mrs. Benjamas's Debt restructuring plan is the conversion of the debt under the settlement agreement as per the judgement of the court in the total amount of THB 14,999,999.92 to equity by issuing the newly issued ordinary shares of the Company in the amount of 78,947,368 shares or equivalent to 0.27 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company) with the debt to equity conversion price of THB 0.19 per share. The creditor agrees to discharge the debtor from repaying the outstanding principal which is not able to be converted into the equity since it is the fraction as a result of the allocation and offering in the amount of THB 0.08 and after the debt to equity conversion, the creditor agrees to discharge the Company from the liability to

repay the entire amount of the outstanding interest incurred until 30 June 2019 and the amount which will incur until the offering date of the newly issued ordinary shares.

After the completion of the debt to equity conversion and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

5) New World Intermetal's Debt

New World Intermetal is the creditor of the Company of the following debts: 1) loan debt according to the loan agreement between New World Intermetal and the Company dated 16 November 2015. Under such a loan agreement, New World Intermetal agreed to lend the Company in the total amount of THB 30,000,000 with the interest of 8 percent per annum; and the Company agreed to receive such loan amount from New World Intermetal periodically, with the due date of 1 year since receiving each loan amount; 2) loan debt according to the credit agreement between New World Intermetal and the Company dated 9 March 2016. Under such a loan agreement, New World Intermetal agreed to lend the Company in the total amount of THB 20,900,000 with the interest of 8 percent per annum; and the Company agreed to receive such loan amount from New World Intermetal periodically, with the due date of 1 year since receiving each loan amount; 3) debt as per the court decision - New World Intermetal filed a case against the Company to the Central Bankruptcy Court on 31 August 2017 under the claim of breach of agreement due to non-payment of overdue cost of product and service in the amount of THB 75,544,569.90 with the interest rate of THB 7.5 per annum, calculated from 16 June 2011 onwards. Later, the Company and New World Intermetal entered into a settlement agreement, in which the Central Bankruptcy Court rendered to be in favor with the settlement agreement in the red case no. PorGor. 9/2560 (2017) and that the case shall be final as agreed in such a settlement agreement on 12 October 2017. The court ruled that the Company shall repay to New World Intermetal the principal in the amount of THB 75,544,569.90 and the interest of THB 35,407,174.67, totaling THB 110,951,744.57, by installment payment of 60 rounds starting from November 2017. Such a debt was originally a debt of cost of product and service with respect to computer, assigned from the original creditor under the rehabilitation plan in 2003; and 4) debt as per the court decision - New World Intermetal filed a case against the Company to the Southern Bangkok Civil Court on 28 August 2017 under the claim of breach of agreement due to non-payment of overdue cost of product and service in the amount of THB 31,344,842.98 with the interest rate of THB 7.5 per annum, calculated from the date of default (29 July 2011) until the date filing a case. Later, the Company and New World Intermetal entered into a settlement agreement, in which the Southern Bangkok Civil Court rendered to be in favor with the settlement agreement in the red case no. Por. 2076/2560 (2017) on 16 October 2017 that the Company shall repay to New World Intermetal the principal in the amount of THB 31,344,842.98 and the interest of THB 14,311,282.52, totaling THB 45,656,125.50, by installment payment of 60 rounds starting from November 2017. Such a debt was originally a debt of service fee and product cost with respect to the enhancement of manufacturing capacity, assigned from the original creditor under the rehabilitation plan in 2003. The total debts are THB 157,789,412.98 (hereinafter "**New World Intermetal's Debt**").

The Company and New World Intermetal agreed to enter the settlement agreement on 30 March 2019. Under such settlement agreement, it was agreed that the Company shall repay THB 157,789,412.98 to New World Intermetal by making the first instalment of THB 20,000,000 within 31 May 2019 and the second instalment of THB 30,000,000 within 31 December 2019 and amortizing the remaining principal in the total amount of THB 107,789,412.98 into 60 instalments, with duration of one month in the amount of THB 1,796,490.22 for each instalment. The maturity of the instalment is at the end of each month

which shall start at the end of July 2020 and New World Intermetal agreed that there will be no interest upon such debt except the default interest.

The Company and New World Intermetal have negotiated the debt restructuring of the Company. New World Intermetal's Debt restructuring plan is the conversion of the debt under the settlement agreement as per the judgement of the court in the total amount of THB 107,789,412.81 to equity by issuing the newly issued ordinary shares of the Company in the amount of 567,312,699 shares or equivalent to 1.96 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company 0.19) with the debt to equity conversion price of THB 0.19 per share. The creditor agrees to discharge the debtor from repaying the outstanding principal which is not able to be converted into the equity since it is the fraction as a result of the allocation and offering in the amount of THB 0.17. The debtor will repay the outstanding principal of THB 30,000,000 within 31 December 2019 without the interest incurred.

After the completion of the debt to equity conversion, repayment of the outstanding principal, and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

6) Mr. Thanuchai's Debt

Mr. Thanuchai is the loan creditor under the the loan and pledge agreement dated 6 November 2014 including the memorandum of understanding of extension of the term of such loan and pledge agreement. Under the loan and pledge agreement and the MOU, Mrs. Vanida agreed to lend the Company in the amount of THB 6,000,000 with the interest of 8 percent per annum and the due date at 30 June 2017. On 26 February 2019, Mrs. Benjamas filed a case against the Company at the Southern Bangkok Civil Court as a black case no. Por.459/2562 (2019) for a claim of breach of loan agreement, pledge, and compensation according to loan agreement. Later, the Company and Mr. Thanuchai into settlement agreement as per the judgement of the court which the Civil Court ruled in the court decision in the red case no. Por.1457/2562 (2019) as a decided case upon such settlement agreement on 5 June 2019. Under such settlement agreement, the Company admitted the liability to Mr. Thanuchai in the total principal of THB 6,000,000 and a total interest of THB 2,065,534.08, totaling debt of THB 8,065,534.08 and Mr. Thanuchai agreed that the Company will repay only the principal in the amount of THB 6,000,000 by amortizing into 36 instalments, with duration of one month in the total amount of THB 166,666.67 for each instalment. The maturity of the instalment is at the end of each month which shall start at the end of May 2021 until the last instalment at the end of April 2024 (hereinafter "**Mr. Thanuchai's Debt**").

After the completion of the debt to equity conversion and discharge of the liability to the outstanding interest as aforementioned, the Company will no longer have the outstanding liability to this creditor.

The Company and Mr. Thanuchai have negotiated the debt restructuring of the Company. Mr. Thanuchai's Debt restructuring plan is the conversion of the debt under the settlement agreement as per the judgement of the court in the total amount of THB 5,999,999.93 to equity by issuing the newly issued ordinary shares of the Company in the amount of 31,578,947 shares or equivalent to 0.11 percent of the total number of sold shares of the Company (after registering the paid-up capital of the Company 0.19) with the debt to equity conversion price of THB 0.19 per share. The creditor agrees to discharge the debtor from repaying the outstanding principal which is not able to be converted into the equity since it is the fraction as a result of the allocation and offering in the amount of THB 0.07 and after the debt to equity conversion, the creditor agrees to discharge the Company from the liability to

repay the entire amount of the outstanding interest incurred until 30 June 2019 and the amount which will incur until the offering date of the newly issued ordinary shares.

After the completion of debt to equity conversion and forgiveness of the above principal and interests, the Company will no longer be indebted with such a creditor.

7) Superior's Debt

Superior is a judgement creditor in the red case no. Por.1099/2558 (2015) in which the Southern Bangkok Civil Court ruled that the Company has an obligation to repay THB 592,064,464.63, together with the interest in the rate of 7.5 percent per annum of the principal in the total amount of THB 391,544,500.45, to Superior from 8 May 2014 until it has been fully paid, including the court fees of THB 50,000 and the damages occurred when Superior was unable to exercise the right to subscribe for the Warrant in the amount of THB 86,690,666.48 as 551,000,000 shares of the Company's ordinary shares owned by Superior which Superior used to pledge as a collateral for the loan of the Company's subsidiary (such subsidiary was Oriental Access Company Limited) were all enforced by the lenders, i.e. United Overseas Bank Limited and Bayerische Hypo- und Vereinsbank AG, Singapore branch, due to the default of the subsidiary to repay loan to the lenders and the Company granted a warranty to Superior that in case where the Company's subsidiary is at default to repay debt to the lender, the Company will be responsible for the damages suffered by Superior from the pledge enforcement of such ordinary shares. (Hereinafter "**Superior's Debt**").

The Company and Superior have negotiated the debt restructuring of the Company and they signed the settlement agreement on 31 July 2019 in which specifies the Superior's Debt restructuring plan which is the conversion of certain parts of principal debt as per the court decision in the total amount of THB 332,399,470.43 to equity by issuing the newly issued ordinary shares of the Company in the number of 1,749,470,897 shares, or equivalent to 6.05 percent of the Company's total number of sold shares (after the registration of the paid-up capital of the Company) at the debt to equity conversion price of THB 0.19 per share. Therefore, the outstanding principal debt as per the court decision is THB 59,145,030.02. After the Debt to Equity Conversion Scheme, Superior agrees to discharge the liability to repay the entire amount of outstanding interest incurred until 30 June 2019 and the amount which will incur until the offering date of the newly issued ordinary shares.

For the outstanding principal debt in the amount of THB 59,145,030.02 (fifty-nine million one hundred forty-five thousand thirty Baht and two satang) and the damages from that the creditor was unable to exercise the right to subscribe for such Warrant in the amount of THB 86,690,666.48, including the fees paid in the creditor's stead in which the lawyers' fees are specified to be THB 50,000, totaling THB 145,885,696.50, the debtor is required to amortize all of the debt within 9 years since the date that the creditor receives the offering of the newly issued ordinary shares, with the MLR interest rate of -2.00 percent per annum of the principal of THB 59,145,030.02. The MLR is calculated from the average interest rate that 4 commercial banks in Thailand charge their prime major customers (Bangkok Bank, Kasikorn Thai Bank, Siam Commercial Bank and Krungthai Bank). The debtor will be granted the Grace Period for the principal and interest repayment within the first 3 years and will resume to the repayment of principal and interest in the fourth year. In this matter, the debtor has to complete the amortization of all of the principal and interest debt within the ninth year, which is the end of the repayment period.

2.2 Commercial Creditor under the Memorandum of Understanding

ACO I's Debt

On 7 August 2019, the Company signed the memorandum of understanding (“**MOU**”) with ACO I. Under such MOU, ACO I intends to implement the debt restructuring of the Company by the conversion of debt to equity. The details of the debt restructuring under the MOU are follows;

1. ACO I has the right in the trade debt of the Company as of 30 June 2019 in the total amount of USD 248,600,862.79, or equivalent to THB 7,685,545,393.33 (divided into principal of USD 127,885,455.65, or equivalent to THB 3,953,604,438.51 and interest of USD 120,715,407.14, or equivalent to THB 3,731,940,954.81) (the “**Trade Debt**”).
2. ACO I agreed to reduce certain parts of the outstanding Trade Debt (i.e. a haircut) by waiver of the outstanding interest of the Trade Debt as of 30 June 2019 of USD 120,715,407.14, or equivalent to THB 3,731,940,954.81 and the outstanding interest of the Trade Debt after 30 June 2019 in aggregate. 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.
3. After the Trade Debt reduction in Clause 2., the Company’s net outstanding debt before the debt to equity conversion is in the amount of USD 127,885,455.65, or equivalent to THB 3,953,604,438.51 (such amount is entirely principal) (the “**Net Trade Debt**”) and;
4. The Company wishes to repay the Net Trade Debt of USD 88,878,059.98, or equivalent to THB 2,747,682,999.87, by way of the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme by converting the Net Trade Debt in the amount of THB 2,747,682,999.87 to equity by issuing newly issued ordinary shares of the Company in the total number of 14,461,489,473 shares, or equivalent to 49.99 percent of the total number of sold shares of the Company (after the registration of the paid-up capital of the Company) at debt to equity conversion price of THB 0.19 per share.

(Collectively referred to as the “**ACO I's Debt**”)

According to ACO I's Debt, ACO I purchased it from the due debts of 7 foreign major steel trade payables since 2008. The material information of MOU is summarized in the below table:

Parties	G Steel Public Company Limited or the Company and Asia Credit Opportunities I (Mauritius) Limited or ACO I
Summarized material information	<ul style="list-style-type: none"> • On 30 June 2019, ACO I held the right of unsecured creditors in the number of USD 248,600,863 (or equivalent to THB 7,685,545,393.32, on 30 June 2019) (divided into principal of USD 127,885,456 (or equivalent to THB 3,953,604,438.51, on 30 June 2019) and the outstanding interest of USD 120,715,407 (or equivalent to THB 3,731,940,954.81, on 30 June 2019)) which all were overdue debt (“Claim”). • ACO I wished to release the Company from debt in the part of (a) the

	<p>outstanding interest of the Claim up to 30 June 2019 of USD 120,715,407 (or equivalent to THB 3,731,940,954.81, on 30 June 2019) and (b) the outstanding interest occurring after 30 June 2019 (Collectively called “Released Debt”), under the condition that the Company agrees to repay some amount of principal of the Claim (“Debt Converted to Equity”) as paid-up capital for the Company by means of the Debt to Equity Conversion, subject to the conditions specified in this MOU.</p> <ul style="list-style-type: none"> • The Company wished to repay the Debt Converted to Equity by way of Debt to Equity Conversion at the share price of THB 0.19 per share to paid-up capital of the Company in the proportion of 49.99 percent of total number of paid-up capital of the Company on the date that the Company completely registers the capital increase from the debt to equity conversion with the Ministry of Commerce according to this MOU (“Debt to Equity Conversion”). As such, the said total number of paid-up capital of the Company includes the Company’s capital occurred as a result of Debt to Equity Conversion between the Company and other creditors of the Company as well. The amount of Debt Converted to Equity and the final debt to equity price will (a) be determined by financial advisor of ACO I and (b) be depended upon negotiation between ACO I and the Company which will be further proceeded. • For the Claim remaining after Debt to Equity Conversion (“Debt Remaining from Debt to Equity Conversion”) which is outstanding according to financial statements of the Company, ACO I planned to negotiate with the company to restructure such debt by adjusting such debt to be completed paid within 9 years (having a grace period of principal and interest for 3 years), with the interest rate of MLR – 2 percent per annum, or equivalent to USD interest rate for such principal and will later negotiate to set out other conditions, such as amortization schedule and excess cash sweep. • The parties acknowledged that after this Debt to Equity Conversion, ACO I will proceed to request for the waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders’ meeting (whitewash) from the shareholders of the Company and the Securities and Exchange Commission (“SEC”) according to provisions, rules and conditions of SEC and other relevant sectors. • The Company wished to modify managing and administrative structure of the Company according to an agreement agreed by the Company and ACO I. Such modification of managing and administrative structure of the Company will be subject to provisions of the relevant laws and regulations of SEC. Such modification will include, but not limited to, the modification as follows: <ul style="list-style-type: none"> - The Company will have 11 directors. ACO I is entitled to nominate representatives to take the director positions of the Company as follows: <ol style="list-style-type: none"> A. Nominating 2 representatives of ACO I to take the director positions of the Company by virtue of the resolution for an approval from the Board of Directors’ meeting and the shareholders’ meeting of the Company;
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	<p>B. Nominating 2 persons who are experts in steel industry to take the director positions of the Company by virtue of the resolution for an approval from the Board of Directors' meeting and the shareholders' meeting of the Company and;</p> <p>C. Nominating 2 persons who are legally qualified according to the relevant laws and regulations of SEC and selected by virtue of the Nomination and Remuneration Committee of the Company to take the member of the Audit Committee positions of the Company by virtue of the resolution for an approval from the Board of Directors' meeting and the shareholders' meeting of the Company.</p> <ul style="list-style-type: none"> - Appointment of executives to take essential positions in various and; - Appointment of Chief Executive Officer. <ul style="list-style-type: none"> • This entering into the transaction requires to execute the relevant documents, including but not limited to, the Share Subscription Agreement and documents related to restructuring Debt Remaining from Debt to Equity Conversion ("Documents Relevant to the Entering into the Transaction") through negotiation between the parties.
<p>Conditions to enter into the transaction</p>	<ul style="list-style-type: none"> • Memorandum of Understanding and compliance with the agreement set out in this Memorandum of Understanding, imposes the conditions to enter into the transaction as follows: <ol style="list-style-type: none"> (1) The parties can completely achieve the agreement and jointly execute in the Documents Relevant to the Entering into the Transaction. (2) This entering into the transaction and the Documents Relevant to the Entering into the Transaction completely obtain the relevant approvals, by which conditions precedent and other conditions specified in the Documents Relevant to the Entering into the Transaction are completely fulfilled. (3) SEC approves the specified issuance and distribution of the newly issued ordinary shares of the Company. (4) SEC approves the application for the waiver from the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (whitewash) of ACO I. (5) The shareholders' meeting of the Company resolves to approve the appointment of directors nominated by ACO I in the same shareholder's meeting which resolves to approve the Debt to Equity Conversion and; (6) Other conditions agreed by the parties. • The parties acknowledge and agree that in case the condition no. (4) and (5) are not fulfilled by the closing date, the Memorandum of Understanding and the Documents Relevant to the Entering into the Transaction (if any) are deemed to terminate, provided that ACO I has no obligations to enter into the transaction.

In respect of the remaining principal, which has not converted to equity, of the trade debt amounting USD 39,007,935.67 (or approximately THB 1,205,921,438.64, calculated by using

the average selling foreign exchange rate as of 28 June 2019, equivalent to THB 30.9152 per 1 USD), will be completely paid within 9 years from the date the creditor receives the offering of the newly issued shares. The interest rate for the remaining principal is MLR – 2 percent per annum or its USD equivalent, provided that the MLR is calculated from the average interest rate that 4 commercial banks in Thailand charge their prime major customers (Bangkok Bank, Kasikorn Thai Bank, Siam Commercial Bank and Krungthai Bank).year or equivalent to the interest rate for such principal in USD. In this regard, the Company will receive the grace period for the principal and the interest of the first three years. The issues regarding instalment of the remaining principal and interest of the first three years will be further negotiated by the Company and the creditor.

Details of financial support which the Company gained from ACO I and Link Capital I are summarized as follows:

Unit : USD million

No.	Year	SSG Group	Type of debts ⁽¹⁾	Before Debt to Equity Conversion			After Debt to Equity Conversion		
				Principal	Accrued interest	Total debt	Principal	Accrued interest	Total debt
1	2017	ACO I	Trade Creditor ⁽²⁾	128	121	249	39	-	39
2	2018	ACO I	Loan - secured debt ⁽³⁾⁽⁴⁾	11	1	12	11	1	12
3	2018	ACO I	Loan - unsecured debt ⁽⁵⁾	5	-	5	5	-	5
4	2019	Link Capital I	Loan - secured debt ⁽⁶⁾	30	-	30	30	-	30
5	2019	Link Capital I	Standby letter of credit – secured debt ⁽⁷⁾	40	-	40	40	-	40

Remark: (1) Referring to debts as of 30 June 2019

- (2) ACO I purchased trade debt of the Company from foreign trade payables (which is mostly debt from the purchase of raw materials) in January 2017, having volume of approximately THB 7,685.54 million, referring to the exchange rate as of 30 June 2019 of THB 30.9152 per USD. Some amount of debt will be converted to equity under this Debt to Equity Conversion Scheme.
- (3) ACO I purchased secured debt from the original creditor in December 2018.
- (4) Collateral comprised of shares of G J Steel Public Company Limited and 1 machinery.
- (5) ACO I Purchased unsecured debt) from the original creditor in December 2018.
- (6) Credit limit A according to the Facility Agreement, dated 2 April 2019.
- (7) Credit limit B according to the Facility Agreement, dated 2 April 2019.

The total amount of M-Power’s Debt, D-Sinchai’s Debt, Mrs. Vanida’s Debt, Mrs. Benjamas’s Debt, New World Intermetal’s Debt, Mr. Thanuchai’s Debt, Superior’s Debt and ACO I’s Debt which will be converted to equity (“**Debts Converted to Equity**”) is THB 4,194,931,048.92 (the “**Amount of Debts Converted to Equity**”). The Company intends to repay the Debts Converted to Equity in the total amount of THB 4,194,931,048.92 by the Company’s newly issued ordinary shares from the Allocation and Offering the Company’s Newly Issued Ordinary Shares under the Debt to Equity Conversion Scheme. For the outstanding principal which cannot be converted into equity since it is the fraction as a result of the allocation and offering in the total amount of THB 0.64 will be released and the outstanding interest which is released calculated until 30 June 2019 in the total amount of THB 4,372,318,556.93, totalling the principal and interest which will be cleared, calculated until 30 June 2019 of THB 8,567,249,606.49 as detailed in the table below:

No.	Creditors	Principal converted to Equity (THB)	Principal Released as per the Acquittance (THB)	Total Principal converted to Equity and released as per the Acquittance (THB)	Outstanding Interest Released as per the Acquittance, calculated as of 30 June 2019 (THB)	Number of Ordinary Shares Allocated as a Repayment of Principal (Shares)
1	M-Power	868,508,396.18	0.12	868,508,396.30	326,725,720.19	4,571,096,822
2	D-Sinchai	107,550,769.96	0.02	107,550,769.98	-	566,056,684
3	Mrs. Vanida	9,999,999.82	0.18	10,000,000.00	3,570,411.01	52,631,578
4	Mrs. Benjamas	14,999,999.92	0.08	15,000,000.00	18,554,794.59	78,947,368
5	New World Intermetal	107,789,412.81	0.17	107,789,412.98	-	567,312,699
6	Mr. Thanuchai	5,999,999.93	0.07	6,000,000.00	2,065,534.08	31,578,947
7	Superior	332,399,470.43	-	332,399,470.43	289,461,142.25	1,749,470,897
8	ACO I	2,747,682,999.87	-	2,747,682,999.87	3,731,940,954.81	14,461,489,473
Total		4,194,931,048.92	0.64	4,194,931,049.56	4,372,318,556.93	22,078,584,468

In addition to the release of principal debt and interest above, the Company, who is responsible for the payment of withholding tax on the interest to be paid to ACO I, Mrs. Vanida and Mr. Tanuchai, according to the original settlement agreement, is also simultaneously released from the liability to pay such withholding tax of THB 659,572,394.10 until 30 June 2019. As such the total liability which will be released according to the debt to equity scheme (calculated as of 30 June 2019) is THB 9,226,822,000.59.

3. Summary of short list of financial statements of the Company

The information is from the separate financial statements of the Company audited by the auditor for the financial year ended 31 December 2016, 31 December 2017, 31 December 2018 and 30 June 2019.

3.1 Separate financial statements of the Company

(Unit : Thousand THB)	30 Jun 19	31 Dec 18	31 Dec 17	31 Dec 16
Assets				
<u>Current assets</u>				
Cash and cash equivalents	91,035	56,910	11,453	9,850
Temporary investments – Securities for trade	6,445	11,496	12,237	-
Trade accounts receivable	41	5,764	113,342	76,427
Relevant business receivables	3,871	3,871	24,715	-
Inventories	1,680,342	662,096	848,340	1,136,938
Other current assets	401,048	303,655	353,003	97,287
Total current assets	2,182,782	1,043,792	1,363,091	1,320,501
<u>Non-current assets</u>				
Investments in subsidiaries	2,283,770	3,111,541	3,237,606	4,026,239
Property, plant and equipment	10,134,407	10,545,642	11,366,884	13,180,569

Enclosure 4

(Unit : Thousand THB)	30 Jun 19	31 Dec 18	31 Dec 17	31 Dec 16
Intangible assets	3,617	4,405	5,641	7,368
Other non-current assets	378,421	235,402	295,283	279,213
Total non-current assets	12,800,215	13,896,991	14,905,414	17,493,389
Total assets	14,982,997	14,940,783	16,268,506	18,813,890
Liabilities and equity				
<u>Current liabilities</u>				
Shor-term loans from financial institutions	212,503	212,503	212,503	315,857
Trade accounts payable	958,843	312,489	578,694	5,439,635
Relevant business payables	91,700	91,700	18,954	18,954
Current portion of liabilities from rehabilitation	358,305	479,000	330,960	238,527
Current portion of long-term loans from related businesses and parties	314,000	314,000	138,000	108,000
Current portion of bonds	479,569	505,934	509,539	558,485
Shor-term loans from related businesses	1,026,509	1,150,509	1,150,509	1,350,769
Shor-term loans from other businesses	-	107,424	107,479	118,894
Loans from shareholders	3,850	3,850	3,850	3,850
Advances received from customers	20,099	9,983	177,934	14,269
Other payables or accrued expenses	6,582,502	6,792,119	6,440,177	2,279,775
Accrued interest	5,667,222	5,628,013	4,965,642	2,696,246
Provisions	668,277	636,160	511,130	3,302,980
Other current liabilities	52,443	65,250	68,269	61,154
Total current liabilities	16,435,822	16,308,934	15,213,639	16,507,397
<u>Non-current liabilities</u>				
Liabilities from rehabilitation – Net from current portion	334,264	-	148,040	245,113
Long-term loans from related businesses and parties	1,986,243	1,086,448	1,262,448	1,328,448
Other payables or accrued expenses	-	59,851	312,957	418,973
Accrued interest expenses	-	-	16,048	-
Provisions	-	-	24,237	-
Employee benefit obligations	76,609	62,918	58,193	51,210
Total non-current liabilities	2,397,116	1,209,218	1,821,923	2,043,743
Total liabilities	18,832,938	17,518,152	17,035,563	18,551,140
Equity				
<u>Capital stock</u>				
Registered capital	48,775,744	48,775,744	48,775,744	48,775,744
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
<u>Additional (Discount) paid in capital</u>				
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
<u>Retained earnings (deficit)</u>				
<u>Appropriated</u>				
Legal reserve	763,977	763,977	763,977	763,977
Unappropriated	(28,921,904)	(27,649,332)	(25,839,020)	(24,809,213)
Total equity attributable to owners of the Company	(3,849,941)	(2,577,369)	(767,057)	262,750
Non-controlling interests	-	-	-	-
Total equity (deficit surplus capital)	(3,849,941)	(2,577,369)	(767,057)	262,750
Total liabilities and equity	14,982,997	14,940,783	16,268,506	18,813,890

3.2 Separate statement of comprehensive income of the Company

(Unit : Thousand THB)	30 Jun 19	31 Dec 18	31 Dec 17	31 Dec 16
Income				
Revenue from sale of goods	1,264,025	55,982	10,526,923	10,014,154
Revenue from service - Original equipment manufacture	274,235	3,870,925	536,230	-
Reversal of bad and doubtful debts expense	67,521	9,093	258,043	17,620
Reversal of provision for loss on purchase orders for undelivered raw material	-	-	-	25,956
Reversal of provision for deferred difference from debt restructuring	-	-	764,902	-
Net foreign exchange gain	494,300	83,375	825,953	2,289
Gain from debt restructuring	-	-	15,406	51,225
Gain from compromise	84,615			
Other income	16,178	12,761	118,008	87,430
Total income	2,200,874	4,032,136	13,045,465	10,198,675
Expenses				
Cost of sale				
- Cost of goods sold	1,247,541	58,787	10,476,507	9,562,043
- Idle cost	375,617	274,819	195,526	191,177
- Loss on devaluation of inventories (Reversal)	106,598	(1,159)	1,246	(60,483)
Total coast of sale	1,729,756	332,446	10,673,280	9,692,737
Cost of service - Original equipment manufacture	283,876	4,392,033	566,957	-
Selling expenses	16,946	3,629	297,547	298,242
Administrative expenses	169,137	154,574	340,977	454,049
Estimated loss from the purchase order of materials which have not received	11,313	-	-	-
Other expenses	886,761	277,643	1,382,684	14,612
Financial costs	375,657	682,123	789,743	835,816
Total expenses	3,473,446	5,842,447	14,051,187	11,295,455
Profit (loss) before corporate income tax expense	(1,272,572)	(1,810,312)	(1,005,722)	(1,096,781)
Income tax expense	-	-	-	-
Profit (loss) for the period	(1,272,572)	(1,810,312)	(1,005,722)	(1,096,781)

3.3 Separate statement of cash flow of the Company

(Unit : Thousand THB)	30 Jun 19	31 Dec 18	31 Dec 17	31 Dec 16
Cash flow from operating activities				
Profit (loss) for the period	(1,272,572)	(1,810,312)	(1,005,722)	(1,096,781)
<i>Adjustments for</i>				
Depreciation and amortization	420,042	871,763	876,620	884,943
Unrealized loss (gain) on exchange rate	(440,443)	(58,325)	(1,325,988)	88,540
Loss (gain) from price adjustment of securities	4,634	927	(904)	-
Loss (gain) from sale of investment	-	-	120,674	-
Gain from compromise	(84,615)	-	-	-
Gain from debt restructuring	-	-	(15,406)	(51,225)
Loss from devaluation of inventories (Reversal of)	106,598	(1,159)	1,246	(60,483)
Reversal of provision for loss on purchase orders for undelivered raw material	11,313	-	-	(25,956)
Bad and doubtful debts expense (Reversal of)	(67,521)	(9,093)	(258,043)	(17,620)
Loss from devaluation of assets	-	41,607	998,111	-
Loss from devaluation of investment in subsidiaries (Reversal of)	827,772	126,065	223,836	1,461
Reversal of provision for deferred difference from debt restructuring	-	-	(764,902)	-
Loss on liquidation of a subsidiary	-	-	-	47
Loss from disposal of assets	374	-	-	-
Provision for court case claim	45,151	99,878	18,623	-
Provision for a guarantee of a subsidiary	(110)	915	22,343	13,103
Deferred withholding income tax	1	38,873	1,617	-
Financial costs	375,657	682,123	789,743	835,816
Interest income	(126)	(387)	(259)	(324)
Dividend income	-	(209)	-	-
Employee benefit obligations – Cost of current service and interest	23,985	5,205	5,447	2,235
Employee benefit obligations – Cost of past service and interest	-	-	(22,548)	-
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(50,130)	99,237	(36,916)	(49,681)
Relevant business receivables	-	24,715	(24,715)	4,784
Inventories	(1,124,844)	187,403	287,351	(49,259)
Other current assets	(109,696)	172,570	(212,570)	48,741
Other non-current assets	(157,101)	4,344	(71,241)	(135,849)
Trade accounts payables	673,646	(34,559)	259,357	(504,577)
Relevant business payables	-	-	-	-
Advances received from customers	10,592	(166,170)	164,306	(11,713)
Other payables and accrued expenses	50,679	(31,591)	(26,017)	20,117
Other current liabilities	(11,538)	(2,845)	9,470	(599)
Employee benefit expense	-	(480)	-	-
Case received (paid) for income tax	(8,951)	(157,754)	(13,742)	(259)
Cash from (used in) operating activities	(777,203)	82,742	(230)	(104,537)
Cash flows from investing activities				
Interest received	126	387	259	324
Property, plants and equipment	(11,029)	(34,799)	(4,114)	(983)
Purchase of intangible assets	(116)	(557)	(34)	(821)
Cash received (payment) to long-term loans to related businesses	-	-	(1)	708

(Unit : Thousand THB)	30 Jun 19	31 Dec 18	31 Dec 17	31 Dec 16
Cash received from sale of property, plants and equipment	16,835			
Cash received from sale of temporary investment	417	23	82,267	-
Cash received from sale of investment in subsidiaries	-	-	55,128	-
Cash received from liquidation of a subsidiary	-	-	-	953
Net cash from (used in) operating activities	6,233	(34,946)	133,505	182
Cash flows from financing activities				
Finance costs paid	(26,256)	(2,285)	(128,695)	(126,925)
Repayment of liabilities under rehabilitation and compromise	(32,700)	-	(4,640)	(10,605)
Cash received (repayment) from short-term loans from financial institutions	-	-	(103,353)	(49,200)
Cash received (repayment) from short-term loans from related businesses and parties	(94,000)	-	152,432	290,557
Cash received (repayment) from short-term loans from other businesses	-	(55)	(11,416)	29,051
Cash received (repayment) from long-term loans from related businesses and parties	958,051	-	(36,000)	(20,000)
Net cash flows from financing activities	805,095	(2,339)	(131,672)	112,878
Net increase (decrease) in cash and cash equivalents	34,125	45,457	1,603	8,522
Cash and cash equivalents in the beginning of period	56,910	11,453	9,850	1,327
Cash and cash equivalents in the end of period	91,035	56,910	11,453	9,850

4. Name, address and amount of debts of each creditor which the Company would like to offer the newly issued shares in order to repay debts under the Debt to Equity Conversion Scheme

Name	Address	Amount of debts to be issued the newly issued shares (THB)	Price of newly issued share (THB per share)	Amount of share issued by the Company in order to repay debts to creditor (Share)
M-Power TT Limited	Level 2, Lot 19, Lazenda Commercial Centre, Phase 3, 87007, F.T. Labuan, Malaysia	868,508,396.18	0.19	4,571,096,822 shares
D-Sinchai Steel Company Limited	272 Soi Wat Chan Nok, Rema III Road, Bang Kho Laem Sub-district, Bang Kho Laem District, Bangkok	107,550,769.96	0.19	566,056,684 หุ้น
Mrs. Vanida Yomjinda	29/9 Moo 3 Soi Ajchariyapattana Kanjanapisek Road, Tambol Plaibang, Ampoe Bangkruay, Nonthaburi	9,999,999.82	0.19	52,631,578 shares

Name	Address	Amount of debts to be issued the newly issued shares (THB)	Price of newly issued share (THB per share)	Amount of share issued by the Company in order to repay debts to creditor (Share)
Mrs. Benjamas Phitaktham	11/26 Soi Nuanchan 30, Nuanchan Subdistrict, Buengkum District, Bangkok	14,999,999.92	0.19	78,947,368 shares
New World Intermetal Company Limited	272 Rama III Road, Bang Kho Laem Sub-district, Bang Kho Laem District, Bangkok	107,789,412.81	0.19	567,312,699 shares
Mr. Thanuchai Vesarutchanon	106 Soi Pasana 2, Phrakanong Nua Sub-district, Wattana District, Bangkok	5,999,999.93	0.19	31,578,947 shares
Superior Oversea (Thailand) Company Limited	155/19 Soi Mahadlekluang 1 Rajdamri Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330	332,399,470.43	0.19	1,749,470,897 shares
Asia Credit Opportunities I (Mauritius) Limited	Globefin Management Services Ltd., 1st Floor Anglo-Mauritius House, Intendance Street, Port Louis, Mauritius	2,747,682,999.87	0.19	14,461,489,473 shares

5. Name and amount of debt of other creditors other than mentioned in item 4 which have the most amount of debt of the top ten creditors as of 30 June 2019 are as follows:

No	Name	Debt amount (Million THB)	Creditor type	Settlement Measure
1	GS Securities Holdings Company Limited	2,407	A subsidiary established for the specified purpose of restructuring (debt of the Company group in which the Company holds the total shares)	This is the internal debt within the Company group. As such the Company would settle this debt by setting off process within 2020. At the present, the board of committees has resolved to approve the principal of such action. Upon the setting off, the whole amount of this debt can be decreased. The Company will proceed the settlement according to laws, and later inform the investors through SET.
2	Link Capital I (Mauritius) Limited	924	Long-term loans from related party	Long-term loans (5 years), due to repay 30 percent of the loan amount upon the completion of 4 th year, and the rest upon the completion of 5 th year
3	Bond	625	Foreign bond creditor	Under the negotiation process to decrease the debt amount and buy back the bond, expected to complete the process within 2020
4	Standard Chartered Bank (Thai) Public Company Limited	362	Financial Institution	Fully settled in August 2019
5	Revenue Department	344	Creditor under the laws	Fully settled in April 2020
6	AMCI Carbon GmbH	342	Trade accounts payable	Current liability, to be repaid on due date
7	Tata International West DMCC	239	Trade accounts payable	Current liability, to be repaid on due date
8	Siam Power Generation Company Limited	232	Trade accounts payable	Overdue electricity fee – form the initial negotiation, the Company agreed to repay the overdue in

No	Name	Debt amount (Million THB)	Creditor type	Settlement Measure
				33-round installment, expected to be completed in April 2021
9	Mahachai Steel Center Company Limited	202	Trade accounts payable, other payables and accrued expenses	Material costs, during the negotiation process of which the due date of 6 years (without principal for the first year)
10	Provincial Electricity Authority	101	Trade accounts payable and other current payables	Creditors under the rehabilitation, during the petition process to the court to order the installment payment within 3 years

The debt of such 10 creditors above are calculated as of June 30 2019, and are not related to the debt to equity conversion scheme. The above 10 creditors have no intention to participate in the debt to equity conversion scheme.

6. Type and number of shares newly issued by the Company to repay debts to each creditor under the Debt to Equity Conversion Scheme

The Company will allocate 22,078,584,468 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to the specific investors as follows;

- Allocate the newly issued ordinary shares of the Company in the amount of 4,571,096,822 shares, at the par value of THB 5 per share, to M-Power under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 868,508,396.18, to repay M-Power's debt under the settlement agreement as per the judgement of the court in the amount of THB 868,508,396.18 under the Debt to Equity Conversion Scheme;
- Allocate the newly issued ordinary shares of the Company in the amount of 566,056,684 shares, at the par value of THB 5 per share, to D-Sinchai under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 107,550,769.96, to repay D-Sinchai's debt under the settlement agreement in the amount of THB 107,550,769.96 under the Debt to Equity Conversion Scheme;
- Allocate the newly issued ordinary shares of the Company in the amount of 52,631,578 shares, at the par value of THB 5 per share, to Mrs. Vanida under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling THB 9,999,999.82, to repay Mrs. Vanida's Debt under the settlement agreement as per the judgement of the court in the amount of THB 9,999,999.82 under the Debt to Equity Conversion Scheme;
- Allocate the newly issued ordinary shares of the Company in the amount of 78,947,368 shares, at the par value of THB 5 per share, to Mrs. Benjamas under the Debt to Equity Conversion Scheme, where the Company will determine the debt to

equity price at THB 0.19 per share, totaling THB 14,999,999.92, to repay Mrs. Benjamas's debt under the settlement agreement as per the judgement of the court in the amount of THB 14,999,999.92 under the Debt to Equity Conversion Scheme;

- Allocate the newly issued ordinary shares of the Company in the amount of 567,312,699 shares, at the par value of THB 5 per share, to New World Intermetal under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 107,789,412.81, to repay New World Intermetal's Debt under the settlement agreement in the amount of THB 107,789,412.81 under the Debt to Equity Conversion Scheme;
- Allocate the newly issued ordinary shares of the Company in the amount of 31,578,947 shares, at the par value of THB 5 per share, to Mr. Thanuchai under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 5,999,999.93, to repay Mr. Thanuchai's debt under the settlement agreement as per the judgement of the court in the amount of THB 5,999,999.93 under the Debt to Equity Conversion Scheme;
- Allocate the newly issued ordinary shares of the Company of 1,749,470,897 shares, at the par value of THB 5 per share, to Superior under the Debt to Equity Conversion Scheme, where the Company will determine the debt to equity price at THB 0.19 per share, totaling the amount of THB 332,399,470.43, to repay some net amount of Superior's debt as per the judgement of the court of THB 332,399,470.43; and
- Allocate of 14,461,489,473 newly issued ordinary shares of the Company, at the par value of THB 5 per share, to ACO I under the Debt to Equity Conversion Scheme. The Company will determine the debt to equity conversion price at the offering price of THB 0.19 per share, totaling THB 2,747,682,999.87, to repay the ACO I's net Trade Debt in the total amount of USD 88,878,059.92, or equivalent to THB 2,747,682,999.87.

7. New share price and criteria to determine share price

The Company has determined the offering price of the newly issued ordinary shares of the Company at THB 0.19 per share, 22,078,584,468 newly issued ordinary shares whereby:

- The ratio of the issuance of the newly issued ordinary shares to M-Power in order to repay debt under the settlement agreement as per the judgement of the court is in the amount of THB 868,508,396.18.
- The ratio of the issuance of the newly issued ordinary shares to D-Sinchai in order to repay debt under the settlement agreement is in the amount of THB 107,550,769.96.
- The ratio of the issuance of the newly issued ordinary shares to Mrs. Vanida in order to repay debt under the settlement agreement as per the judgement of the court is in the amount of THB 9,999,999.82.
- The ratio of the issuance of the newly issued ordinary shares to Mrs. Benjamas in order to repay debt under the settlement agreement as per the judgement of the court is in the amount of THB 14,999,999.92.

- The ratio of the issuance of the newly issued ordinary shares to New World Intermetal in order to repay debt under the settlement agreement is in the amount of THB 107,789,412.81.
- The ratio of the issuance of the newly issued ordinary shares to Mr. Thanuchai in order to repay debt under the settlement agreement as per the judgement of the court is in the amount of THB 5,999,999.93.
- The ratio of the issuance of the newly issued ordinary shares to Superior in order to repay debt under the judgement of the court is in the amount of THB 332,399,470.43.
- The ratio of the issuance of the newly issued ordinary shares to ACO I in order to repay the net Trade Debt is in the amount of THB 2,747,682,999.87.

Debt to equity conversion price of THB 0.19 per share is the price derived from the negotiation between the Company and ACO I because of the first Debt to Equity Conversion Scheme in 2017 which the debt to equity conversion price at that time was equal to THB 0.19613 per share.⁷ The negotiation between the Company and ACO I had considered various factors, i.e. sale and purchase price in SET at the time, booking value of the Company, potential to operate business in the future and burden of interest which is released etc. (5 decimal places are resulted from calculation on the exact number of shares in order to avoid problem occurring from registration of capital increase with the Ministry of Commerce.)

Due to this Debt to Equity Conversion Scheme, the Company had made an endeavor to maintain debt to equity conversion price to be in the nearest level of the former scheme, although financial status of the Company is riskier than in 2 years ago, since the Company had liabilities more than asset and negative shareholders' equity. As the Company and ACO I correspondingly viewed that the Company still had factory and machinery as core assets which had potential to manufacture and operate business. Moreover, executives of the Company had tried to understand the shareholders who disagreed on the Debt to Equity Conversion in the Extraordinary General Meeting of Shareholders No. 1/2017 that without restructuring financial structure by way of Debt to Equity Conversion, the Company would still be burdened with the large amount of principal and interest for more than 10 years. Additionally, the Company had no chance to seek for new sources of funds with low cost because financial structure of the Company mentioned liabilities, which were more than asset, and negative shareholders' equity. Consequently, there was no financial institution intending to assist. Plus, the Company was taking a risk on being delisted from being listed

⁷ Debt to equity conversion price in the previous time was Baht 0.19613 per share. (Calculation on 5 decimal places is aimed to create an exact number of shares to be registered for capital increase with the Ministry of Commerce.) It is the price derived from the negotiation between the executives of the Company and ACO I by using average closing price from 2 to 26 May 2017 which is equivalent to Baht 0.3156 per share. Sale and purchase price in SET at that time was higher than booking value per share, calculated based on separated financial statements ended 30 June 2017 which had been audited by the auditor, equivalent to approximately Baht 0.13 per share. During the negotiation, there was an increase in the difference by 10 percent of such average closing price, to be Baht 0.34716 per share since both of them agreed that the Company still had potential to operate business based on existing operating assets. However, there was a release on burden of the first part of the outstanding interest (meaning the outstanding interest calculated up to 28 February 2017 which was a condition at that time) in the amount of Baht 3,291 million, or equivalent to approximately Baht 0.15103 per share, thus, when deducted the reimburse on interest which is cancelled per share from price per share derived from the negotiation, the Debt to Equity Conversion price would be equal to Baht 0.19613 per share (0.34716 – 0.15103).

company in SET which the shareholders would be affected by lack of liquidity from no secondary market for trading securities of the Company. Therefore, to achieve this Debt to Equity Conversion Scheme, ACO I agreed to maintain the debt to equity conversion price at THB 0.19 per share, despite an increase in the risk on financial status of the Company and reduce the amount of Debt Converted to Equity in order to reduce effects from a decrease in shareholding proportion and profit per share.

The criterion used to determine the offering price is derived from the negotiation and agreement between the Company and ACO I to also apply to M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, and Superior at THB 0.19 per share which is higher than the Fair Value calculated by the Financial Advisor of the Company, by calculating the market price from the determination of the Fair Value of the Company's shares since the SET marks the NC (Non-Compliance) sign on the securities of the Company which means that the securities of a listed company face possible delisting or are temporarily not allowed to be traded. The SET temporarily allowed the trading of the Company's shares from 1-31 July 2019. However, the board of directors' meeting of the Company will be held on 8 August 2019 thus, the market price is not able to be calculated from the weighted average price of the Company's ordinary shares traded on the SET from seven to fifteen consecutive working days prior to the date on which the board of directors of the Company resolves to propose the agenda item to the Extraordinary General Meeting of Shareholders no. 2/2019 for an approval on the Allocation and Offering of the Newly Issued Ordinary Shares of the Company under the Debt to Equity Conversion Scheme. Therefore, the Company determines the market price by applying the fair value determination method by the Financial Advisor pursuant to TorChor. 72/2558 Notification.

In this regard, the Financial Advisor has determined the Fair Value of the Company's shares which is equal to THB 0.07. (Please consider the assumption and calculation of the fair value of the ordinary shares of the Company (**Enclosure 7**)). In case where such offering price is lower than 90 percent of the weighted average price of the Company's ordinary shares traded on the SET from seven to fifteen consecutive working days prior to the first offering date of the newly issued ordinary shares to M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I as specified above, the Company will prohibit M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I from selling all of the shares obtained from the offering to the specific investors within 1 year from the date on which the newly issued ordinary shares of the Company are first traded on the SET (Silent Period). However, M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I will be able to sell 25 percent of those lock-up newly issued ordinary shares after the newly issued ordinary shares of the Company have been traded on the SET for 6 months pursuant to the Notification of the Stock Exchange of Thailand Re: Criteria, Conditions, and Procedures Governing the Listing of Ordinary or Preference Shares Issued for Capital Increase, B.E. 2558 (2015) together with the Circular Letter Re: Determination of Silent Period for the Offering of Shares or Convertible Securities under Private Placement Basis, dated 29 April 2015 (together as "**Related Regulations re: Silent Period**").

Nevertheless, if the securities of the Company are still under the 'NC' (Non-Compliance) sign on the SET when the Company wishes to offer the newly issued ordinary shares to the creditors under the Debt to Equity Conversion Scheme, the Company will calculate the

market price by determining the Fair Value of the shares of the Company on the offering date by Baker Tilly Corporate Advisory Services (Thailand) Limited, the Financial Advisor of the Company, instead, according to the Related Regulations re: Silent Period. Moreover, the Company will consider asking for the permission which waives the prohibition from selling such lock-up shares from the shares offering to specific investors (Private Placement) in case where such offering price is lower than 90 percent of the market price by means of fair value determination for M-Power, D-Sinchai, Mrs. Vanida, Mrs. Benjamas, New World Intermetal, Mr. Thanuchai, Superior and ACO I since they are considered the creditors of the Company, who are allocated shares as a result of debt restructuring by the use of newly issued shares as debt repayment, and entitled to receive the waiver pursuant to the Related Regulations re: Silent Period as the incentives for those creditors to enter into the Debt to Equity Conversion Scheme.

The board of directors of the Company views that the offering price of the newly issued ordinary shares of the Company which is higher than the fair value by 171 percent is suitable and advantageous for the Company and the shareholders since it is more beneficial to the shareholders and outweighs the effects on the price dilution or voting rights of the shareholders. According to the current situation of the Company, it is difficult for the Company to be able to negotiate for the terms and conditions of the offering of the newly issued shares and the prescription of the offering price of the newly issued ordinary shares at THB 0.19 per share, with other investors besides the aforementioned creditors under the Debt to Equity Conversion Scheme. In addition, the settle of the debts under this Debt to Equity Conversion Scheme is necessary for the Company since failure of the Debt to Equity Conversion Scheme will cause the Company to be delisted from the SET, as the shareholders' equity has been lower than zero since the end of 2018 onwards. Moreover, the Company will determine the Debt to Equity Conversion Scheme with the offering value at THB 0.19 per share which will enable the Company to have adequate funding for its business operation and resume its normal business operation and it is expected that the foregoing will enable the Company to continuously generate revenues and profits in the future, as well as creating more opportunities for the Company to secure additional financing from financial institutions in the future.