



Quality Steel by Quality People

บริษัท จี เจ สตีล จำกัด (มหาชน)
G J Steel Public Company Limited

ทะเบียนเลขที่ 0107538000401

- Unofficial Translation -

No. GJS/ELCID-14/2562

29 April 2019

Subject: Reports on Connected Transaction (receiving financial assistance)

Dear: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of G J Steel Public Company Limited (“**the Company**”) No.3/2562 held on 29 April 2019, has passed the resolution to approve financial support from Link Capital I (Mauritius) Limited (“**Link Capital I**”) in addition of USD 4 million or equivalent to THB 127.49 million (Weighted-average Interbank Exchange Rate at THB 31.873 per USD as of 28 March 2019) as a facility for Standby Letter of Credit (“**SBLC**”) in order to be used as security for a Letter of Guarantee (“**LG**”) from one local commercial bank to guarantee the usage of electricity in production process of the Company. The tenor of first SBLC is 9 months and able to rollover for the whole tenor of main credit SBLC facility which will be due on 22 January 2022. However, due to the urgency of issuance the LG to be submitted to the Provincial Electricity Authority (“**PEA**”) within the timeline required by PEA, the Board of Directors have approved the increasing of SBLC facility amount via email on 28 March 2019 and then the Company had entered into the amendment of credit facility agreement on 1 April 2019, hence, the Company has presented to the Board of Directors' Meeting No.3/2562 to ratify this increasing facility amount.

This transaction is between the Company and Link Capital I, a company having the same major shareholder with the Company which is Kendrick Global Limited (“**KG**”) who is a subsidiary company of SSG Capital Partners III, L.P. (“**SSG III**”), so this financial support is deemed as a connected transaction according to the Notification of the Capital Market Supervisory Commission No. Tor Chor 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand (SET) Re: Disclosure of Information of Listed Company Concerning the Connected Transactions B.E. 2546 (2003) (“**Notification on Connected Transaction**”), the details of which are as follows:

Date of Transaction

1 April 2019

Transaction Parties

Finance supporter: Link Capital I, a company having the same major shareholder with the Company which is KG, in addition, KG and SSG III are major shareholder in Asia Credit Opportunities I (Mauritius) Limited which holds shares directly 24.00 percent of the Company's paid-up capital.

Finance receiver : The Company

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Description of the Transaction

The Company had entered into an amendment of credit facility agreement with Link Capital I by increasing SBLC facility amount which has same maturity date with the main credit facility to be end date on January 22, 2022, in form of a secured loan with the same mortgaged amount. The purpose of this facility will be used as security to secure the Letter of Guarantee, LG provided by one local commercial bank which issued the LG to guarantee usage of electricity in production process of the Company. The amount of this SBLC Facility is USD 4 million or equivalent to THB 127.49 million.

Total value of transaction

The Company had entered into an amendment of credit facility agreement with Link Capital I in the amount of USD 4 million or equivalent to THB 127.49 million for a period of approximately 2 years and 9 months with fees divided into 2 phrases, 5 percent per annum of SBLC Face Value for the first 180 days and then 8 percent per annum of SBLC Face Value for the days after 180 days, calculating based on actual days which SBLC has been issued in certain period.

Total value of transaction: comprises of the SBLC fee on the period of issuing with the maximum fee of USD 700,000 or equivalent to THB 22.31 million for the whole availability period of SBLC facility.

Transaction Size*: The aforementioned transaction is considered as the receipt of financial assistance. The size of the transaction is approximately 0.17 percent of the Company's Net Tangible Assets ("NTA") (NTA of the Company as per the latest financial statement as of 31 December 2018 was Baht 13,210.52 million) which is less than Baht 20 million or 3 percent of the Company's Net Tangible Assets (NTA), whichever is higher. Accordingly, this transaction shall be approved by the Board of Directors and disclosed to the Stock Exchange of Thailand according to the Notification on Connected Transaction.

* if include the other connected party transaction during the past 6 months before entering into the amendment of credit facility agreement, the total transaction size is Baht 141.81 million or 1.08 percent of the Company's NTA which is less than Baht 20 million or 3 percent of the Company's Net Tangible Assets (NTA), whichever is higher. Accordingly, this transaction shall be approved by the Board of Directors and disclosed to the Stock Exchange of Thailand according to the Notification on Connected Transaction.

Financial Source for Loan Repayment

The financial source of the Company to repay Link Capital I's loan comes from its working capital and/ or new funding from outside source.

Related persons and conflict of interests

The Company directors, namely, Mr. Richard Jim Yee, Mr. Sudhir Maheshwari, Mr. Andreas Rizal Vourloumis and Mr. Amrendra Prasad Choudhary are considered as interested and/or connected directors; therefore, in order to ensure the transparency of voting procedures and to facilitate the independent judgment of other directors, those mentioned directors abstained from voting in this matter and temporarily left the Meeting during voting session.

Opinion of the Board of Directors

The Board of Directors has considered the reason and necessity and resolved that the receipt of financial assistance is reasonable and will eventually increase Company's profitability, liquidity and benefit to overall business operation of the Company. Thus, the Board of Directors has approved the receipt of financial assistance from Link Capital I by entering into the amendment of credit facility agreement which increasing the total facility amount of USD 4 million or equivalent to THB 127.49 million for a period of around 33 months with the fees that can be divided into 2 part which are 5 percent per annum for the first 180 days and 8 percent per annum for the days exceeding 180 days. Moreover, the Board of directors has also considered the condition of this transaction, which included fees, period of the loan, and necessity of the financial support and also considering to the Company's current situation that are unable to find credit facility from local commercial banks to support the business. The Board of Directors of the Company resolved to approve the ratification of the aforementioned financial support to benefit the Company's ease of doing business in the future.

Opinion of the Audit Committee which is different from the Board of Directors' opinion

- None -

Please be informed accordingly,

Yours respectfully,

G J Steel Public Company Limited

-Signature-

(Miss Pannee Tanaprateepkul)
Company Secretary