

(Unofficial Translation)

No. GSTEEL/ELCID-19/2565

24 June 2022

Subject: Reports on Connected Transaction (receiving financial assistance)

To: President
The Stock Exchange of Thailand

The Board of Directors' Meeting of G Steel Public Company Limited (“**the Company**”) No. 7/2565 held on 24 June 2022, where the same had been reviewed and concurred by the Company’s Audit Committee’s Meeting No. 4/2022 held on 24 June 2022 (the “**Meeting**”), has passed the resolution to approve a financial support transaction by entering into a Cash Management Service Agreement with Nippon Steel Southeast Asia Company Limited (“**NSSEA**”) which is beneficial to the Company in getting a cash loan in an emergency case when the net available balance in the Company’s account less than zero. 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), the details of which are as follows:

Date of Transaction

The Agreement is expected to be executed within July 2022.

Transaction Parties

Finance supporter: Nippon Steel Southeast Asia Company Limited (“**NSSEA**”), a company having the same major shareholder with the Company which is Nippon Steel Corporation (“**NSC**”) who directly holds 10.24 percent of the Company’s paid-up capital and indirectly holds 49.99 percent of the Company’s paid-up capital through Asia Credit Opportunities I (Mauritius) Limited

Finance receiver: G Steel Public Company Limited (“**the Company**”)

Description of the Transaction

The Company will receive the financial assistance from NSSEA by entering into the Cash Management Service Agreement under which the Company can borrow the unsecured loan from NSSEA in an emergency case when the net available balance in the Company’s account is less than zero for the amount not over Baht 400 million.

Total Value and Criteria used in determining a transaction’s total value

The Company will enter into the Cash Management Service Agreement with NSSEA in the amount not exceeding Baht 400 million for a tenor of not more than 1 year from the Agreement date and the interest rate at policy interest rate + 0.4% which totals to 0.9% per annum (as of June 2022).

Total value of transaction comprises of interest on the loan, the amount of which is not fixed and will be utilized only if the net available balance in the Company's account is less than zero. It is therefore uncertain as to when and for how long the interest will be incurred. Hence, the transaction value shall be the total interest which is not exceeding Baht 3.60 million throughout the duration of the contract.

Transaction Size: The aforementioned transaction is considered as the receipt of financial assistance. The size of the transaction is approximately 0.056% of the Company's Net Total Assets (NTA) (NTA of the Company as per the latest financial statement as of March 31, 2022 was Baht 6,404.02 million) which is higher than Baht 1 million or 0.03% of the Company's NTA, but less than Baht 20 million or 3% of the Company's NTA (whichever the higher). In addition to that, if other connected transactions with related persons of NSC in the past 6 months are included in the transaction size, it will be approximately 1.907% of NTA. Accordingly, this transaction shall be approved by the Board of Directors and disclosed to the Stock Exchange of Thailand.

Criteria: Net Total Asset

Financial Source for Loan Repayment

The financial source of the Company to repay NSSEA's loan comes from its working capital and/or Working Capital Facility.

Related persons and conflict of interests

Some of the Company's directors, namely, Mr. Ichiro Sato, Mr. Nobuo Okochi, and Mr. Kenichi Hoshi are considered as interested and/or connected directors; therefore, in order to ensure the transparency of voting procedures and to facilitate the independent judgement of other directors, those aforementioned 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 of the transaction and resolved that the receipt of financial assistance is reasonable and will eventually benefit the financial status of the Company. Though, the interest rate is slightly higher than other Commercial Banks, the difference is immaterial (less than 0.5%), the Board of Directors viewed that the Cash Management Service Agreement is convenient and provides security where transactions automatically occur in an emergency case only when the company's account is negative at the end of a day. Thus, the Company has approved the receipt of financial assistance from NSSEA by entering into the Cash Management Service Agreement for the maximum amount of Baht 400 million with a period of 1 year and interest rate of 0.9% per annum (as of June 2022).

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

None -

Please be informed accordingly.

Yours faithfully,

- Signature -

(Ms. Arttaya Sookto)
Company Secretary