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Ref. GSTEEL/ELCID-06/2010

2nd March 2010

Subject : Submitting Financial Statements as of 31st December 2009 and Explanation on the Differences with more than 20 percent of the Operational Results between those of 31st December 2009 and 31st December 2008

To : The President
The Stock Exchange of Thailand

G Steel Public Company Limited (the "Company") is hereby submitting its financial statements as of 31st December 2009 to you. The Company would like to explain the differences compared against the Company's operating results for the periods ended 31 December 2008 as follows:

For the year ending 31st December 2009, the Company and its subsidiaries generated total revenue of 21,952 million baht compared to 36,662 million baht for the same period in 2008, a decrease 14,710 million baht. These results include sales revenue of 21,952 million baht compared to 36,487 million baht for the same period in 2008, a decrease of 14,535 million baht or 40 percent. Such differences resulted primarily from a significant reduction in the Company's average selling price and a reduction in the Company's total sales quantity stemming from the global economic crisis in 2008 and the Company's resulting restricted operating liquidity. While the Company's raw material prices were also significantly lower in 2009, these reductions were not sufficient to offset the aforementioned sales conditions. Global steel prices appear to have now found a greater level of stability, and the Company believes steel markets have already passed the bottom of the industry cycle. . Furthermore, with several structural changes underway at the Company, the Company will also be embarking on a plan of recapitalization and restructuring in 2010 which should improve the overall operating liquidity situation.

The Company and its subsidiaries had a net loss of 8,581 million baht compared to a net loss of 1,234 million baht for the same period, an increase of 7,346 million baht or 595 percent. Such increase was primarily attributable to a substantial level of provisioning for defaulted and doubtful customer accounts, a provision from loss on confirmed purchase orders for undelivered raw materials, a lower rate of operating throughput leading to reduced fixed cost coverage and a provision for loss on impairment on assets in accordance with generally accepted accounting principles.

For the Company's separate financial statements, the Company recorded a net loss as of 31st December 2009 of 8,932 million baht compared to a net loss of 2,452 million baht for the same period in 2008, an increase of 6,480 million baht. Such increase resulted primarily from a substantial level of provisioning for defaulted and doubtful customer accounts, a provision from loss on confirmed purchase orders for undelivered raw materials, a lower rate of operating throughput leading to reduced fixed cost coverage and a provision for loss on impairment on assets in accordance with generally accepted accounting principles

Please be informed accordingly.

Respectfully Yours,

-Signature-

(Mr. Ryuzo Ogino)

Director

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