



Ref. GSTEEL/ELCID-18/2010

May 17, 2010

Subject : Submission of financial statements for the 3-month period ended 31 March 2010 and the explanation of differences when comparing the operational results of the 3-month period ended 31 March 2010 and the 3-month period ended 31 March 2009

To : The President
The Stock Exchange of Thailand

G Steel Public Company Limited (the "Company") hereby submits its financial statements for the three-month period ended 31 March 2010. The Company explains notable differences when compared against the Company's operating results for the three-month period ended 31 March 2009 as follows.

For the 3-month period ended 31 March 2010, the Company and its subsidiaries generated total revenues of Baht 5,113 million versus Baht 5,541 million for the same three-month period in 2009. This Baht 428 million decrease in total revenues, an 8% decrease quarter-over-quarter, stems from the Company's significantly reduced total sales quantities during the comparative period. During the three-month period ended 31 March 2010, the Company was still suffering from working capital constraints thereby impeding its ability to compete at higher levels of facility utilization. Steel product pricing, however, remained largely unchanged when compared to the same 3-month period in 2009.

For the 3-month period ended 31 March 2010, the Company and its subsidiaries generated a net loss of Baht 5,199 million versus Baht 7,192 million for the same three-month period in 2009. This Baht 1,993 million loss reduction, a 28% improvement in net loss quarter-over-quarter, is primarily attributable to the fact that during the 3-month period ended 31 March 2009, the Company and its subsidiaries recorded substantially higher cost of sales charges related to higher-priced raw materials (Baht 3,151 million higher during the three-month period ended 31 March 2009). The Company and its subsidiaries also recognized significant charges of Baht 1,406 million and Baht 2,341 million during the three-month period ended 31 March 2009 in conjunction with "bad and doubtful debts expense" and "loss from diminution in value of inventories," respectively. While no such charges were taken by the Company and its subsidiaries during the three-month period ended 31 March 2010, these relative savings are largely offset by the Baht 5,090 million charge taken this quarter on the "loss on impairment of assets under construction and advance payment for purchase of property, plant and equipment." In addition, the Company took charges for a "loss on sale of scrap with soil" (Baht 79 million) and a "loss on a purchase of inferior raw material" (Baht 100 million).

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For the Company's separate financial statements, the Company recorded a net loss during the three-month period ended 31 March 2010 of Baht 5,336 million compared with a net loss of Baht 2,126 million for the same period in 2009, an increase in the loss amounting to Baht 3,210 million, or 151%. This increase in the loss resulted primarily from the substantial charge taken in conjunction with the "loss on impairment of assets under construction and advance payment for purchase of property, plant and equipment" (Baht 5,090 million) and a "loss on the sale of scrap with soil" (Baht 79 million).

Please be informed accordingly.

Respectfully Yours,

-Signature-

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