

**Capital Increase Report Form
G Steel Public Company Limited
July 29, 2010**

We, G Steel Public Company Limited ("GSTEEL"), hereby report the resolutions of the Board of Directors Meeting No. 8/2010 held on July 29, 2010 from 2.00 p.m. to 3.30 p.m., in respect of a capital increase and shares allotment as follows:

1. Capital increase

The Board of Directors' Meeting passed a resolution approving the increase of the registered capital of the Company by Baht 5,100 million, from Baht 13,860 million to Baht 18,960 million, by issuing 5,100 million the newly issued shares at the par value of Baht 1, totaling Baht 5,100.

2. Allotment of new shares

The Board of Directors' Meeting passed a resolution approving the allocation of the newly issued shares in the amount up to 5,100 million shares, at the par value of Baht 1, totaling up to Baht 5,100, the details are as follows:

2.1 Details of allotment

Allotted to	Type/Number (shares)	Ratio (Old : New)	Sale price per share (Baht)	Date and time of subscription and share payment	Remark
The subsidiary company which will be newly incorporated and the Company holds 99.99 percent of its register capital (please see Remark No. 1)	Not exceeding 5,100 newly issued shares	-	Please see Remarks No. 2	Please see Remarks No. 2	-

Remark:

1) the new subsidiary company, the details of which are as follows:

- Company Name : Will confirm again
- Objective : To restructure the Company's debts under the Company's Bonds. In this regard, the Company will issue the newly issued shares of the Company for the subsidiary company so that the subsidiary company can repay its debentureholders who

participate in the "Bonds Exchange Program" of the Company.

Registered Capital : Baht one million
Number of Shares : One million shares at the par value of Baht 1
Shareholding Structure : 99.99% of all issued shares held by G Steel Public Company Limited

Authorized signatory Directors: Mr. Ryuzo Ogino, Mr. Yanyong Kurovat and Pol. Lt. General Prakard Sataman, two of these three directors jointly sign to bind the Company.

- 2) The three executives of the Company, namely Mr. Riso Okino, Mr. Yanyong Kurovat and Pol. Lt. General Prakard Sataman, to consider and determine other details in respect of the allocation of those newly issued shares, such as offering price (which is not below the market price as prescribed in the Notification of the Securities and Exchange Commission No. SorJor 39/2551 re: the Calculation of the Offering Price and the Determination of the Offering Price to consider and offering the newly issued shares at the price below market price) offering period, payment method, offering procedure, allocation procedure, negotiate, agree or execute any agreement or arrangement, and take any necessary and appropriate action with regard to the allocation of increased capital shares of the Company

2.1 Action to be taken by the Company when there are fractions of shares

- None –

2.2 Remaining shares not yet allocated

- None –

3. Schedule for shareholders meeting to approve the capital increase and the allocation of shares

The Extraordinary Shareholders Meeting No. 1/2010 will be held on Friday, September 3, 2010 at 2.30 p.m. at Arnoma Grand Room, 3rd Floor, Arnoma Hotel, 99 Rajadamri Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok and scheduled the closing date of the Company shareholders' register book on August 16, 2010, until the meeting has been adjourned, in order to fix the list of shareholders who have the right to attend the Meeting and have voting rights in the Extraordinary General Meeting of Shareholders No. 1/2010.

4. Approval of the capital increase/share allotment by relevant governmental agency and related conditions

4.1 The Ministry of Commerce: to register the increase of registered capital and paid-up capital.

4.2 The Stock Exchange of Thailand: to request approval for the newly issued ordinary shares to be listed on the Stock Exchange of Thailand.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

In order to accommodate the restructuring of the Company's debts under the 170 million US Dollar Bonds of the Company prior to maturity under the Bonds Exchange Program.

6. Benefits which the company will receive from the capital increase/share allotment:

The Company is able to repay the Company's debts under the Company's Bonds under the Bonds Exchange Program.

7. Benefits which the shareholders will receive from the capital increase/share allotment:

7.1 Dividend policy:

In a normal situation that the Company is not necessary to use cash for investment or expansion of its business and has enough cash flow, the Company has a dividend policy at the rate approximately 50 percent of net profit after juristic person income tax of its financial statement and statutory reserve and various reserves as required by law. However, the Company's Board of Directors may deem it appropriate and necessary to pay the dividend differentiate from the above dividend policy if the Company needs cash to investment, expansion of the business, or there is any change in economic and market condition or there is any situation will be effected to current cash flow.

7.2 Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations starting from

Subscribers of the newly issued shares shall be entitled to receive dividends from the Company's business operations starting from the year of subscription onwards.

7.3 Others:

-None-

8. Schedule of action where the Board of Directors of the Company passes a resolution approving the allocation of new shares

- None –

9. Schedule of action where the Board of Directors of the company passes a resolution approving the capital increase or allotment of new shares:

Procedure	Date/Month/Year
Board of Directors' Meeting No. 8/2010	July 29, 2010
the closing date of the Company shareholders' register book	August 16, 2010, until the meeting has been adjourned
Extraordinary General Meeting no. 1/2010 being convened	September 3, 2010
Registration of capital increase with the Ministry of Commerce	Within 14 days from the day of shareholders meeting's resolution

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Signed Authorized Director
(Mr. Ryuzo Ogino)
Position: Co- Chief Executive Officer

Signed Authorized Director
(Mr. Yanyong Kurovat)
Position: Director