

Progress of Overdue Debts and Legal Disputes for Q1/2022

Refer to the previous disclosure to the Stock Exchange of Thailand by G Steel Public Company Limited (“Company”) relating to the default of foreign trade creditors and legal dispute, the Company would like to update the progress as of Q1/2022 as follows;

Bond Creditors

Defaulter	G Steel Public Company Limited
Type of debt	Foreign bonds
Debt amount	USD 15.5 million (exclude interest)
Cause of default	Drastic fluctuation in raw material price as well as steel price resulting from the world economic crisis during the year 2008 greatly impacted the Company’s performance and led to default of the Bonds
Term	Payable interest semiannually and Principal by October 2015
Interest rate	3% per annum
Default date	30 December 2011
Transaction size	4% of total asset as of 31 March 2022

Solution

This debt needs to be restructured as per the available cash flows of the Company as and when the bondholders present themselves and make the claim.

Effect to the financial position and operation of the Company

The Company has high Liability and accrued interest burden which is expected to be adjusted with successful restructuring of the Bonds as and when the Bondholders present themselves and make the claim.

Link Capital I (Mauritius) Limited

Defaulter	G Steel Public Company Limited
Type of debt	Loan, Stand-by Letter of Credit, Interest, Fees
Debt amount	USD 25.3 million
Cause of default	The Company was not able to pay due to Market slowdown and Outbreak of Covid 19 pandemic.
Interest Rate	<ul style="list-style-type: none">15% per annum for Loan Outstanding and Devolved Stand-by Letter of Credit amounting USD 3.4 million0% for Unpaid Interest and Fees Amount USD 21.9 million
Transaction size	7% of total asset as of 31 March 2022

Solution

The Company had entered into a Standstill Agreement with Link Capital I (Mauritius) Limited (the “Lender”) whereby the Lender agrees not to take any Enforcement Action against the default of the Company until 31 December 2022 (“Suspension Period”). During Q1 - 22, the Company has repaid USD 7 million. So, default principal amount has reduced to USD 3.4 million as at 31 March 2022. In this regard, the Company is negotiating with the Lender to restructure the default amounts.

Effect to the financial position and operation of the Company

The Company has higher Debt and interest burden which is being repaid through profits of the Company.