

SIAM 003/2555

February 13, 2012

Subject: Notification of Extension of Lease of the Factory Building Not Exceeding 3 Years

To: The President
The Stock Exchange of Thailand (“SET”)

We, Siam Steel International Public Co., Ltd. (“Company”), would like to notify the SET of the transaction concerning the lease for a period of not exceeding 3 years with the details as follows:

1. **Date of transaction** : From December 1, 2011 to November 30, 2014
2. **Parties**
 - Lessee** : Siam Steel International Public Co., Ltd.
 - Lessor** : Mr. Surapol Kunanantakul and Mr. Sittichai Kunanantakul
- Relationship and Interest between the Parties** : Mr. Surapol Kunanantakul is an executive director of the Company and holds 16.52% shares in the Company.
Mr. Sittichai Kunanantakul is the director of the Company
3. **Type of transaction** : Extension of lease for a period of not exceeding 3 years.
4. **Transaction Details**
 - 4.1 **Nature of lease** : The Company previously entered into the agreement for the lease of factory building of No. 64/5 Moo 5, Bangsamak Sub-district, Bangpakong District, Chacheongsao Province, having an area of 13,500 square meter situated on the land title deed Nos. 18138 and 18139 Bangsamak Sub-district, Bangpakong District, Chacheongsao Province, and the land title deed Nos. 902, 903, 12337, 12338, 12339, 12340 and 18137 Bangsamak Sub-district, Bangpakong District, Chacheongsao Province, having a total area of 32 rai 1 ngan for a period of 3 years from December 1, 2008 to November 30, 2011 at the monthly rental fee of 1,450,000 baht (One Million Four Hundred and Fifty Thousand Baht). The purposes of the lease are for supporting the special projects and storage of raw materials and the finished products. The term of the said lease has completely ended but the Company still needs to utilize the factory building and land for such purpose according to the continuous engagements. The lease

is therefore extended for a further period of 3 years from December 1, 2011 to November 30, 2014 at the same rental rate.

4.2 Total rental value : 52,200,000 baht (monthly rental of 1,450,000 baht x 36 months)

5. Necessity in taking lease from the connected persons : Due to the fact that the Company still needs to utilize the factory building and land for the purposes of supporting the special projects and storage of raw materials and the finished products.

6. Reasonable rental fee rate : The Board of Directors and the Audit Committee have previously passed the resolutions in November 2008 approving the lease of this factory building and land considering from appraisal conducted by The Valuation & Consultants Co., Ltd. Brooke Real Estate, Ltd. and Thai Property Appraisal Lynn Philips Co., Ltd. based on the average market price of rental fee of factory building at 80-120 baht/sq.m./month and market price of rental fee of empty land at 5,000-15,000 baht/per rai/month. The average rental fee of the nearby area is 80-200 baht/sq.m./month for factory building and 5,000-25,000 baht/rai/month for the empty land. Considering from the average inflation rate during years 2008-2011, which is at 2.51 percent and the same rate of the rental for the extended lease period, the rental rate is reasonable.

7. Total value and size of the transaction : 52,200,000 baht
Said amount is greater than 20 million baht.
NTA of Siam Steel International Public Co., Ltd. as at September 30, 2011 were 2,582 million baht.

8. Details of connected person : Mr. Surapol Kunanantakul is an executive director of the Company and is the holder of 16.52% shares in the Company. At present, he holds a position of Vice President, Sales & Marketing of Furniture Products.

Mr. Sittichai Kunanantakul is a director of the Company. He holds no position in the management and has no authorization in the control of the Company.

9. Nature and scope of interest of the connected person : The transaction made between the Company and directors regarded as the connected transaction under the Notification of SET Re: Disclosure of Information and Other Acts of

Listed Companies Concerning the Connected Transactions B.E. 2546. Calculation of the transaction value under the Company's financial statement ended as at September 30, 2011 reveals that the transaction's size is more than 20 million baht. Hence, the Company has to receive approval from the Board of Directors and to this is to be disclosed to the SET.

10. Board of Directors' opinion in respect of entry to transaction

The Board of Directors and the Audit Committee have considered the inflation during years 2008-2011 which has an average rate at 2.51 per cent while the rental fee rate for an extension period offered by the Lessors remains the same. Said rental fee is considered the most beneficial to the Company and the land also serves the benefit of the Company in terms of business operation. The Board of Directors and the Audit Committee therefore unanimously resolved to approve the entering into the extension of the Agreement for the lease of the factory building and land under the above-mentioned title deeds for a further term of 3 years from December 1, 2011 to November 30, 2014 at the same rental rate.

Moreover, the directors being Mr. Surapol Kunanantakul and Mr.Sittichai Kunanantakul, who have interest in this connected transaction did not attend the Board of Directors' Meeting and did not exercise their voting right in respect of this transaction.

There was no director or audit committee who had a different opinion from the abovementioned opinion.

Please be informed accordingly.

Yours Sincerely,

(Mr. Surasak Kunanantakul)
Director