

September 7, 2009

Subject : Inform of the Progress on the Establishment of New Subsidiary

To : President
The Stock Exchange of Thailand

In the statement of City Steel Public Company Limited (“the Company”) submitted to the SET on March 12, 2009 concerning the BOD Resolution Regarding the Establishment of New Subsidiary, the BOD had resolution to set up a new subsidiary with purposes to improve production efficiency and capacity as well as apply for investment privileges from the BOI. According to that, the Company would like to update the progress on the establishment of a new subsidiary as follows.

The Company has invested in the new subsidiary, City Steel Products Company Limited on September 7, 2009. The subsidiary has registered-capital of Baht 100 million with paid-up capital of Baht 25.75 million and is entirely owned by the Company. In addition, the subsidiary has purposes to manufacture and sell metal structures, automated storage systems, and material handling equipments. The sources of funds invested in the subsidiary are derived from accumulated funds and retained earnings of the group of the Company.

The aforementioned establishment of the subsidiary has served all the objectives of the Company. Therefore, the Company would like to take this opportunity to update and inform the progress on setting up the new subsidiary to all stockholders and all relevant parties.

Please be informed accordingly.

Yours Sincerely,

(Ms.Suputra Phongratanadechchai)
Chief Financial Officer

