

GSTEEL/ELCID-08/2015

15 May 2015

Subject : Explanation of operational results for the 1<sup>st</sup> quarter of 2015

To : The President  
Stock Exchange of Thailand

Reference : 1<sup>st</sup> quarter of 2015 Financial Statements of G Steel Public Company Limited (the "Company")

With reference to the aforementioned financial statements, the Company reports a consolidated net loss of THB 721 million and THB 638 million for the 1<sup>st</sup> quarter of 2015 and 2014, respectively. The Company (separate) reports a net loss of THB 451 million and THB 484 million for the 1<sup>st</sup> quarter of 2015 and 2014, respectively. To this extent, the Company would like to provide the following explanations.

**- Revenue from sales and cost of goods sold**

Consolidated revenue from sales for the 1<sup>st</sup> quarter of 2015 and 2014 amounting to THB 6,878 million and THB 3,720 million, respectively, (Separate: THB 3,381 million and THB 172 million for the 1<sup>st</sup> quarter of 2015 and 2014, respectively), and consolidated gross loss for the 1<sup>st</sup> quarter of 2015 amounting to THB 253 million and consolidated gross profit for the 1<sup>st</sup> quarter of 2014 amounting to THB 34 million, (Separate: gross loss THB 165 million and THB 0 for the 1<sup>st</sup> quarter of 2015 and 2014, respectively). The major factors contributing to gross loss of the 1<sup>st</sup> quarter of 2015 is the decrease in average selling price greater than the decrease in average cost of sales and the also higher in sales volume compared to the 1<sup>st</sup> quarter of 2014.

**- Net foreign exchange gain**

The Company recorded consolidated net gain on foreign exchange for the 1<sup>st</sup> quarter of 2015 amounting to THB 142 million (Separate: THB 128 million). The gain is attributed to the appreciation of the Thai Baht versus the US dollar.

**- Selling expenses**

Consolidated selling expenses for the 1<sup>st</sup> quarter of 2015 and 2014 amounting to THB 135 million and THB 38 million, respectively, (Separate: THB 94 million and THB 0 , respectively). The increase in selling expenses for the 1<sup>st</sup> quarter of 2015 is primarily attributed to the increase in sales volume.

**- Administrative expenses**

Consolidated administrative expenses for the 1<sup>st</sup> quarter of 2015 and 2014 amounting to THB 270 million and THB 653 million, respectively, (Separate: THB 132 million and THB 445 million, respectively). The decrease of THB 383 million (Consolidated) and THB 313 million (Separate) is primarily attributed to the decrease in idle expenses.

**- Other expenses**

Consolidated other expense for the 1<sup>st</sup> quarter of 2015 and 2014 amounting to THB 71 million and THB 44 million, respectively. The increase of THB 27 million is due to the increase in the provision for court case claim.

**- Financial costs**

Consolidated financial costs for the 1<sup>st</sup> quarter of 2015 and 2014 amounting to THB 153 million and THB 166 million, respectively. The decrease of THB 13 million is due to some debts are settled.

Please be informed and distribute accordingly.

Respectfully Yours,

*-Signature-*

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