

September 25, 2017

Subject : Clarification of Operating Results for the Year 2016/2017

To : President  
The Stock Exchange of Thailand

City Steel Public Company Limited (“the Company”) would like to clarify the revenues and operating results of the Company and its subsidiaries (“the Group”) for the year ended July 31, 2017, which decreased by more than 20% compared to those of last year as follows;

In the year 2016/2017, the Group’s total revenues were THB 389.20 million, decreased from the year 2015/2016 that had total revenues of THB 525.77 million by THB 136.57 million or 25.98%. A decrease in total revenues were primarily due to a decline in production and sales of the Group’s products that derived from a substantial decrease in demands for capital goods and the Group’s products. A drop in total revenues caused the Group’s net profit to decrease by THB 11.01 million or 16.25% from THB 67.79 million in the year 2015/2016 to THB 56.78 million in the year 2016/2017.

Since the Group’s products are capital goods, demands for the products and sales revenues heavily rely on expansion of industrial sector. During the past few years, there has been no expansion in Thai manufacturing and industrial sectors especially in major industries like automobiles and parts and electronics sectors. These major industries not only reduced production capacities and work forces but also moved their production facilities to other countries. Additionally, foreign direct investments in manufacturing sector has tended to decrease gradually. All of these factors has directly affected the Group’s operating results and caused a decline in the Group’s revenues and profits for the year 2016/2017.

Please be informed accordingly.

Mrs. Boontip Changnil  
Managing Director