

September 28, 2020

Subject : Clarification of Operating Results for the Year 2019/2020

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, 2020, which decreased by more than 20% compared to those of last year as follows;

In the year 2019/2020, the Group's total revenues were THB 277.85 million, substantially decreased from the year 2018/2019 that had total revenues of THB 394.03 million by THB 116.18 million or 29.49%. The decrease in total revenues was primarily due to a decline in demands for the Group's products that impacted by the Corona Virus outbreak (COVID-19). The Group's customers had delayed their orders, postponed the delivery, as well as temporarily stopped the production. Since the Group's products are capital goods, during economic crisis, the customers are less likely to invest or increase their production capacity.

As the Group's total revenues significantly decreased and some costs and expenses were fixed, the Group had incurred an operating loss of THB 4.03 million in the year 2019/2020, which decreased from a profit of THB 9.90 million in the year 2018/2019. The Group had struggled to cope with this crisis by reducing several costs and expenses but the impact from this economic crisis had been so severe that the Group had suffered the operating loss.

Please be informed accordingly.

Mrs. Boontip Changnil  
Chief Executive Officer