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Ref: THE 003/2022

February 28, 2022

Subject: Clarification on the Operating Result for year 2021

To: President

The Stock Exchange of Thailand

CC: Corporate Finance Department

Securities and Exchange Commission

We, The Steel Public Company Limited (the "company"), hereby submit the financial statements of the company and subsidiaries for the fiscal year ended December 31, 2021 and would like to clarify differences of the operating result for the years ended December 31, 2021 compared with 2020 as follows:

1. Statement of Comprehensive Income

Total revenues of the Company and subsidiaries for the year ended December 31, 2021 equaled Baht 14,518.97 million compared with Baht 7,445.91 million of year 2020, increasing Baht 7,073.06 million or 95.0%. Total revenues increased mainly due to sale quantities increased around 30.24%, since imported raw metal from abroad had been reduced, because transportation system was affected by COVID-19, resulting raw material was rare and selling price also increased around 49.65%, resulting gross profit of this year Baht 1,460.03 million, while gross profit in year 2020 was only Baht 394.51 million.

Selling and administrative expense of 2021 equaled Baht 413.31 million compared with Baht 213.19 million in year 2020, increased Baht 200.12 million due to annual staff salary adjustment and enlarge of selling team and transportation expense which was increased in line with sale growth. And during close to year end 2021, foreign exchanges were fluctuated, causing loss from FX Baht 44.73 million increased from year 2020. Financial cost of 2021 equaled Baht 52.52 million, decreased Baht 5.46 million due to interest rates reduced during beginning of the year, and there was profit recognition from associated company Baht 354.36 million in this year, while loss recognition of Baht 89.30 million in 2020. After deducting all expenses and income tax, the company reported net profit attributable to Parent Company for 2021 equaled Baht 1,131.01 million, compared to net loss of Baht 130.57 million of 2020, increasing of profit Baht 1,261.58 million or 966.21%.

2. Statement of Financial Position

Total Assets of the Company as of December 31, 2021 equaled Baht 5,607.34 million compare with Baht 4,319.16 million as at December 31, 2020, assets increased Baht 1,288.18 million caused from increasing of inventories around Baht 820 million and receivable around 80 million, resulting from drastically increased of sale. Since there was high profit of this year, caused the value of investment in associated Company also increased around Baht 354 million.

Total liabilities increased from Baht 2,701.83 million as at December 31, 2020 to Baht 3,079.67 million as at December 31, 2021, increased Baht 377.84 million due to more purchasing, caused more using of short term loans and account payables around Baht 270 million. However, since there was high profit in this year, resulting D/E ratio decreased from 1.67 as at December 31, 2020 to 1.22 as at December 31, 2021.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Boonchai Jirapongtrakul)

Chief Executive Officer