

March 16, 2022

Subject : Clarification of Operating Results for the Second Quarter and the 6-Month Period of the Year 2021/2022

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 second quarter and the 6-month period ended January 31, 2022, which changed by more than 20% compared to those of last year as follows;

In the second quarter of the year 2021/2022, the Group's total revenues were THB 30.07 million, decreased from the second quarter of the year 2020/2021 that had total revenues of THB 58.98 million by THB 28.91 million or 49.02%. The decrease in total revenues was primarily due to a decline in demands for the Group's products that impacted by economic recession. 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. This also caused the total revenues for the 6-month period of the year 2021/2022 to decrease by THB 46.50 million or 43.57% from THB 106.73 million in the year 2020/2021 to THB 60.23 million in the year 2021/2022.

As a result of a significant decrease in the second quarter revenues and substantial amount of fixed costs and expenses, the Group had net loss of THB 1.77 million, improved from net loss of THB 3.20 million in the second quarter of 2020/2021 by THB 1.43 million or equaled to 44.69%. And for the 6-month period of the year 2021/2022, the Group had net loss of THB 4.11 million, improved from net loss of THB 5.56 million in the year 2020/2021 by THB 1.45 million or equaled to 26.08%. The Group had struggled to cope with this crisis by reducing several costs and expenses but the impact from this economic crisis still persisted, caused the demands for the Group's products to be stagnant. As a result, the Group did not have enough revenues to cover all fixed costs and expenses. However, from several cost reduction measures, the Group was able to reduce the operating loss compared to the same period of the previous year.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer