

June 14, 2022

Subject : Clarification of Operating Results for the Third Quarter and the 9-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 third quarter and the 9-month period ended April 30, 2022, as follows;

In the third quarter of the year 2021/2022, the Group's total revenues were THB 48.82 million, decreased from the third quarter of the year 2020/2021 that had total revenues of THB 57.35 million by THB 8.53 million or 14.87%. The decrease in total revenues was primarily due to a persistent decline in demands for the Group's products that impacted by economic recession and inflation, which causing the Group's customers to delay their orders. Since the Group's products are capital goods, during the economic recovery, the customers are less likely to invest or increase their production capacity. This also caused the total revenues for the 9-month period of the year 2021/2022 to decrease by THB 55.04 million or 33.54% from THB 164.09 million in the year 2020/2021 to THB 109.05 million in the year 2021/2022.

As the third quarter revenues decreased significantly, costs and expenses substantially decreased as well. Along with the strong depreciation of Thai Baht had helped the Group to gain profits on exchange rate. As a result, the Group had net profit of THB 7.48 million improved from net loss of THB 2.72 million in the third quarter of 2020/2021 by THB 10.20 million. And for the 9-month period of the year 2021/2022, the Group had net profit of THB 3.37 million, improved from net loss of THB 8.28 million in the year 2020/2021 by THB 11.65 million or equaled to 140.70%. The Group had managed to reduced several costs and expenses, which resulted in the decrease in total expenses. The increase in steel price also aided the Group's gross profit margin to slightly increase for a short period during this quarter.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer