

- Translation -

Ref: THE 013/2022

August 15,2022

Subject: Clarification of the Operating Result for the 2nd quarter of 2022

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 2nd quarter ended June 30, 2022, and would like to clarify differences of the operating result for the 2nd quarter ended June 30,2022 compared with 2021 as follows:

1. Statement of Comprehensive Income

Total revenues from sale of the Company and subsidiaries for the 2nd quarter ended June 30,2022 equaled Baht 2,512.44 million compared with Baht 4,191.97 million for the same period of 2021, revenue decreased Baht 1,679.53 million or 40.07% due to Macro Economy of metal business was regression. Consumers and whole sellers had delayed consuming and purchasing, which were affected from COVID-19 and protracted war between Russia and Ukraine, resulting low purchasing power of customers but selling price increased around 26.45%, resulting gross loss of this quarter Baht 22.68 million, while gross profit in 2nd quarter 2021 was Baht 475.50 million.

Selling and administrative expense of 2nd quarter 2022 totally Baht 88.99 million compared with Baht 108.06 million for the same quarter of 2021, decreased Baht 19.07 million due to commission and transportation expense which was decreased in line with sale down trend. Financial cost increased from Baht 11.51 million in 2nd quarter 2021 to Baht 17.29 million in this quarter due to higher using of short term loan continuously from 1st quarter in order to reserve high stocks. And there was loss recognition from associated company Baht 2.27 million in this quarter, while profit recognition of Baht 111.56 million in 2nd quarter of 2021. After deducting all expenses and income tax, the company reported net loss attributable to Parent Company for the 2nd quarter of 2022 equaled Baht 145.39 million, compared to net profit of Baht 360.12 million for the same quarter of 2021, decreasing of profit Baht 505.51 million or 140.37%.

2. Statement of Financial Position

Total Assets of the Company as at June 30, 2022 equaled Baht 6,553.58 million compared with Baht 5,607.34 million as at December 31, 2021, assets increased Baht 946.24 million caused from increasing of inventories and advance payments around Baht 900 million, resulting from drastically decreased of sale, causing higher ending inventories.

Total liabilities increased from Baht 3,079.67 million as at December 31, 2021 to Baht 4,077.29 million as at June 30,2022, increased Baht 997.62 million due to more purchasing, caused more using of short term loans and account payables around Baht 1,000 million resulting D/E ratio increased from 1.22 as at December 31, 2021 to 1.65 as at June 30, 2022.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Suroj Jiraphongtrakul)

Chief Executive Officer