

September 27, 2022

Subject : Clarification of Operating Results for 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 year ended July 31, 2022, as follows;

In the year 2021/2022, the Group's total revenues were THB 132.04 million, substantially decreased from the year 2020/2021 that had total revenues of THB 203.02 million by THB 70.98 million or 34.96%. The decrease in total revenues was primarily due to a decline in demands for the Group's products that affected by economic recession, which arose from COVID-19 outbreak, the war between Russia and Ukraine that has caused global inflation, and semiconductor shortages that had a major impact on Automotive Sector, the Group's major customers. The customers had delayed or cancelled their orders, postponed the delivery, as well as closed down their operations. Additionally, since the Group's products are capital goods, during economic crisis, the customers are less likely to invest or increase their production capacity.

The Group incurred net loss of THB 3.85 million in the year 2021/2022, reduced from THB 12.11 million in the year 2020/2021 by THB 8.26 million or 68.21%. This was due to the Group's effort to reduce costs and expenses including direct labor costs from the reduction of number of employees. However, because of the inflation, several costs and expenses had increased. The Group's total revenues were not sufficient to cover all operating expenses.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer