

December 14, 2022

Subject : Clarification of Operating Results for the First Quarter of the Year 2022/2023

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 first quarter ended October 31, 2022 as follows;

In the first quarter of the year 2022/2023, the Group's total revenues were THB 30.00 million, closed to the first quarter of the year 2021/2022 that had total revenues of THB 30.16 million. The revenues slightly decrease by THB 0.16 million or 0.53%. The Group was not able to improve the revenues due to a lack of demand for capital goods and the Group's products, which was pressured by series of economic difficulties.

The unchanged in revenues in the first quarter together with fixed costs and expenses including employees related expenses and the increase in minimum wage rate, the Group had endured higher costs and expenses. As a result, the Group incurred net loss of THB 7.55 million in the first quarter of the year 2022/2023 increased by THB 5.21 million or 222.65% from net loss of THB 2.34 million in the first quarter of the year 2021/2022. The Group attempted to cope with these crises by reducing several costs and expenses but the increase in minimum wage rate had significant impact on overall expenses. The persistence of economic crisis had caused the demands for the Group's products to be stagnant. From current situation, the Group foresees that the future economic condition will still be in a recession, therefore the demands for the Group's products tend to be stagnant or decline according to the economic condition, which will affect the Group's revenues and operating results in the future.

Please be informed accordingly.

Mrs. Boontip Changnil  
Chief Executive Officer