

- Translation -

Ref: THE 002/2023

February 28, 2023

Subject: Management Discussion and Analysis year ended December 31, 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 year ended December 31, 2022, and would like to clarify differences of the operating result for year ended December 31, 2022 compared with 2021 as follows:

1. Statement of Comprehensive Income

Total revenues from sale of the Company and subsidiaries for year ended December 31, 2022 equaled Baht 10,198.58 million compared with Baht 14,518.97 million for the year of 2021, revenue decreased Baht 4,320.39 million or 29.76% due to sale quantities decreased around 35.01%, since 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. Even though selling price increased around 8.14%, but cost of goods also increased higher than 2021, resulting gross profit of this year Baht 216.95 million, while gross profit of 2021 was Baht 1,460.03 million.

Selling and administrative expense of 2022 totally Baht 434.54 million compared with Baht 413.31 million of 2021, increased Baht 21.03 million due to commission and transportation expense which was decreased in line with sale volume, but there was written off uncollectable of advance money for inventory amount Baht 64.61 million in this year. Financial cost increased from Baht 52.52 million in 2021 to Baht 75.81 million in this year due to interest rates had ascending trend, and there was loss recognition from associated company Baht 12.31 million in this year, while profit recognition of Baht 354.36 million in 2021. After deducting all expenses and income tax, the company reported net loss attributable to Parent Company for the year 2022 equaled Baht 189.89 million, compared to net profit of Baht 1,131.01 million of 2021, decreasing of profit Baht 1,320.90 million or 116.79%.

2. Statement of Financial Position

Total Assets of the Company as at December 31, 2022 equaled Baht 5,212.20 million compared with Baht 5,607.34 million as at December 31, 2021, assets decreased Baht 386.14 million caused from decreasing of receivable around 360 million, and inventories Baht 185 million and due to lower sale volume.

Total liabilities decreased from Baht 3,079.67 million as at December 31, 2021 to Baht 2,997.26 million as at December 31, 2022, decreased Baht 82.41 million due to less purchasing, caused less using of short term loans, but there was high loss in this year, resulting D/E ratio increased from 1.22 as at December 31, 2021 to 1.35 as at December 31, 2022.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Suroj Jiraphongtrakul)

Chief Executive Officer