

March 16, 2023

Subject : Clarification of Operating Results for the Second Quarter and the 6-Month Period 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 second quarter and the 6-month period ended January 31, 2023, as follows;

In the second quarter of the year 2022/2023, the Group's total revenues were THB 40.50 million, increased from the second quarter of the year 2021/2022 that had total revenues of THB 30.07 million by THB 10.43 million or 34.69%. The increase in total revenues was primarily derived from export orders that had been delivered during the second quarter of the year. This also caused the total revenues for the 6-month period of the year 2022/2023 to increase by THB 10.27 million or 17.05% from THB 60.23 million in the year 2021/2022 to THB 70.50 million in the year 2022/2023. However, the increase in total revenues might be a temporary circumstance. Since the Group's products are capital goods, it is less likely that the Group's customers will invest or increase their production capacity during economic slowdown.

Although the Group's revenues had increased, the Group's net loss had increased as well. Net loss increased by THB 3.69 million or 208.47% from net loss of THB 1.77 million in the second quarter of the year 2021/2022 to net loss of THB 5.46 million in the year 2022/2023. And for the 6-month period of the year 2022/2023, the Group had net loss of THB 13.0 million, increased from net loss of THB 4.11 million in the year 2021/2022 by THB 8.89 million or equaled to 216.30%. The increase in net loss was mainly due to foreign exchange losses that resulted from rapid appreciation of Thai Baht currency during the beginning of the year 2023. The Group had struggled to reduce several costs and expenses but the impact from economic slowdown still persisted, caused the demands for the Group's products to be stagnant. As a result, the Group did not have enough revenues to cover all costs and expenses.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer