

June 14, 2023

Subject : Clarification of Operating Results for the Third Quarter and the 9-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 third quarter and the 9-month period ended April 30, 2023, as follows;

In the third quarter of the year 2022/2023, the Group's total revenues were THB 17.58 million, decreased from the third quarter of the year 2021/2022 that had total revenues of THB 48.82 million by THB 31.24 million or 177.70%. The decrease in total revenues was primarily derived from a steeply decline in demands for the Group's products. Due to the economic slowdown, most of the Group's customers have significantly decreased their orders or even made no order or additional investment at all. As the Group's products are capital goods, during the economic recession, the customers are less likely to invest or increase their production capacity. As a result, the total revenues for the 9-month period of the year 2022/2023 had decreased by THB 20.97 million or 19.23% from THB 109.05 million in the year 2021/2022 to THB 88.08 million in the year 2022/2023.

Due to a substantial decrease in the third quarter revenues, together with several costs and expenses were being fixed including wages, salaries, and depreciation, the Group was unable to reduce costs and expenses to be corresponded to the decrease in the revenues. The increase in electricity and energy costs during the third quarter also caused the Group to endure higher costs and expenses. Additionally, as orders from the customers had declined, the Group had taken this period to repair and made some maintenance on operating assets, which caused the Group's expenses to increase. Therefore, in the third quarter of the year 2022/2023, the Group incurred net loss of THB 8.26 million, decrease from net profit of THB 7.48 million in the year 2021/2022 by THB 15.74 million.

Beside the mentioned factors, the strong appreciation of Thai Baht compared to the end of fiscal year ended July 31, 2022, caused the Group to incur substantial amount of foreign exchange loss and was another factor that contributed to the Group's net loss. For the 9-month period of the year 2022/2023, the Group had net loss of THB 21.27 million, decreased from net profit of THB 3.37 million in the year 2021/2022 by THB 24.64 million or equaled to 731.16%.

Please be informed accordingly.

Mrs. Boontip Changnil  
Chief Executive Officer