

December 15, 2023

Subject : Clarification of Operating Results for the First Quarter of the Year 2023/2024

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, 2023 as follows:

In the first quarter of the year 2023/2024, the Group's total revenues were THB 20.15 million, which dropped considerably from the first quarter of the year 2022/2023 that had the total revenues of THB 30.00 million. The revenues decreased by approximately THB 9.85 million or 32.83%. The continuous decline in revenues were the results from the diminishing demand for the Group's products, which are capital goods, as the economy has yet to fully recover. Particularly, in the automotive industry, the plummeted demand for new cars and the higher level of electric cars imports had led to a reduction in automobile production across the domestic market. This caused the demand for the Group's products from the main customer group to fall. Additionally, other external factors also contributed to the overall economy and investment in the industrial sector not expanding. These include inventory reduction among domestic manufacturers due to the lack of confidence in long-term demands, international geopolitical issues which resulted in fluctuating energy prices and exchange rates, the interest rates which remained high in many countries, and the economic slowdown in China.

In the first quarter of the year 2023/2024, the Group had a net loss before income tax of THB 3.07 million. The loss decreased by approximately THB 3.51 million or 53.34% from the first quarter of the year 2022/2023 which had a net loss before income tax of THB 6.58 million. This result can be attributed to the reductions in cost of sales and services as well as certain selling and administrative expenses, which appeared to be in line with the decreased revenues. In this quarter, the Group also recognized deferred tax income worth THB 5.52 million that derived from the accumulated losses over the past years, resulting in an overall net income of THB 2.45 million which is considerably higher than the net loss of THB 7.55 million reported in the first quarter of the year 2022/2023.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer