

- Translation -

Ref: THE 003/2024

February 27, 2024

Subject: Management Discussion and Analysis year ended December 31, 2023

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, 2023, and would like to clarify differences of the operating result for year ended December 31, 2023 compared with 2022 as follows:

1. Statement of Comprehensive Income

Total revenues from sale of the Company and subsidiaries for year ended December 31, 2023 equaled Baht 6,822.24 million compared with Baht 10,198.58 million for the year of 2022, revenue decreased ,Baht 3,376.34 million or 33.11% due to sale quantities decreased around 22.00%, since Macro Economy of metal business was regression. Consumers and whole sellers had delayed consuming and purchasing, which were affected from Middle East War and unsustainable policies of New Government Team, resulting low purchasing power of customers. Selling price decreased around 14.02%, but cost of goods also decreased more than 2022, resulting gross profit of this year Baht 156.60 million, while gross profit of 2022 was Baht 216.95 million.

Selling and administrative expense of 2023 totally Baht 249.71 million compared with Baht 434.54 million of 2022, decreased Baht 184.83 million due to commission and transportation expense which was decreased in line with sale volume. Financial cost increased from Baht 75.81 million in 2022 to Baht 77.65 million in this year due to interest rates had ascending trend, and there was profit recognition from associated company Baht 38.49 million in this year, while loss recognition of Baht 12.31 million in 2022. After deducting all expenses and income tax, the company reported net loss attributable to Parent Company for the year 2023 equaled Baht 99.72 million, compared to net loss of Baht 189.89 million of 2022, decreasing of loss Baht 90.17 million or 47.49%.

2. Statement of Financial Position

Total Assets of the Company as at December 31, 2023 equaled Baht 4,389.97 million compared with Baht 5,221.20 million as at December 31, 2022, assets decreased Baht 831.23 million caused from decreasing of receivable around 300 million, and inventories Baht 400 million due to lower sale volumn. And the Company had received whole payment around Baht 100 million from Hire Purchase Receivable.

Total liabilities decreased from Baht 2,997.26 million as at December 31, 2022 to Baht 2,374.63 million as at December 31, 2023, decreased Baht 622.63 million due to less purchasing, caused less using of short term loans around Baht 600 million, but there was less loss in this year, resulting D/E ratio decreased from 1.35 as at December 31, 2022 to 1.18 as at December 31, 2023.

Please be informed accordingly.

Sincerely yours,

The Steel Public Company Limited

(Mr.Suroj Jiraphongtrakul)

Chief Executive Officer