

March 15, 2024

Subject : Clarification of Operating Results for the Second Quarter and the 6-Month Period 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 second quarter and the 6-month period ended January 31, 2024, as follows:

In the second quarter of the year 2023/2024, the Group's total revenues were THB 12.33 million, decreased by THB 28.17 million or 69.56% from the second quarter of the year 2022/2023 which had the total revenues of THB 40.50 million. This substantial drop in revenues was due to the continuous decline in demand for the Group's products, which are capital goods, following the slowdown in Thai economic growth. The impact of raising and maintaining high interest rates, geopolitical uncertainties which affect the level of exports, as well as tightening financial conditions caused the domestic purchasing power to weaken and resulted in further revenue reduction across the industrial sector. This ranged from real estate to automotive industry which is the Group's main customer group. Given the significant revenue fall in the second quarter, the total revenues for the 6-month period of the year 2023/2024 subsequently decreased by THB 38.02 million or 53.93% from THB 70.50 million in the year 2022/2023 to THB 32.48 million in the year 2023/2024.

In the second quarter of the year 2023/2024, the Group had a net loss of THB 7.63 million. As the result of a major drop in revenues from sales and services, the loss increased by THB 2.17 million or 39.74% from the net loss of THB 5.46 million in the second quarter of the year 2022/2023. Despite the decrease in variable expenses in accordance with lower revenues, several fixed costs including depreciation and employee related expenses could not be cut back further, thus, the net loss in the second quarter. Nevertheless, for the 6-month period of the year 2023/2024, the Group incurred a net loss of THB 5.18 million which is THB 7.82 million or 60.15% less than the net loss of THB 13.00 million in the year 2022/2023. The lower net loss for this 6-month period can be attributed to the deferred tax income derived from accumulated losses that the Group recognized in the first quarter of the year 2023/2024. This amounted to THB 5.54 million when combining with the deferred tax income from the second quarter.

Please be informed accordingly.

Mrs. Boontip Changnil
Chief Executive Officer