

September 29, 2026

Subject : Clarification of Operating Results for the Year 2025/2026

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 year ended July 31, 2026, as follows:

In the year 2025/2026, the Group recorded total revenue of THB 109.81 million, increasing by THB 31.60 million or 40.40% compared to the year 2024/2025, which reported total revenue of THB 78.21 million. The significant growth in revenue was attributable to the recovery of high-value projects, together with efforts to secure low-value orders. In particular, the increase in revenue from products related to storage system and material handling equipment contributed to a considerable rise in sales revenue. Nevertheless, the Thai economy continued to expand at a relatively low level, with growth concentrated in certain industries such as technology and electronics, as well as sectors benefiting from government economic stimulus measures. The Thai automotive industry showed signs of recovery in July following earlier contraction, driven by the electric vehicle (EV) trend. However, the internal combustion engine (ICE) vehicle market—representing the Group's primary customer base—remained sluggish, with sales and production volumes continuing to decline. This was partly due to stricter credit approval policies by financial institutions in response to high household debt, together with consumer behavior shifting towards battery electric vehicles (BEVs) and hybrid electric vehicles (HEVs). This shift was further reinforced by rising global oil prices amid the conflicts in the Middle East region and the aggressive entry of competitively priced Chinese EV manufacturers. In the future, the ICE vehicle market in Thailand is expected to contract further. Consequently, many automotive companies have begun to adjust by reducing ICE production capacity and transitioning production lines toward HEVs and plug-in hybrid electric vehicles (PHEVs) to sustain sales during this transitional period. As a result, demand for the Group's products and order volumes from its core customers have not returned to normal levels. At the same time, external factors also continue to heighten uncertainty for businesses, including international trade barrier and geopolitical conflicts—particularly the war in the Middle East region involving Iran, Israel, and the United States—which have impacted transportation, supply chains, oil and energy prices, and fluctuations in the THB exchange rate.

In the year 2025/2026, the Group reported a net profit of THB 7.52 million, representing an increase of THB 38.42 million or 124.34% compared to a net loss of THB 30.90 million in the year 2024/2025. The primary driver of this was the significant increase in revenue, particularly in the fourth quarter, when sales of storage system and material handling equipment rose substantially. As these products carry higher profit margins, the ratio of cost of sales and services to sales and service revenue declined, resulting in greater profitability despite relatively high fixed expenses. In addition, the depreciation of the THB currency at the end of the reporting period generated foreign exchange gains, further contributing to the Group's net profit growth in the year 2025/2026.

As of July 31, 2026, the Group recorded total assets of THB 1,266.05 million, an increase of THB 18.23 million or 1.46% compared to total assets of THB 1,247.82 million as of July 31, 2025. The increase was primarily attributable to higher trade receivables and other current receivables in line with sales and service revenue growth, the rise in other current financial assets due to the depreciation of the THB currency, and the increase in right-of-use assets following the renewal of lease agreements to replace those that had expired. At the same time, the Group maintained a relatively low level of liabilities. As of July 31, 2026, total liabilities amounted to THB 20.39 million, an increase of THB 8.02 million or 64.83% from THB 12.37 million as of July 31, 2025. This increase was driven by higher trade payables and other current payables in line with increased raw material



purchases, the rise in lease liabilities corresponding to the recognition of right-of-use assets under the renewal of the factory building lease agreements, and an increase in non-current provisions for employee benefits following a periodic review. Shareholders' equity totaled THB 1,245.66 million as of July 31, 2026, growing by THB 10.21 million or 0.83% from THB 1,235.45 million as of July 31, 2025. The increase was mainly due to higher unappropriated retained earnings in line with the Group's return to profitability, as well as the increase in foreign exchange translation differences resulting from the depreciation of the THB currency at the end of the reporting period.

Due to the low level of liabilities and a fairly large amount of current assets being maintained, the Group had a high liquidity ratio of 175.06 times while the debt-to-equity ratio was relatively low, at 0.02 time as at July 31, 2026. These ratios reflected that the Group's liquidity was financially sound and that the Group had a strong and stable financial position.

Please be informed accordingly.

Sincerely,

Mrs. Boontip Changnil
Chief Executive Officer