

May 14, 2025

Subject : Management's Discussion and Analysis for the 1st quarter ending March 31, 2025,
Changing in operation results was over 20 percent.

Attn : The President
The Stock Exchange of Thailand

Siam Steel International Public Company Limited has submitted the consolidated financial statements of the 1st quarter for the three-month period ended March 31, 2025. It is noted that the change in net profit (loss) was over than 20 percent compared with the previous year. The Company would explain in the Management's Discussion and Analysis for the 1st quarter period ending March 31, 2025 as follows:

1. Operating Results

Consolidated Statements of Comprehensive Income for the three-month period ended March 31, 2025 and 2024

Consolidated Financial Statements	The First quarter 2025		The First quarter 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales and services	351	100%	477	89%	(126)	(26%)
Construction services	0	0%	57	11%	(57)	(100%)
Total Revenues	351	100%	534	100%	(183)	(34%)
Costs of sales and services	287		407		(120)	(29%)
Costs of Construction services	0		73		(73)	(100%)
Total Costs of Sales and Services	287	82%	480	90%	(193)	(40%)
Sales and services gross profit	64		70		(6)	(9%)
Construction services gross profit	0		(16)		16	100%
Total Gross Income	64	18%	54	10%	10	19%
Other income	10	3%	11	2%	(1)	(9%)
Selling and administrative expenses	(93)	(26%)	(105)	(20%)	12	11%
Profit (Loss) from Operations	(19)	(5%)	(40)	(7%)	21	53%
Profit in associated companies on equity method	21	6%	13	2%	8	62%
Financial costs	(2)	(1%)	(2)	(0%)	0	0%
Profit (Loss) before Income Tax	0	0%	(29)	(5%)	29	100%
Income tax	(1)	(0%)	(1)	(0%)	0	0%
Equity in non – controlling interests in subsidiaries	(1)	(0%)	(2)	(0%)	1	50%
Net Profit (Loss) attributable to the Company	(2)	(0.57%)	(32)	(5.99%)	30	95%
Net Profit (Loss) per share attributable to the Company (Baht)	(0.003)		(0.054)		0.051	95%

1.1 Analysis of overall Operating Results

For the 1st quarter of the year 2025, the consolidated financial statements of the Company presented total revenues amounting to 351 million baht, decreased by 183 million baht or decreased 34 percent from the same quarter of previous year. Such mainly change resulted from the decrease in furniture product group “LUCKY” hi-tech building system and construction service. However, this year the Company still has the action plan of human resources development in marketing and production, as well as increasing new products to response the customer’s requirements to enable sales volume increase, including to expand investment in renewable energy business in order to generate stable income in the future.

Total Revenues

For the 1st quarter of this year, the consolidated financial statements of the Company’s presented total revenues amounting to 351 million baht, decreased by 183 million baht or decreased 34 percent. This was mainly resulted from the decrease in furniture product group “LUCKY” hi-tech building system and construction service. Total revenues in the 1st quarter of this year consisted of following income:

- Revenues from sales of furniture, “LUCKY” hi-tech building system and flood protection wall totaling 301 million baht, decreased by 123 million baht or decreased 29 percent from the 1st quarter of previous year.
- Revenues from renewable energy business group totaling in this year 50 million baht, decreased by 3 million baht or decreased 6 percent from previous year.
- Revenues from domestic construction services of this year not income, because all projects are completed and revenue is recognized in 2024.

Other Income

The consolidated financial statements of the Company for the 1st quarter of this year presented other income decreasing from the 1st quarter of previous year by 1 million baht, or decreased 9 percent. Other income in the 1st quarter of this year were mainly from other services.

Cost of Sales and Expenses

- The consolidated financial statements of the Company presented total cost of sales for the 1st quarter of this year amounting to 287 million baht, decreased by 193 million baht or decreased 40 percent from the 1st quarter of previous year. For the ratio of total cost of sales to total revenue for the 1st quarter of year 2025 and the 1st quarter of year 2024 was 82 percent and 90 percent, respectively.

- The consolidated financial statements of the Company presented selling and administrative expenses of the 1st quarter of this year amounting to 93 million baht, decreased by 12 million baht or decreased 11 percent from the 1st quarter of previous year. This was mostly resulted from decreasing of selling expenses of furniture product group, “LUCKY” hi-tech building system and administrative expenses related to employees. For the ratio of selling and administrative expenses to total revenues for the 1st quarter of year 2025 and the 1st quarter of year 2024 was 26 percent and 20 percent, respectively.

- The consolidated financial statements of the Company presented financial cost for the 1st quarter of this year amounting to 2 million baht equal to the 1st quarter of previous year. This was mainly resulted from the interest expenses of loans from domestic financial institutions for operating in renewable energy business group.

Gross Profit

- The consolidated financial statements of the Company for the 1st quarter of the year 2025 presented gross profit amounting to 64 million baht, increased by 10 million baht or increased 19 percent from the 1st quarter of previous year. The gross profit ratio for the 1st quarter of the year 2025 and the 1st quarter of the year 2024 was 18 percent and 10 percent, respectively.

Profit in associated companies on equity method

- The consolidated financial statements of the Company of the profit in associated on equity method for the 1st quarter of the year 2025 presented profit amounting to 21 million baht, increased by 8 million baht or increased 62 percent from the 1st quarter of previous year that was caused by 1 associated companies which has the net profit increasing.

Net Profit (Loss)

- The consolidated financial statements of the Company presented net loss amounting to 2 million baht for the 1st quarter of the year 2025 and net loss amounting to 32 million baht for the 1st quarter of the year 2024, decreased from previous year by 30 million baht or decreased 95 percent. This resulted from the increasing of gross profit, decreasing of selling and administrative expenses and profit sharing of associated company increasing. For the net loss ratio of the 1st quarter of the year 2025 was 0.57 percent and the 1st quarter of the year 2024 was net loss 5.99 percent.

2. Financial positions

Statements of Financial positions as of March 31, 2025 and December 31, 2024

Consolidated financial statement	March 31, 2025		December 31, 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	356	10%	412	12%	(56)	(14%)
Trade accounts receivable - net	193	6%	261	8%	(68)	(26%)
Inventories – net	241	7%	222	6%	19	9%
Other current assets	146	4%	111	3%	35	32%
Total Current Assets	936	27%	1,006	29%	(70)	(7%)
Investments	1,132	33%	1,120	32%	12	1%
Property, plant and equipment - net	1,270	37%	1,286	36%	(16)	(1%)
Other non - current assets	118	3%	116	3%	2	2%
Total Non - Current Assets	2,520	73%	2,522	71%	(2)	(0%)
Total Assets	3,456	100%	3,528	100%	(72)	(2%)
Liabilities and Shareholders' Equity						
Short-term loans from financial institutions	50	2%	50	2%	0	0%
Trade accounts payable	252	7%	307	9%	(55)	(18%)
Long-term loans from financial institutions; due within 1 year	13	0%	13	0%	0	0%
Short-term loans from related company	119	4%	129	4%	(10)	(8%)
Other current liabilities	118	3%	120	3%	(2)	(2%)
Total Current Liabilities	552	16%	619	18%	(67)	(11%)
Employee benefits obligation	43	1%	44	1%	(1)	(2%)
Other non - current liabilities	141	4%	142	4%	(1)	(1%)
Total Non - Current Liabilities	184	5%	186	5%	(2)	(1%)
Total Liabilities	736	21%	805	23%	(69)	(9%)
Shareholders' equity to the Company's	2,501	73%	2,503	71%	(2)	(0%)
Shareholders' equity non-controlling interests' equity	219	6%	220	6%	(1)	(0%)
Total Shareholders' equity	2,720	79%	2,723	77%	(3)	(0%)
Total Liabilities and Shareholders' Equity	3,456	100%	3,528	100%	(72)	(2%)

2.1 Analysis of the financial position of the Company and its subsidiaries as at March 31, 2025 and December 31, 2024

Total Assets

As at the end of the 1st quarter of the year 2025, the consolidated financial statements of the Company presented total assets amounting to 3,456 million baht, decreased by 72 million baht from the end of December 31, 2024. This was mainly decreasing from the cash and cash equivalents and net-trade accounts receivable.

The structure of Total assets presented in the consolidated financial statements of the Company as at the end of the 1st quarter of this year consisted of cash and cash equivalents 10 percent, trade accounts receivable 6 percent, net inventories 7 percent and other current assets 4 percent, investments in associated companies and other companies 33 percent, Property, plant and equipment 37 percent and other non-current assets 3 percent. Whereby the structure of total assets at the end of previous year consisted of cash and cash equivalents 12 percent, trade accounts receivable 8 percent, net inventories 6 percent and other current assets 3 percent, investments in associated companies and other companies 32 percent, property, plant and equipment 36 percent and other non-current assets 3 percent.

- Cash and cash equivalents at the end of the 1st quarter of the year 2025 was 356 million baht, decreased from the end of previous year by 56 million baht, as follow:

Cash used for operating activities was 19 million baht. This mostly used to pay off trade accounts payable-general company and pay for inventories.

Cash used for investing activities was 23 million baht. This mostly spent on purchasing other current financial assets.

Cash used for financing activities was 14 million baht. This mostly are payments for short-term loan from related companies.

- Trade accounts receivable at the end of the 1st quarter of the year 2025 was 193 million baht, decreased from the end of previous year of 68 million baht. The balance of trade accounts receivable at the end of the 1st quarter of the year 2025 of which separated as 80 percent of such accounts receivable was not yet due, 5 percent of accounts receivable was overdue less than 3 months and 15 percent of accounts receivable was overdue more than 3 months. However, the Company and its subsidiaries have monitored closely for the debts collection. The company will consider the possibility of receiving the payment of debt. In addition, in the case of some debtors being in the process of collection, the Company will provide the appropriate proceed to record the allowance for doubtful accounts. At the end of the 1st quarter of this year,

balance of allowance for doubtful account was 13 million baht. Receivable turnover rate at the end of the 1st quarter of the year 2025 was 7.83 times and at the end of previous year was 8.32 times. Average debt collection at the end of the 1st quarter of the year 2025 was 47 days and at the end of previous year was 44 days. Receivable turnover was decreased and average debt collection period was increase because the revenue was decreased at the end of the 1st quarter of this year.

- Inventories balance at the end of the 1st quarter of the year 2025 was 241 million baht, increased by 19 million baht or increased 9 percent from the end of previous year. Mostly increased from the renewable energy business group. The inventory turnover rate at the end of the 1st quarter of the year 2025 was 6.66 times, and was 6.43 times at the end of previous year.

- Other current assets as of the end of the 1st quarter of the year 2025 was 146 million baht, increased by 35 million baht or increased 32 percent from previous year. This increase was mainly resulted from the other current receivables – related company and other current financial assets.

- Investments at the end of the 1st quarter of the year 2025 were 1,132 million baht, increased by 12 million baht or increased 1 percent from the end of previous year. This was resulted from recognition of increasing in profit on equity method from associated company.

- Property, plant and equipment – net as at the end of the 1st quarter of the year 2025 was 1,270 million baht, decreased by 16 million baht or decreased 1 percent from the end of previous year. Mostly assets were property, plant and equipment in furniture business and from investment of renewable energy business group in the form of buildings and machinery which decreased from depreciation.

Total liabilities

As at the end of the 1st quarter of this year, the consolidated financial statements of the Company presented total liabilities of 736 million baht, decreased by 69 million baht or decreased 9 percent from the previous year. Mostly decreased from trade accounts payable and short-term loans from related company.

- As at the end of the 1st quarter of this year, short-term loan from financial institution was 50 million baht. Mostly are the promissory note of the subsidiary company for the operation.

- As at the end of the 1st quarter of this year, Trade accounts payable was 252 million baht, decreased by 55 million baht or decreased 18 percent from previous year.

- As at the end of the 1st quarter of this year, short-term loan from related companies was 119 million baht, decreased by 10 million baht or decreased 8 percent from previous year. The balance is equal to the end of the previous year. Mostly are loans of companies in the renewable energy business group which is an indirect subsidiary of the company, loans from related companies to spend in the business.

- As at the end of the 1st quarter of this year, other current liabilities were 118 million baht, decreased by 2 million baht or decreased 2 percent from previous year. This mostly caused by other current payables – general company arising from the deposit for receiving the goods.

- As at the end of the 1st quarter of this year, other non-current liabilities were 141 million baht. This was mainly resulted from the recognition of the liabilities according to the lease agreement for car, machinery and the land for operation and deferred tax liabilities.

Shareholders' equity

As at the end of the 1st quarter of this year, the consolidated financial statements of the Company presented the shareholders' equity of 2,720 million baht, as at the end of previous year was 2,723 million baht, decreased by 3 million baht from previous year. This caused by the turnover of group of companies has the net loss.

Book value as at the end of the 1st quarter of this year was 4.59 baht per share, which is equal to the end of previous year.

2.2 Liquidity and significant financial ratios

Statements of Cash flows for the three-month period ended March 31, 2025

Consolidated financial statements	Unit : Million Baht
Net cash from (used for) operating activities	(19)
Net cash from (used for) investing activities	(23)
Net cash from (used for) in financing activities	(14)
Increase (Decrease) in cash and cash equivalents - net	(56)
Cash and cash equivalents at the beginning of period	412
Cash and cash equivalents at the end of period	356

Liquidity of the consolidated financial statement of the Company as at the end of the 1st quarter of this year, the Company held the balance of cash at the end of period amounting to 356 million baht, 412 million baht at the end of previous year. Cash flow decreased by 56 million baht, this was related to:

- Cash flow spent with operating activities amounting to 19 million baht. This mostly used to pay off trade accounts payable-general company 52 million baht and pay for inventories 19 million baht .

- Cash flow spent with investing activities 23 million baht. This mostly spent on purchasing other current financial assets to 20 million baht.

- Cash flow spent with financing activities 14 million baht. This mostly used to pay off for short-term loan from related company amounting to 10 million baht.

The current ratio was increased from 1.63 times as at the end of previous year to 1.70 times as at the end of the 1st quarter of this year. The quick ratio was decreased from 1.09 times as at the end of previous year to 0.99 times as at the end of the 1st quarter of this year. However, both ratios represented positive favorable liquidity of the Company and its subsidiaries.

In consideration of the ability for the debt repayment as at the end of the 1st quarter of this year and the end of previous year, the Company and its subsidiaries still maintained good ability for debt payment. Considering from the debt to the ratio, Showing 0.30 times at the end of previous year and 0.27 times at the end of the 1st quarter of this year.

3. Significant factors that may affect the future of finance position or future operation

The stability of local political

If domestic politics is not stable, it will result in the government's spending. Government spending to stimulate the economy will be reduced. As a result, the industrial growth will be shrunken, the purchase order will also be reduced.

Foreign market

Due to the global economic situation, the recovery of the international market may lead to the company receiving more purchase orders.

Raw material pricing

Steel is core raw material for production. If steel price is fluctuated, it may affect the orders and production costs.

Foreign Exchange Rate

If the Baht is strengthened against foreign currency continuously, this may affect the Company's sales in Baht value. In addition, the Company may lose ability in its competitiveness compared to competitors and may get loss from exchange rates.

Please be informed accordingly,

Yours sincerely,

(Mr. Surapol Kunanantakul)
President
Siam Steel International Public Company Limited