

August 14, 2025

Subject : Management's Discussion and Analysis for the 2<sup>nd</sup> quarter ending June 30, 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 2<sup>nd</sup> quarter for the three-month period ended June 30, 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 2<sup>nd</sup> quarter period ending June 30, 2025 as follows:

## 1. Operating Results

Consolidated Statements of Comprehensive Income for the three-month period ended June 30, 2025 and 2024

Consolidated Financial Statements	The Second quarter 2025		The Second quarter 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales and services	337	100%	301	74%	36	12%
Construction services	0	0%	107	26%	(107)	(100%)
<b>Total Revenues</b>	<b>337</b>	<b>100%</b>	<b>408</b>	<b>100%</b>	<b>(71)</b>	<b>(17%)</b>
Costs of sales and services	276		263		13	5%
Costs of Construction services	0		122		(122)	(100%)
<b>Total Costs of Sales and Services</b>	<b>276</b>	<b>82%</b>	<b>385</b>	<b>94%</b>	<b>(109)</b>	<b>(28%)</b>
Sales and services gross profit	61		38		23	61%
Construction services gross profit	0		(15)		15	100%
<b>Total Gross Income</b>	<b>61</b>	<b>18%</b>	<b>23</b>	<b>6%</b>	<b>38</b>	<b>165%</b>
Other income	19	6%	17	4%	2	12%
Selling and administrative expenses	(81)	(24%)	(115)	(28%)	34	30%
<b>Profit (Loss) from Operations</b>	<b>(1)</b>	<b>(0%)</b>	<b>(75)</b>	<b>(18%)</b>	<b>74</b>	<b>99%</b>
Profit in associated companies on equity method	14	4%	15	4%	(1)	(7%)
Financial costs	(1)	(0%)	(2)	(0%)	1	50%
<b>Profit (Loss) before Income Tax</b>	<b>12</b>	<b>4%</b>	<b>(62)</b>	<b>(15%)</b>	<b>74</b>	<b>119%</b>
Income tax	0	0%	2	0%	(2)	(100%)
Equity in non – controlling interests in subsidiaries	0	0%	(1)	(0%)	1	100%
<b>Net Profit (Loss) attributable to the Company</b>	<b>12</b>	<b>3.56%</b>	<b>(61)</b>	<b>(14.95%)</b>	<b>73</b>	<b>121%</b>
<b>Net Profit (Loss) per share attributable to the Company (Baht)</b>	<b>0.021</b>		<b>(0.102)</b>		<b>0.123</b>	<b>121%</b>

## **1.1 Analysis of overall Operating Results**

For the 2<sup>nd</sup> quarter of the year 2025, the consolidated financial statements of the Company presented total revenues amounting to 337 million baht, decreased by 71 million baht or decreased 17 percent from the same quarter of previous year. Such mainly change resulted from the decrease in furniture product group, flood protection wall 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 2<sup>nd</sup> quarter of this year, the consolidated financial statements of the Company's presented total revenues amounting to 337 million baht, decreased by 71 million baht or decreased 17 percent. This was mainly resulted from the decrease in furniture product group, flood protection wall and construction service. Total revenues in the 2<sup>nd</sup> quarter of this year consisted of following income:

- Revenues from sales of furniture product group and flood protection wall totaling 287 million baht, decreased by 14 million baht or decreased 5 percent from the 2<sup>nd</sup> quarter of previous year.
- Revenues from renewable energy business group totaling in this year 50 million baht, increased by 50 million baht or increased 100 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 2<sup>nd</sup> quarter of this year presented other income increasing from the 2<sup>nd</sup> quarter of previous year by 2 million baht, or increased 12 percent. Other income in the 2<sup>nd</sup> quarter of this year were mainly from other services and dividends received.

### **Cost of Sales and Expenses**

- The consolidated financial statements of the Company presented total cost of sales for the 2<sup>nd</sup> quarter of this year amounting to 276 million baht, decreased by 109 million baht or decreased 28 percent from the 2<sup>nd</sup> quarter of previous year. For the ratio of total cost of sales to total revenue for the 2<sup>nd</sup> quarter of year 2025 and the 2<sup>nd</sup> quarter of year 2024 was 82 percent and 94 percent, respectively.

- The consolidated financial statements of the Company presented selling and administrative expenses of the 2<sup>nd</sup> quarter of this year amounting to 81 million baht, decreased by 34 million baht or decreased 30 percent from the 2<sup>nd</sup> quarter of previous year. This was mostly resulted from decreasing of selling expenses of furniture product group and administrative expenses related to employees. For the ratio of selling and administrative expenses to total revenues for the 2<sup>nd</sup> quarter of year 2025 and the 2<sup>nd</sup> quarter of year 2024 was 24 percent and 28 percent, respectively.

- The consolidated financial statements of the Company presented financial cost for the 2<sup>nd</sup> quarter of this year amounting to 1 million baht decreased from the 2<sup>nd</sup> quarter of previous year 1 million baht, or decreased 50 percent. 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 2<sup>nd</sup> quarter of the year 2025 presented gross profit amounting to 61 million baht, increased by 38 million baht or increased 165 percent from the 2<sup>nd</sup> quarter of previous year. The gross profit ratio for the 2<sup>nd</sup> quarter of the year 2025 and the 2<sup>nd</sup> quarter of the year 2024 was 18 percent and 6 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 2<sup>nd</sup> quarter of the year 2025 presented profit amounting to 14 million baht, decreased by 1 million baht or decreased 7 percent from the 2<sup>nd</sup> quarter of previous year that was caused by 2 associated companies which has the total net profit decreasing.

### **Net Profit (Loss)**

- The consolidated financial statements of the Company presented net profit amounting to 12 million baht for the 2<sup>nd</sup> quarter of the year 2025 and net loss amounting to 61 million baht for the 2<sup>nd</sup> quarter of the year 2024, profit increased from previous year by 73 million baht or increased 121 percent. This resulted from the increasing of gross profit and decreasing of selling and administrative expenses. For the net profit ratio of the 2<sup>nd</sup> quarter of the year 2025 was 3.56 percent and the 2<sup>nd</sup> quarter of the year 2024 was net loss 14.95 percent.

## 2. Financial positions

Statements of Financial positions as of June 30, 2025 and December 31, 2024

Consolidated financial statement	June 30, 2025		December 31, 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
Cash and cash equivalents	405	12%	412	12%	(7)	(2%)
Trade accounts receivable - net	188	5%	261	8%	(73)	(28%)
Inventories – net	231	7%	222	6%	9	4%
Other current assets	148	4%	111	3%	37	33%
<b>Total Current Assets</b>	<b>972</b>	<b>28%</b>	<b>1,006</b>	<b>29%</b>	<b>(34)</b>	<b>(3%)</b>
Investments	1,121	33%	1,120	32%	1	0%
Property, plant and equipment - net	1,251	36%	1,286	36%	(35)	(3%)
Other non - current assets	111	3%	116	3%	(5)	(4%)
Total Non - Current Assets	2,483	72%	2,522	71%	(39)	(2%)
<b>Total Assets</b>	<b>3,455</b>	<b>100%</b>	<b>3,528</b>	<b>100%</b>	<b>(73)</b>	<b>(2%)</b>
<b>Liabilities and Shareholders' Equity</b>						
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	12	0%	13	0%	(1)	(8%)
Short-term loans from related company	119	4%	129	4%	(10)	(8%)
Other current liabilities	116	3%	120	3%	(4)	(3%)
<b>Total Current Liabilities</b>	<b>549</b>	<b>16%</b>	<b>619</b>	<b>18%</b>	<b>(70)</b>	<b>(11%)</b>
Employee benefits obligation	39	1%	44	1%	(5)	(11%)
Other non - current liabilities	134	4%	142	4%	(8)	(6%)
Total Non - Current Liabilities	173	5%	186	5%	(13)	(7%)
Total Liabilities	722	21%	805	23%	(83)	(10%)
Shareholders' equity to the Company's	2,514	73%	2,503	71%	11	0%
Shareholders' equity non-controlling interests' equity	219	6%	220	6%	(1)	(0%)
Total Shareholders' equity	2,733	79%	2,723	77%	10	0%
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,455</b>	<b>100%</b>	<b>3,528</b>	<b>100%</b>	<b>(73)</b>	<b>(2%)</b>

## **2.1 Analysis of the financial position of the Company and its subsidiaries as at June 30, 2025 and December 31, 2024**

### **Total Assets**

As at the end of the 2<sup>nd</sup> quarter of the year 2025, the consolidated financial statements of the Company presented total assets amounting to 3,455 million baht, decreased by 73 million baht from the end of December 31, 2024. This was mainly decreasing from the net-trade accounts receivable and net-property, plant and equipment .

The structure of Total assets presented in the consolidated financial statements of the Company as at the end of the 2<sup>nd</sup> quarter of this year consisted of cash and cash equivalents 12 percent, trade accounts receivable 5 percent, net inventories 7 percent and other current assets 4 percent, investments in associated companies and other companies 33 percent, Property, plant and equipment 36 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 2<sup>nd</sup> quarter of the year 2025 was 405 million baht, decreased from the end of previous year by 7 million baht, as follow:

Cash used for operating activities was 6 million baht. This mostly used to pay off trade accounts payable-general company and pay for employee benefits obligation.

Cash flow from investing activities 18 million baht. This mostly comes from dividends received.

Cash used for financing activities was 19 million baht. This mostly are pay off lease liabilities and payments for short-term loan from related companies.

- Trade accounts receivable at the end of the 2<sup>nd</sup> quarter of the year 2025 was 188 million baht, decreased from the end of previous year of 73 million baht. The balance of trade accounts receivable at the end of the 2<sup>nd</sup> quarter of the year 2025 of which separated as 73 percent of such accounts receivable was not yet due, 9 percent of accounts receivable was overdue less than 3 months and 18 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 2<sup>nd</sup> quarter of this year, balance of allowance for doubtful account was 11 million baht. Receivable turnover rate at the end of the 2<sup>nd</sup>

quarter of the year 2025 was 7.60 times and at the end of previous year was 8.32 times. Average debt collection at the end of the 2<sup>nd</sup> quarter of the year 2025 was 48 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 2<sup>nd</sup> quarter of this year.

- Inventories balance at the end of the 2<sup>nd</sup> quarter of the year 2025 was 231 million baht, increased by 9 million baht or increased 4 percent from the end of previous year. Mostly increased from the renewable energy business group. The inventory turnover rate at the end of the 2<sup>nd</sup> quarter of the year 2025 was 6.33 times, and was 6.43 times at the end of previous year.

- Other current assets as of the end of the 2<sup>nd</sup> quarter of the year 2025 was 148 million baht, increased by 37 million baht or increased 33 percent from previous year. This increase was mainly resulted from the other current receivables – general company and other current financial assets.

- Investments at the end of the 2<sup>nd</sup> quarter of the year 2025 were 1,121 million baht, increased by 1 million baht or increased 0 percent from the end of previous year. This was resulted from recognition of increasing in profit on equity method net dividend payment from associated company.

- Property, plant and equipment – net as at the end of the 2<sup>nd</sup> quarter of the year 2025 was 1,251 million baht, decreased by 35 million baht or decreased 3 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 2<sup>nd</sup> quarter of this year, the consolidated financial statements of the Company presented total liabilities of 722 million baht, decreased by 83 million baht or decreased 10 percent from the previous year. Mostly decreased from trade accounts payable and short-term loans from related company.

- As at the end of the 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> quarter of this year, other current liabilities were 116 million baht, decreased by 4 million baht or decreased 3 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 2<sup>nd</sup> quarter of this year, other non-current liabilities were 134 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 2<sup>nd</sup> quarter of this year, the consolidated financial statements of the Company presented the shareholders' equity of 2,733 million baht, as at the end of previous year was 2,723 million baht, increased by 10 million baht from previous year. This caused by the turnover of group of companies has the net profit.

Book value as at the end of the 2<sup>nd</sup> quarter of this year was 4.61 baht per share, increased 0.02 baht per share as at the end of previous year.

## 2.2 Liquidity and significant financial ratios

Statements of Cash flows for the six-month period ended June 30, 2025

Consolidated financial statements	Unit : Million Baht
Net cash from (used for) operating activities	(6)
Net cash from (used for) investing activities	18
Net cash from (used for) in financing activities	(19)
<b>Increase (Decrease) in cash and cash equivalents - net</b>	<b>(7)</b>
Cash and cash equivalents at the beginning of period	<b>412</b>
<b>Cash and cash equivalents at the end of period</b>	<b>405</b>

Liquidity of the consolidated financial statement of the Company as at the end of the 2<sup>nd</sup> quarter of this year, the Company held the balance of cash at the end of period amounting to 405 million baht, 412 million baht at the end of previous year. Cash flow decreased by 7 million baht, this was related to:

- Cash flow spent with operating activities amounting to 6 million baht. This mostly used to pay off trade accounts payable-general company 60 million baht and pay for employee benefits obligation 12 million baht .

- Cash flow from investing activities 18 million baht. This mostly comes from dividends received amounting to 43 million baht.

- Cash flow spent with financing activities 19 million baht. This mostly used to pay off lease liabilities 7 million baht and 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 1.77 times as at the end of the 2<sup>nd</sup> quarter of this year. The quick ratio was decreased from 1.09 times as at the end of previous year to 1.08 times as at the end of the 2<sup>nd</sup> 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 2<sup>nd</sup> 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 0.26 times at the end of the 2<sup>nd</sup> 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