

May 14, 2024

Subject : Management's Discussion and Analysis for the 1st quarter ending March 31, 2024,
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, 2024. 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, 2024 as follows:

1. Operating Results

Consolidated Statements of Comprehensive Income for the three-month period ended March 31, 2024 and 2023

Consolidated Financial Statements	The First quarter 2024		The First quarter 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales and services	472	89%	451	99%	21	5%
Construction services	57	11%	4	1%	53	1,325%
Total Revenues	529	100%	455	100%	74	16%
Costs of sales and services	406		374		32	9%
Costs of Construction services	73		6		67	1,117%
Total Costs of Sales and Services	479	91%	380	84%	99	26%
Sales and services gross profit	66		77		(11)	(14%)
Construction services gross profit	(16)		(2)		(14)	(700%)
Total Gross Income	50	9%	75	16%	(25)	(33%)
Other income	16	3%	24	5%	(8)	(33%)
Selling and administrative expenses	(106)	(20%)	(112)	(25%)	6	5%
Profit (Loss) from Operations	(40)	(8%)	(13)	(3%)	(27)	(208%)
Profit in associated companies on equity method	13	2%	30	7%	(17)	(57%)
Financial costs	(2)	(0%)	(1)	(0%)	(1)	(100%)
Profit (Loss) before Income Tax	(29)	(5%)	16	4%	(45)	(281%)
Income tax	(1)	(0%)	(1)	(0%)	0	0%
Equity in non – controlling interests in subsidiaries	(2)	(0%)	(1)	(0%)	(1)	(100%)
Net Profit (Loss) attributable to the Company	(32)	(6.05%)	14	3.08%	(46)	(335%)
Net Profit (Loss) per share attributable to the Company (Baht)	(0.054)		0.023		(0.077)	(335%)

1.1 Analysis of overall Operating Results

For the 1st quarter of the year 2024, the consolidated financial statements of the Company presented total revenues amounting to 529 million baht, increased by 74 million baht or increased 16 percent from the same quarter of previous year. Such mainly change resulted from the increase in furniture product group 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 529 million baht, increased by 74 million baht or increased 16 percent. This was mainly resulted from the increase in furniture product group and construction service. Total revenues in the 1st quarter of this year consisted of following income:

- Revenues from domestic sales of furniture, "LUCKY" Hi-tech Building System and flood protection wall totaling 419 million baht, increased by 32 million baht or increased 8 percent from the 1st quarter of previous year.

- Revenues from renewable energy business group totaling in this year 53 million baht, decreased by 11 million baht or decreased 17 percent from previous year.

- Revenues from domestic construction services of this year has 3 jobs amounting to 57 million baht, increased by 53 million baht or increased 1,325 percent from the 1st quarter of previous year.

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 8 million baht, or decreased 33 percent. Other income in the 1st quarter of this year were mainly from rents and 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 479 million baht, increased by 99 million baht or increased 26 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 2024 and the 1st quarter of year 2023 was 91 percent and 84 percent, respectively.

- The consolidated financial statements of the Company presented selling and administrative expenses of the 1st quarter of this year amounting to 106 million baht, decreased by 6 million baht or decreased 5 percent from the 1st quarter of previous year. This was mostly resulted from decreasing of selling expenses of furniture product group and renewable energy business group. For the ratio of selling and administrative expenses to total revenues for the 1st quarter of year 2024 and the 1st quarter of year 2023 was 20 percent and 25 percent, respectively.

- The consolidated financial statements of the Company presented financial cost for the 1st quarter of this year amounting to 2 million baht, increased by 1 million baht or increased 100 percent from 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 2024 presented gross profit amounting to 50 million baht, decreased by 25 million baht or decreased 33 percent from the 1st quarter of previous year. The gross profit ratio for the 1st quarter of the year 2024 and the 1st quarter of the year 2023 was 9 percent and 16 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 2024 presented profit amounting to 13 million baht, decreased by 17 million baht or decreased 57 percent from the 1st quarter of previous year that was caused by 1 associated companies which has the net profit decreasing.

Net Profit (Loss)

- The consolidated financial statements of the Company presented net loss amounting to 32 million baht for the 1st quarter of the year 2024 and net profit amounting to 14 million baht for the 1st quarter of the year 2023, different from previous year by 46 million baht or different by 335 percent. This resulted from the increasing of sales and service costs but other income and profit sharing of associated company decreasing. For the Net loss ratio of the 1st quarter of the year 2024 was 6.05 percent and the 1st quarter of the year 2023 was net profit 3.08 percent.

2. Financial positions

Statements of Financial positions as of March 31, 2024 and December 31, 2023

Consolidated financial statement	March 31, 2024		December 31, 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	275	8%	356	10%	(81)	(23%)
Trade accounts receivable - net	202	6%	209	6%	(7)	(3%)
Inventories – net	266	7%	319	9%	(53)	(17%)
Other current assets	178	5%	163	4%	15	9%
Total Current Assets	921	26%	1,047	29%	(126)	(12%)
Investments	1,070	31%	1,067	29%	3	0%
Property, plant and equipment - net	1,360	39%	1,379	38%	(19)	(1%)
Other non - current assets	149	4%	157	4%	(8)	(5%)
Total Non - Current Assets	2,579	74%	2,603	71%	(24)	(1%)
Total Assets	3,500	100%	3,650	100%	(150)	(4%)
Liabilities and Shareholders' Equity						
Short-term loans from financial institutions	50	1%	50	1%	0	0%
Short-term loans from related company	129	4%	129	4%	0	0%
Long-term loans from financial institutions; due within 1 year	14	0%	14	0%	0	0%
Trade accounts payable	229	7%	277	8%	(48)	(17%)
Other current liabilities	126	4%	175	5%	(49)	(28%)
Total Current Liabilities	548	16%	645	18%	(97)	(15%)
Employee benefits obligation	54	2%	55	1%	(1)	(2%)
Other non - current liabilities	121	3%	140	4%	(19)	(14%)
Total Non - Current Liabilities	175	5%	195	5%	(20)	(10%)
Total Liabilities	723	21%	840	23%	(117)	(14%)
Shareholders' equity to the Company's	2,558	73%	2,591	71%	(33)	(1%)
Shareholders' equity non-controlling interests' equity	219	6%	219	6%	0	0%
Total Shareholders' equity	2,777	79%	2,810	77%	(33)	(1%)
Total Liabilities and Shareholders' Equity	3,500	100%	3,650	100%	(150)	(4%)

2.1 Analysis of the financial position of the Company and its subsidiaries as at March 31, 2024 and December 31, 2023

Total Assets

As at the end of the 1st quarter of the year 2024, the consolidated financial statements of the Company presented total assets amounting to 3,500 million baht, decreased by 150 million baht from the end of December 31, 2023. This was mainly decreasing from the cash and cash equivalents and net inventories.

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 8 percent, trade accounts receivable 6 percent, net inventories 7 percent and other current assets 5 percent, investments in associated companies and other companies 31 percent, Property, plant and equipment 39 percent and other non-current assets 4 percent. Whereby the structure of total assets at the end of previous year consisted of cash and cash equivalents 10 percent, trade accounts receivable 6 percent, net inventories 9 percent and other current assets 4 percent, investments in associated companies and other companies 29 percent, property, plant and equipment 38 percent and other non-current assets 4 percent.

- Cash and cash equivalents at the end of the 1st quarter of the year 2024 was 275 million baht, decreased from the end of previous year by 81 million baht, as follow:

Cash used for operating activities was 71 million baht. This mostly used to pay off other current accounts payable – general company and trade accounts payable – related company.

Cash used for investing activities was 3 million baht. This mostly spent on purchasing fixed assets .

Cash used for financing activities was 7 million baht. This mostly are payments for debts under long-terms lease agreement.

- Trade accounts receivable at the end of the 1st quarter of the year 2024 was 202 million baht, decreased from the end of previous year of 7 million baht. The balance of trade accounts receivable at the end of the 1st quarter of the year 2024 of which separated as 75 percent of such accounts receivable was not yet due, 20 percent of accounts receivable was overdue less than 3 months and 5 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 5 million baht. Receivable turnover rate at the end of the 1st quarter of the year 2024 was 11.27 times and at the end of previous year was 10.80 times. Average debt collection at the end of the 1st quarter of the year 2024 was 32 days and at the end of previous year was 34 days. Receivable turnover was increased and average debt collection period was decrease because the revenue was increased at the end of the 1st quarter of this year.

- Inventories balance at the end of the 1st quarter of the year 2024 was 266 million baht, decreased by 53 million baht or decreased 17 percent from the end of previous year. Mostly decreased from the renewable energy business group. The inventory turnover rate at the end of the 1st quarter of the year 2024 was 6.99 times, and was 6.20 times at the end of previous year.

- Other current assets as of the end of the 1st quarter of the year 2024 was 178 million baht, increased by 15 million baht or increased 9 percent from previous year. This increase was mainly resulted from the other current receivables – related company.

- Investments at the end of the 1st quarter of the year 2024 were 1,070 million baht, increased by 3 million baht or increased 0 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 2024 was 1,360 million baht, decreased by 19 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 723 million baht, decreased by 117 million baht or decreased 14 percent from the previous year. Mostly decreased from trade accounts payable and other current liabilities.

- 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, short-term loan from related companies was 129 million baht. 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, Trade accounts payable was 229 million baht, decreased by 48 million baht or decreased 17 percent from previous year.

- As at the end of the 1st quarter of this year, other current liabilities were 126 million baht, decreased by 49 million baht or decreased 28 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 121 million baht. This was mainly resulted from the recognition of the liabilities according to the lease agreement for car 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 2,777 million baht, as at the end of previous year was 2,810 million baht, decreased by 33 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 4.68 baht per share, the end of previous year 4.74 baht per share, decreased by 0.06 baht per share from previous year.

2.2 Liquidity and significant financial ratios

Statements of Cash flows for the three-month period ended March 31, 2024

Consolidated financial statements	Unit : Million Baht
Net cash from (used for) operating activities	(71)
Net cash from (used for) investing activities	(3)
Net cash from (used for) in financing activities	(7)
Increase (Decrease) in cash and cash equivalents - net	(81)
Cash and cash equivalents at the beginning of period	356
Cash and cash equivalents at the end of period	275

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 275 million baht, 356 million baht at the end of previous year. Cash flow decreased by 81 million baht, this was related to:

- Cash flow spent with operating activities amounting to 71 million baht. This mostly used to pay off other current accounts payable – general company 33 million baht and pay off trade accounts payable – related company 28 million baht .

- Cash flow spent with investing activities 3 million baht. This mostly spent with purchase assets of Property, plant and equipment amounting to 3 million baht.

- Cash flow spent with financing activities 7 million baht. This mostly used to pay off for debts under long-term lease agreement amounting to 5 million baht.

The current ratio was increased from 1.62 times as at the end of previous year to 1.68 times as at the end of the 1st quarter of this year. The quick ratio was decreased from 0.88 times as at the end of previous year to 0.87 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 0.26 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