No. SAM-019/2025

May 15, 2025

Re : Management Discussion and Analysis (MD&A) for the Financial Statements for the Quarter 1/2025 (Additional) Revise 2

To : Managing Director
The Stock Exchange of Thailand

Samchai Steel Industries Public Company Limited (the "Company") would like to clarify the reason for the difference in operating results for the Quarter 1/2025 ended 31 March 2025 compared to the same period of 2024. The revision was made voluntarily by the Company in order to improve the accuracy, completeness, and clarity of the information disclosed for the benefit of investors and all stakeholders.

The Company further confirms that such revision was undertaken on its own initiative and was not made pursuant to any order, instruction, or requirement of the Securities and Exchange Commission of Thailand (the "SEC").

1. The Company recorded sales revenue of THB 1,399.81 million, an increase of THB 34.83 million or 2.55% from the same period of the previous year. This increase was due to higher customer orders, driven by customers' confidence in the Company's reputation and product quality.

2. The cost of sales amounted to THB 1,371.56 million, a decrease of THB 49.11 million or 3.46% from the previous year. This reduction resulted from improved cost management policies. Despite the increase in sales, the Company was able to maintain cost efficiency.

3. As a result of the above, the Company achieved a gross profit of THB 27.86 million. Selling and administrative expenses totaled THB 31.50 million, an increase of THB 3.14 million from the previous year, which was in line with the growth in sales.

4. Finance costs amounted to THB 14.84 million, a decrease of THB 2.01 million or 11.93% from the previous year, primarily due to a reduction in outstanding short-term borrowings from financial institutions.

5. Based on the above information, the Company recorded a net loss of THB 78.26 million for the first quarter of 2025. However, excluding unrealized tax expenses that have not yet occurred during this quarter, the Company would have incurred an actual operating loss of THB 20.73 million.

6. The Company's financial ratios do not comply with the required financial covenants. Currently, the Company is in the process of negotiating with the bank to revise the financial ratios in order to ensure compliance with the covenant requirements.

7. Restatement of the Financial Statements Following the Results of the Special Audit

The Company was instructed by the Securities and Exchange Commission of Thailand (the "SEC") to conduct a special audit regarding sales transactions of an overseas subsidiary in which products were sold below cost. Accordingly, the Company's management engaged an independent specialist to perform the special audit. The special audit report was issued on June 30, 2025, and concluded that the presentation of inventories and cost of sales of the Company and its subsidiary for the years 2023 and 2024 was incorrect.

Subsequently, the SEC ordered the Company to restate its financial statements for the year ended December 31, 2024, the interim financial statements for the three-month and six-month periods ended June 30, 2025, and the interim financial statements for the three-month and nine-month periods ended September 30, 2025, to reflect the effects of the above matter. Such restatement also affected the profit (loss) for the three-month period ended March 31, 2024, which is presented as comparative information in the financial statements for the three-month period ended March 31, 2025. The details are as follows:

The adjustment relates to the inventory write-down recognized as of December 31, 2023, in respect of inventories sold by the Company to its overseas subsidiary. The subsidiary subsequently sold such inventories at prices below cost during the period from January 1, 2024, to February 27, 2024. As a result, the carrying amount of inventories as of December 31, 2023, was not presented at the lower of cost and net realizable value, as required, due to the subsequent sales below cost. In addition, the related cost of sales arising from such below-cost sales was recognized in the consolidated financial statements for the year ended December 31, 2024.

Accordingly, the Company increased the allowance for inventory write-down and deferred tax assets in the consolidated and separate financial statements as of January 1, 2024. The Company also adjusted the reversal of the inventory write-down and the related income tax income (expense) in the consolidated and separate financial statements for the three-month period ended March 31, 2024.

Accordingly, the Group has retrospectively restated the consolidated and separate financial statements as if the error had been corrected in the period in which it originally occurred. The cumulative effects of the error correction are presented as follows:

(Unit: Baht)

	As Previously Reported	Adjustment	As Restated
Consolidated Statement of Financial Position as at January 1, 2024			
Inventories	1,276,165,329.49	(109,703,178.56)	1,166,462,150.93
Deferred tax assets (liabilities)	(5,759,098.41)	21,940,635.71	16,181,537.30
Unappropriated retained earnings (accumulated deficit)	(449,109,781.32)	(87,762,542.85)	(536,872,324.17)
Separate Statement of Financial Position as at January 1, 2024			
Inventories	1,257,921,017.98	(109,703,178.56)	1,148,217,839.42
Deferred tax assets (liabilities)	(5,759,098.41)	21,940,635.71	16,181,537.30
Unappropriated retained earnings (accumulated deficit)	(535,997,255.67)	(87,762,542.85)	(623,759,798.52)
Consolidated Statement of Comprehensive Income			

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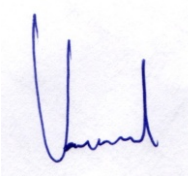
	As Previously Reported	Adjustment	As Restated
For the three-month period ended March 31, 2024			
Reversal of inventory write-down (Note 25)	(2,188,668.38)	109,703,178.56	107,514,510.18
Income tax expense (Note 25)	(3,572,916.12)	(21,940,635.71)	(25,513,551.83)
Profit (loss) for the period (Note 25)	(106,608,779.76)	87,762,542.85	(18,846,236.91)
Total comprehensive income (loss) for the period (Note 25)	(95,977,897.95)	87,762,542.85	(8,215,355.10)
Basic earnings (loss) per share attributable to owners of the Company (Baht per share) (Note 25)	(0.1020)	0.0840	(0.0180)
Separate Statement of Comprehensive Income			
For the three-month period ended March 31, 2024			
Reversal of inventory write-down	120,371.62	109,703,178.56	109,823,550.18
Income tax expense	(2,313,830.66)	(21,940,635.71)	(24,254,466.37)
Profit (loss) for the period	1,371,351.74	87,762,542.85	89,133,894.59
Total comprehensive income (loss) for the period	1,371,351.74	87,762,542.85	89,133,894.59
Basic earnings (loss) per share attributable to owners of the Company (Baht per share)	0.0013	0.0840	0.0853

Yours sincerely,



(Mr.Varoonchai Leekanchanakorn)
Managing Director

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