No. SAM-019/2025

May 15, 2025

Re : Management Discussion and Analysis for the First Quarter of 2025 Financial Statements and Clarification of Significant Adjustments (Revised)

To : Managing Director
The Stock Exchange of Thailand

Samchai Steel Industries Public Company Limited (the "Company") would like to clarify that the revision to the Management Discussion and Analysis regarding the reasons for the changes in the Company's operating results for the first quarter of 2025 ended 31 March 2025, compared with the corresponding period of the previous year, has been made voluntarily by the Company in order to improve the accuracy, completeness, and clarity of the disclosed information for the benefit of investors and all stakeholders.

The aforementioned revision has been made solely at the Company's own initiative and is not made pursuant to any order or requirement of the Securities and Exchange Commission of Thailand (the "SEC"). The details of the revisions are as follows:

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 81.61 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 24.06 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.

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

The Company received an order from the Securities and Exchange Commission of Thailand (the "SEC") requiring the Company to conduct a special audit in relation to the sale of products below cost by its overseas subsidiary. Accordingly, the Company's management engaged an independent specialist to perform the special audit, and the results of such audit were reported on 30 June 2025.

The special audit report concluded that the valuation of inventories and the cost of sales recorded by the Company and its subsidiary for the years 2023 and 2024 had been misstated. Subsequently, the SEC ordered the Company to restate its financial statements for the year ended 31 December 2024, the interim financial statements for the three-month and six-month periods ended 30 June 2025, and the interim financial statements for the three-month and nine-month periods ended 30 September 2025 to reflect the corrections arising from such matters.

These adjustments also affected the profit (loss) for the three-month period ended 31 March 2024, which is presented as comparative information in the financial statements for the three-month period ended 31 March 2025. The details are as follows:

7.1 Auditor's Opinion

Auditor's Opinion on the Financial Statements	**Before Restatement**	**After Restatement**
Financial Statements for the First Quarter of 2025	The auditor's report concluded that nothing had come to the auditor's attention that caused the auditor to believe that the aforementioned interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, Interim Financial Reporting, based on the review performed. **Emphasis of Matter and Other Matter:** The auditor expressed an opinion that the comparative information for the three-month period ended 31 March 2024 had been adjusted in relation to the translation of the financial statements of a foreign operation and the non-recognition of an investment in a joint venture and the Company's share of profit from the joint venture, as the subsidiary had not yet made payment for the investment and sufficient evidence supporting the investment that demonstrated the rights in the joint venture had not yet been obtained.	The auditor's report expressed a qualified conclusion due to the restatement of the 2024 annual financial statements by another auditor, which may affect the comparability between the current period figures and the comparative figures of the consolidated and separate financial performance. **Emphasis of Matter and Other Matter:** Regarding the auditor's opinion on the adjustments related to the translation of the financial statements of a foreign operation, the auditor's conclusion remained unchanged from the conclusion issued prior to the adjustments, except for the matter relating to the correction of the statement of financial position as at 31 December 2024. This was due to losses arising from the sale of products by the subsidiary in Cambodia and the fact that the other auditor did not express an opinion on the financial statements of such subsidiary. As a result, the auditor expressed a qualified conclusion on the consolidated statement of comprehensive income and the separate statement of comprehensive income for the three-month period ended 31 March 2025.

7.2 Adjustments

The adjustment relates to the measurement of losses arising from the write-down of inventories as at 31 December 2023, which had been sold to an overseas subsidiary. Subsequently, the subsidiary sold such inventories at prices below cost during the period from 1 January 2024 to 27 February 2024. As a result, the carrying amount of inventories as at 31 December 2023 presented in the Company's financial statements did not reflect the lower of cost and net realizable value, as required, and should have been reduced due to the loss arising from the sale of inventories below cost. In addition, the cost of sales arising from such below-cost sales had been recognized in the consolidated financial statements for the year ended 31 December 2024.

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

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

	As Previously Reported	Adjustment	As Restated
Basic earnings (loss) per share attributable to owners of the Company (Baht per share)	0.0013	0.0840	0.0853

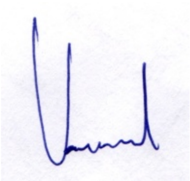
Furthermore, the amendment to the first quarter of 2025 financial statements did not result in any changes to the statement of cash flows.

7.3 Notes to the Financial Statements

Note 30. Approval of the Financial Statements

Original Notes to the Financial Statements	Revised Notes to the Financial Statements
These consolidated and separate interim financial statements were approved for issuance by the Company's Board of Directors on 15 May 2025.	These consolidated and separate interim financial statements were approved for issuance by the Company's Board of Directors on 15 May 2025, except for the matters related to Note 29 to the financial statements, which were approved on 3 July 2026.

Yours sincerely,



(Mr.Varoonchai Leekanchanakorn)
Managing Director