

February 27, 2025

Subject : Management's Discussion and Analysis for year ended December 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 year ended December 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 year ended December 31, 2024 as follows:

## 1. Operating Results

Consolidated Statements of Comprehensive Income for the year ended December 31, 2024 and 2023

Consolidated Financial Statements	For year ended December 31, 2023		For year ended December 31, 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales and services	1,595	82%	2,131	93%	(536)	(25%)
Construction services	360	18%	161	7%	199	124%
<b>Total Revenues</b>	<b>1,955</b>	<b>100%</b>	<b>2,292</b>	<b>100%</b>	<b>(337)</b>	<b>(15%)</b>
Costs of sales and services	1,347		1,748		(401)	(23%)
Costs of Construction services	391		204		187	92%
<b>Total Costs of Sales and Services</b>	<b>1,738</b>	<b>89%</b>	<b>1,952</b>	<b>85%</b>	<b>(214)</b>	<b>(11%)</b>
Sales and services gross profit	248		383		(135)	(35%)
Construction services gross profit	(31)		(43)		12	28%
<b>Total Gross Profit</b>	<b>217</b>	<b>11%</b>	<b>340</b>	<b>15%</b>	<b>(123)</b>	<b>(36%)</b>
Other income	64	3%	69	3%	(5)	(7%)
Selling and administrative expenses	(410)	(21%)	(449)	(20%)	39	9%
<b>Profit (Loss) from Operations</b>	<b>(129)</b>	<b>(7%)</b>	<b>(40)</b>	<b>(2%)</b>	<b>(89)</b>	<b>(223%)</b>
Profit in associated companies on equity method	73	4%	90	4%	(17)	(19%)
Expected Credit Loss	(15)	(1%)	0	0%	(15)	(100%)
Financial costs	(7)	(0%)	(6)	(0%)	(1)	(17%)
<b>Profit (Loss) before Income Tax</b>	<b>(78)</b>	<b>(4%)</b>	<b>44</b>	<b>2%</b>	<b>(122)</b>	<b>(277%)</b>
Income (Expenses) tax	(18)	(1%)	(4)	(0%)	(14)	(350%)
Equity in non – controlling interests in subsidiaries	(3)	(0%)	(5)	(0%)	2	40%
<b>Net Profit (Loss) attributable to the Company</b>	<b>(99)</b>	<b>(5.06%)</b>	<b>35</b>	<b>1.53%</b>	<b>(134)</b>	<b>(379%)</b>
<b>Net Profit (Loss) per share attributable to the Company (Baht)</b>	<b>(0.167)</b>		<b>0.060</b>		<b>(0.227)</b>	<b>(379%)</b>

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

For the fiscal year ended December 31, 2024, the consolidated financial statements of the Company presented total revenues amounting to 1,955 million baht, decreased by 337 million baht or decreased 15 percent from the same quarter of previous year. Such mainly change resulted from the decrease in flood protection wall, furniture group and “LUCKY” Hi-tech Building System group. Although, the income of renewable energy business group and domestic construction services has increased, 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 fiscal year ended December 31, 2024, the consolidated financial statements of the Company’s presented total revenues amounting to 1,955 million baht, decreased by 337 million baht or decreased 15 percent. This was mainly resulted from the decrease in flood protection wall, furniture group and “LUCKY” Hi-tech Building System group. Total revenues in this year consisted of following income:

- Revenues from domestic sales of furniture, “LUCKY” Hi-tech Building System group and flood protection wall totaling 1,434 million baht, decreased by 565 million baht or decreased 28 percent from the previous year.

- Revenues from renewable energy business group totaling in this year 161 million baht, increased by 29 million baht or increased 22 percent from previous year.

- Revenues from domestic construction services of this year has 3 jobs amounting to 360 million baht, increased by 199 million baht or increased 124 percent from the previous year.

### **Other Income**

The consolidated financial statements of the Company for the 1-year period ending at December 31, 2024 presented other income decreasing from the previous year by 5 million baht, or decreased 7 percent. Other income in this year were mainly from dividends, rents and other services.

## **Cost of Sales and Expenses**

- The consolidated financial statements of the Company presented total cost of sales for the 1-year period ending at December 31, 2024 amounting to 1,738 million baht, decreased by 214 million baht or decreased 11 percent from the previous year. This was the result of a decrease in revenue, even though construction costs increased due to unplanned schedules and material price adjustments. For the ratio of total cost of sales to total revenue for the year 2024 and the year 2023 was 89 percent and 85 percent, respectively.

- The consolidated financial statements of the Company presented selling and administrative expenses for 1-year period ending December 31, 2024 amounting to 410 million baht, decreased by 39 million baht or decreased 9 percent from the previous year. This was mostly resulted due to selling expenses, where this year the Group recorded a loss from impairment of non-performing assets of 21 million baht. For the ratio of selling and administrative expenses to total revenues for the year 2024 and the year 2023 was 21 percent and 20 percent, respectively.

- The consolidated financial statements of the Company presented expected credit loss arising from impairment in accordance with TFRS 9 for the 1-year period ending at December 31, 2024 increased by 15 million baht from the previous year. This is mostly due to the default of the debtor at the end of the year.

- The consolidated financial statements of the Company presented financial cost for the 1-year period ending at December 31, 2024 amounting to 7 million baht, increased by 1 million baht from the previous year. This was mainly resulted from the interest expenses of loans from domestic financial institutions for operating in renewable energy business group and domestic construction services.

## **Gross Profit**

- The consolidated financial statements of the Company for the 1-year period ending at December 31, 2024 presented gross profit amounting to 217 million baht, decreased by 123 million baht or decreased 36 percent from the previous year. The gross profit ratio for the 1-year period ending at December 31, 2024 and year 2023 was 11 percent and 15 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 1-year period ending at December 31, 2024 presented profit amounting to 73 million baht, decreased by 17 million baht or decreased 19 percent from the previous year that caused by 2 associated companies which has the turnover as the net profit decreased.

**Income (Expenses) tax**

- The consolidated financial statements of the Company presented tax expenses for the 1-year period ending at December 31, 2024 amounting to 18 million baht, increased by 14 million baht or increased 350 percent from the previous year. This is result of the write-off of income tax assets that the Company expects to be unusable in the future.

**Net Profit (Loss)**

- The consolidated financial statements of the Company for the 1-year period ending at December 31, 2024 presented net loss amounting to 99 million baht, and net profit amounting to 35 million baht for the year 2023, net loss different by 134 million baht or 379 percent from previous year. For the net loss ratio of the year 2024 was 5.06 percent and the Net profit ratio of the year 2023 was 1.53 percent.

## 2. Financial positions

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

Consolidated financial statement	December 31, 2024		December 31, 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
Cash and cash equivalents	412	12%	356	10%	56	16%
Trade accounts receivable - net	261	8%	209	5%	52	25%
Inventories – net	222	6%	319	9%	(97)	(30%)
Other current assets	111	3%	178	5%	(67)	(38%)
<b>Total Current Assets</b>	<b>1,006</b>	<b>29%</b>	<b>1,062</b>	<b>29%</b>	<b>(56)</b>	<b>(5%)</b>
Investments	1,120	32%	1,067	29%	53	5%
Property, plant and equipment - net	1,286	36%	1,378	38%	(92)	(7%)
Other non - current assets	116	3%	143	4%	(27)	(19%)
Total Non - Current Assets	2,522	71%	2,588	71%	(66)	(3%)
<b>Total Assets</b>	<b>3,528</b>	<b>100%</b>	<b>3,650</b>	<b>100%</b>	<b>(122)</b>	<b>(3%)</b>
<b>Liabilities and Shareholders' Equity</b>						
Short-term loans from financial institutions	50	2%	50	1%	0	0%
Trade accounts payable	307	9%	277	8%	30	11%
Long-term loans from financial institutions; due within 1 year	13	0%	14	0%	(1)	(7%)
Short-term loans from related company	129	4%	129	4%	0	0%
Other current liabilities	120	3%	175	5%	(55)	(31%)
<b>Total Current Liabilities</b>	<b>619</b>	<b>18%</b>	<b>645</b>	<b>18%</b>	<b>(26)</b>	<b>(4%)</b>
Employee benefits obligation	44	1%	55	1%	(11)	(20%)
Other non - current liabilities	142	4%	140	4%	2	1%
Total Non - Current Liabilities	186	5%	195	5%	(9)	(5%)
Total Liabilities	805	23%	840	23%	(35)	(4%)
Shareholders' equity to the Company's	2,503	71%	2,591	71%	(88)	(3%)
Shareholders' equity non-controlling interests' equity	220	6%	219	6%	1	0%
Total Shareholders' equity	2,723	77%	2,810	77%	(87)	(3%)
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,528</b>	<b>100%</b>	<b>3,650</b>	<b>100%</b>	<b>(122)</b>	<b>(3%)</b>

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

### **Total Assets**

As at December 31, 2024, the consolidated financial statements of the Company presented total assets amounting to 3,528 million baht, decreased by 122 million baht from the end of December 31, 2023. This was mainly decreasing from the net inventories 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 this year consisted of cash and cash equivalents 12 percent, net 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. Whereby the structure of total assets at the end of previous year consisted of cash and cash equivalents 10 percent, net trade accounts receivable 5 percent, net inventories 9 percent and other current assets 5 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 year 2024 was 412 million baht, increased from the end of previous year by 56 million baht, as follow:

Cash from operating activities was 24 million baht. This mostly from decreasing of net inventories, current contract assets decreased and debt repayment of general trade debtors.

Cash received from investing activities was 56 million baht. This mostly gain from dividends.

Cash used for financing activities was 24 million baht. This mostly spent for debt repayment under lease contracts and paying cash dividends.

- Trade accounts receivable at the end of year 2024 was 261 million baht, increased from the end of previous year of 52 million baht. The balance of trade accounts receivable at the end of year 2024 of which separated as 82 percent of such accounts receivable was not yet due, 7 percent of accounts receivable was overdue less than 3 months and 11 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 this year, balance of allowance for doubtful account was 16 million baht. Receivable turnover rate at the end of year 2024 was 8.32 times and at the end of previous year was 11.02

times. Average debt collection at the end of year 2024 and the end of year 2023 was 44 days and 33 days, respectively which the turnover rate of accounts receivable decreased and the average collection period increased because at this quarter, total revenues decreased and the trade account receivable increased.

- Inventories balance at the end of year 2024 was 222 million baht, decreased by 97 million baht or increased 30 percent from the end of previous year. Mostly increased from renewable energy business group and “LUCKY” Hi-tech Building System group. The inventory turnover rate at the end of the year 2024 was 6.41 times, and was 6.21 times at the end of previous year.

- Other current assets as of the end of the year 2024 was 111 million baht, decreased by 67 million baht or decreased 38 percent from previous year. This decrease was mainly resulted from the income from construction services awaiting collection.

- Investments at the end of year 2024 were 1,120 million baht, increased by 53 million baht or increased 5 percent from the end of previous year. This was resulted from recognition of increasing in profit on equity method from associated companies.

- Property, plant and equipment – net as at the end of the year 2024 was 1,286 million baht, decreased by 92 million baht or decreased 7 percent from the end of previous year. Mostly assets were property, plant and equipment in furniture business and from investment in renewable energy business in the form of buildings and machines which is reduced from depreciation and devaluation of unused assets.

- Other non-current assets at the end of year 2024 were 116 million baht, decreased by 27 million baht or increased 19 percent from the end of previous year. This was resulted from accrued retention money and Right-of-use assets from long-term leases.

### **Total liabilities**

As at the end of this year, the consolidated financial statements of the Company presented total liabilities of 805 million baht, decreased by 35 million baht or decreased 4 percent from the previous year. Mostly decreased from other non – current liabilities and liabilities from employee benefits obligations.

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

- As at the end of this year, account payable was 307 million baht, increased by 30 million baht or increased 11 percent from previous year. This mostly caused by increasing from construction creditors.

- As at the end 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 this year, other non-current liabilities were 120 million baht decreased by 55 million baht or decreased 31 percent from previous year. This was mainly resulted from the other current accounts payable-general companies arising from goods deposits.

- As at the end of this year, Liabilities under employee benefit obligations were 44 million baht decreased by 11 million baht or decreased 20 percent from previous year because this year the subsidiary has laid off some employees.

### **Shareholders' equity**

As at the end of this year, the consolidated financial statements of the Company presented the shareholders' equity of 2,723 million baht, as at the end of previous year was 2,810 million baht, decreased by 87 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 this year was 4.59 baht per share, the end of previous year 4.74 baht per share, decreased by 0.15 baht per share from previous year.



## 2.2 Liquidity and significant financial ratios

Statements of Cash flows for the 12-month period ended December 31, 2024

Consolidated financial statements	Unit : Million Baht
Net cash from (used for) operating activities	24
Net cash from (used for) investing activities	56
Net cash from (used for) in financing activities	(24)
<b>Increase (Decrease) in cash and cash equivalents - net</b>	<b>56</b>
Cash and cash equivalents at beginning of period	356
<b>Cash and cash equivalents at end of period</b>	<b>412</b>

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

- Cash flow from operating activities was 24 million baht. This mostly decreased from inventories 96 million baht, contract current assets 66 million baht and a repayment of general trade receivables 34 million baht.

- Cash flow received from investing activities was 56 million baht. This mostly gain from dividend amounting to 70 million baht.

- Cash flow spent with financing activities 24 million baht. This mostly used to repayment of lease liabilities 16 million baht and dividend payments 6 million baht.

The current ratio was decreased from 1.65 times as at the end of previous year to 1.63 times as at the end of this year. The quick ratio was increased from 0.88 times as at the end of previous year to 1.09 times as at the end 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 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 0.30 times at the end of this year.

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

#### **The stability of domestic politics**

If there are changes in domestic politics, this may cause government spending to stimulate the economy to be uncertain. It affects the industrial factor and company orders.

#### **Foreign market**

The International market is recovering due to the situation of the Covid-19 began to unfold in many countries, which may lead to more purchase orders for the Company.

#### **Raw material pricing**

Steel is core raw material for production. If steel price is fluctuated, it may affects 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,

Yours sincerely,

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