

November 14, 2024

Subject : Management's Discussion and Analysis for the 3rd quarter ending September 30, 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 3rd quarter for the three-month period ended September 30, 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 3rd quarter period ending September 30, 2024 as follows:

1. Operating Results

Consolidated Statements of Comprehensive Income for the three-month period ended September 30, 2024 and 2023

Consolidated Financial Statements	The Third quarter 2024		The Third quarter 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales and services	391	80%	705	91%	(314)	(45%)
Construction services	95	20%	72	9%	23	32%
Total Revenues	486	100%	777	100%	(291)	(37%)
Costs of sales and services	336		609		(273)	(45%)
Costs of Construction services	93		85		8	9%
Total Costs of Sales and Services	429	88%	694	89%	(265)	(38%)
Sales and services gross profit	55		96		(41)	(43%)
Construction services gross profit	2		(13)		15	115%
Total Gross Income	57	12%	83	11%	(26)	(31%)
Other income	31	6%	21	3%	10	48%
Selling and administrative expenses	(99)	(20%)	(103)	(13%)	4	4%
Profit (Loss) from Operations	(11)	(2%)	1	0%	(12)	(1,200%)
Profit in associated companies on equity method	20	4%	22	3%	(2)	(9%)
Financial costs	(2)	(0%)	(2)	(0%)	0	0%
Profit (Loss) before Income Tax	7	1%	21	3%	(14)	(67%)
Income tax	2	0%	(1)	(0%)	3	300%
Equity in non – controlling interests in subsidiaries	0	0%	(1)	(0%)	1	100%
Net Profit (Loss) attributable to the Company	9	1.85%	19	2.45%	(10)	(52%)
Net Profit (Loss) per share attributable to the Company (Baht)	0.016		0.032		(0.016)	(52%)

1.1 Analysis of overall Operating Results

For the 3rd quarter of the year 2024, the consolidated financial statements of the Company presented total revenues amounting to 486 million baht, decreased by 291 million baht or decreased 37 percent from the same quarter of previous year. Such mainly change resulted from the decrease income in furniture product group and “LUCKY” Hi-tech Building system . 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 3rd quarter of this year, the consolidated financial statements of the Company’s presented total revenues amounting to 486 million baht, decreased by 291 million baht or decreased 37 percent. This was mainly resulted from the decrease income in furniture product group and “LUCKY” Hi-tech Building system. Total revenues in the 3rd quarter of this year consisted of following income:

- Revenues from domestic sales of furniture, “LUCKY” Hi-tech Building System and flood protection wall totaling 340 million baht, decreased by 297 million baht or decreased 47 percent from the 3rd quarter of previous year.

- Revenues from renewable energy business group totaling in this year 51 million baht, decreased by 17 million baht or decreased 25 percent from previous year.

- Revenues from domestic construction services of this year has 3 jobs amounting to 95 million baht, increased by 23 million baht or increased 32 percent from the 3rd quarter of previous year.

Other Income

The consolidated financial statements of the Company for the 3rd quarter of this year presented other income increasing from the 3rd quarter of previous year by 10 million baht, or increased 48 percent. Other income in the 3rd quarter of this year were mainly from rents, dividend and other services.

Cost of Sales and Expenses

- The consolidated financial statements of the Company presented total cost of sales for the 3rd quarter of this year amounting to 429 million baht, decreased by 265 million baht or decreased 38 percent from the 3rd quarter of previous year. For the ratio of total cost of sales to total revenue for the 3rd quarter of year 2024 and the 3rd quarter of year 2023 was 88 percent and 90 percent, respectively.

- The consolidated financial statements of the Company presented selling and administrative expenses of the 3rd quarter of this year amounting to 99 million baht, decreased net by 4 million baht or decreased 4 percent from the 3rd quarter of previous year. This was mostly resulted from decreasing of selling expenses of “LUCKY” Hi-Tech Lucky Building system and renewable energy business group. The increase is mainly due to administrative expenses related to employees and the devaluation of unused assets. For the ratio of selling and administrative expenses to total revenues for the 3rd quarter of year 2024 and the 3rd quarter of year 2023 was 20 percent and 13 percent, respectively.

- The consolidated financial statements of the Company presented financial cost for the 3rd quarter of this year amounting to 2 million baht, same as the 3rd quarter of previous year. This was mainly resulted from the interest of loans from domestic financial institutions for operating in renewable energy business group and construction service group.

Gross Profit

- The consolidated financial statements of the Company for the 3rd quarter of the year 2024 presented gross profit amounting to 57 million baht, decreased by 26 million baht or decreased 31 percent from the 3rd quarter of previous year. The reason is the decrease in sales and service income and the increase in construction service expenses. The gross profit ratio for the 3rd quarter of the year 2024 and the 3rd quarter of the year 2023 was 12 percent and 11 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 3rd quarter of the year 2024 presented profit amounting to 20 million baht, decreased by 2 million baht or decreased 9 percent from the 3rd quarter of previous year that was caused by 2 associated companies which has the net profit decreasing.

Net Profit (Loss)

- The consolidated financial statements of the Company presented net profit amounting to 9 million baht for the 3rd quarter of the year 2024 and net profit amounting to 19 million baht for the 3rd quarter of the year 2023, decreased by 10 million baht or decreased 52 percent. This resulted from the decreasing of total income, the higher of administrative cost. For the Net profit ratio of the 3rd quarter of the year 2024 was 1.85 percent and the 3rd quarter of the year 2023 was net profit 2.45 percent.

2. Financial positions

Statements of Financial positions as of September 30, 2024 and December 31, 2023

Consolidated financial statement	September 30, 2024		December 31, 2023		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	317	9%	356	10%	(39)	(11%)
Trade accounts receivable - net	284	8%	209	5%	75	36%
Inventories – net	234	7%	319	9%	(85)	(27%)
Other current assets	115	3%	178	5%	(63)	(35%)
Total Current Assets	950	27%	1,062	29%	(112)	(11%)
Investments	1,071	31%	1,067	29%	4	0%
Property, plant and equipment - net	1,302	38%	1,379	38%	(77)	(6%)
Other non - current assets	121	4%	142	4%	(21)	(15%)
Total Non - Current Assets	2,494	73%	2,588	71%	(94)	(4%)
Total Assets	3,444	100%	3,650	100%	(206)	(6%)
Liabilities and Shareholders' Equity						
Short-term loans from financial institutions	50	2%	50	1%	0	0%
Trade accounts payable	250	7%	277	8%	(27)	(10%)
Short-term loans from related company	129	4%	129	4%	0	0%
Long-term loans from financial institutions; due within 1 year	13	0%	14	0%	(1)	(7%)
Other current liabilities	115	3%	175	5%	(60)	(34%)
Total Current Liabilities	557	16%	645	18%	(88)	(14%)
Employee benefits obligation	50	1%	55	1%	(5)	(9%)
Other non - current liabilities	117	4%	140	4%	(23)	(16%)
Total Non - Current Liabilities	167	5%	195	5%	(28)	(14%)
Total Liabilities	724	21%	840	23%	(116)	(14%)
Shareholders' equity to the Company's	2,500	73%	2,591	71%	(91)	(4%)
Shareholders' equity non-controlling interests' equity	220	6%	219	6%	1	0%
Total Shareholders' equity	2,720	79%	2,810	77%	(90)	(3%)
Total Liabilities and Shareholders' Equity	3,444	100%	3,650	100%	(206)	(6%)

2.1 Analysis of the financial position of the Company and its subsidiaries as at September 30, 2024 and December 31, 2023

Total Assets

As at the end of the 3rd quarter of the year 2024, the consolidated financial statements of the Company presented total assets amounting to 3,444 million baht, decreased by 206 million baht from the end of December 31, 2023. This was mainly decreasing from the net inventories, other current assets 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 3rd quarter of this year consisted of cash and cash equivalents 9 percent, net trade accounts receivable 8 percent, net inventories 7 percent and other current assets 3 percent, investments in associated companies and other companies 31 percent, Property, plant and equipment 38 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, 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 3rd quarter of the year 2024 was 317 million baht, decreased from the end of previous year of 39 million baht or decreased 11 percent as follow:

Cash used for operating activities was 68 million baht. This mostly used to pay off from constructions projects, other current accounts payable – general company and increase in trade receivables from construction contracting services.

Cash from investing activities was 50 million baht. This mostly comes from dividends received.

Cash used for financing activities was 21 million baht. This mostly used to repayment of lease liabilities and dividend payments.

- Trade accounts receivable at the end of the 3rd quarter of the year 2024 was 284 million baht, increased from the end of previous year of 75 million baht. The balance of trade accounts receivable at the end of the 3rd quarter of the year 2024 of which separated as 80 percent of such accounts receivable was not yet due, 12 percent of accounts receivable was overdue less than 3 months and 8 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 3rd quarter of this year, balance of allowance for doubtful account was 5 million baht. Receivable turnover rate at the end of the 3rd quarter of the year 2024 was 7.99 times and at the end of previous year was 10.80 times. Average debt collection at the end of the 3rd quarter of the year 2024 was 46 days and at the end of previous year was 34 days. Receivable turnover was decreased and average debt collection period was increase because the average accounts receivable was increased at the end of the 3rd quarter of this year.

- Inventories balance at the end of the 3rd quarter of the year 2024 was 234 million baht, decreased by 85 million baht or decreased 27 percent from the end of previous year. Mostly decreased from the renewable energy business group and “LUCKY” Hi-tech Building system group. The inventory turnover rate at the end of the 3rd quarter of the year 2024 was 6.40 times, and was 6.20 times at the end of previous year.

- Other current assets as of the end of the 3rd quarter of the year 2024 was 115 million baht, decreased by 63 million baht or decreased 35 percent from previous year. This increase was mainly resulted from the revenue of construction services waiting to be collected.

- Investments at the end of the 3rd quarter of the year 2024 were 1,071 million baht, increased by 4 million baht from the end of previous year. This was resulted from the increase dividend payment of an associated company.

- Property, plant and equipment – net as at the end of the 3rd quarter of the year 2024 was 1,302 million baht, decreased by 77 million baht or decreased 6 percent from the end of previous year. Mostly assets were property, plant and equipment in the furniture business and from investment of renewable energy business group in the form of buildings and machinery which decreased from depreciation and the devaluation of unused assets.

- Other non - current assets as of the end of the 3rd quarter of the year 2024 was 121 million baht, decreased by 21 million baht or decreased 15 percent from previous year. This decrease was mainly due to outstanding performance guarantees and right-of-use assets arising from long-term lease contracts.

Total liabilities

As at the end of the 3rd quarter of this year, the consolidated financial statements of the Company presented total liabilities of 724 million baht, decreased by 116 million baht or decreased 14 percent from the previous year. Mostly decreased from trade accounts payable and other non-current liabilities.

- As at the end of the 3rd quarter of this year, short-term loan from financial institution was 50 million baht. The balance is equal to the end of the previous year. Mostly are the promissory note of the subsidiary company for the operation.

- As at the end of the 3rd quarter of this year, Trade accounts payable was 250 million baht, decreased by 27 million baht or decreased 10 percent from previous year.

- As at the end of the 3rd 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 3rd quarter of this year, other current liabilities were 115 million baht, decreased by 60 million baht or decreased 34 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 3rd quarter of this year, other non-current liabilities were 117 million baht decreased by 23 million baht or decreased 16 percent from previous year. This was mainly resulted from the liabilities under lease agreement and liabilities from the retention of contractor.

Shareholders' equity

As at the end of the 3rd quarter of this year, the consolidated financial statements of the Company presented the shareholders' equity of 2,720 million baht, as at the end of previous year was 2,810 million baht, decreased by 90 million baht from previous year. This caused by the group of companies has accumulated operation results as the net loss in 1st – 3rd quarter of this year.

Book value as at the end of the 3rd quarter 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 nine-month period ended September 30, 2024

Consolidated financial statements	Unit : Million Baht
Net cash from (used for) operating activities	(68)
Net cash from (used for) investing activities	50
Net cash from (used for) in financing activities	(21)
Increase (Decrease) in cash and cash equivalents - net	(39)
Cash and cash equivalents at the beginning of period	356
Cash and cash equivalents at the end of period	317

Liquidity of the consolidated financial statement of the Company as at the end of the 3rd quarter of this year, the Company held cash amounting to 317 million baht. Cash flow decreased by 39 million baht or decreased 11 percent, this was related to:

- Cash flow spent with operating activities amounting to 68 million baht. This mostly used to pay off debts from constructions projects 47 million baht, pay off other current account payable – general company 40 million baht and increase in trade receivables from construction contracting services 98 million baht .

- Cash flow from investing activities 50 million baht. This mostly comes from dividends received amounting to 60 million baht.

- Cash flow spent with financing activities 21 million baht. This mostly used to repayment of lease liabilities 12 million baht and dividend payments 8 million baht.

The current ratio was increased from 1.65 times as at the end of previous year to 1.71 times as at the end of the 3rd quarter of this year. The quick ratio was increased from 0.88 times as at the end of previous year to 1.08 times as at the end of the 3rd 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 3rd 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 0.27 times at the end of the 3rd 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 changes, this may cause the government's spending to stimulate the economy will be uncertain. It affects the Industrial sector and company order.

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