

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED  
AND SUBSIDIARY  
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024  
(UNAUDITED/REVIEWED ONLY)

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

### **To The Shareholders of SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED**

I have reviewed the consolidated and separate statements of financial position of SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY and of SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED as at March 31, 2024, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the three-month periods then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of Review**

Except for the matters mentioned in the Basis of Qualified Conclusion paragraph, I conducted my review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on this reviewed interim financial information.

### **Basis of Qualified Conclusion**

I draw your attention to notes 21 to financial statements, the subsidiary in the Kingdom of Cambodia has the net operating loss for the three-month periods ended March 31, 2024 for the amount of USD 3,105,611 (approximate to Baht 112.62 million) arose from the subsidiary sold the products under the cost price in the first quarter of 2024, resulted in the gross loss of USD 2,898,398 (approximate to Baht 105.33 million) that the sales of products in the price lower than the cost price equivalents to 45.02% of costs of products. The management of the Company clarified that cause was the sortation of dead stock products to be discharge from the warehouse, both dead stock of the subsidiary itself and dead stock products sold by the Company to the subsidiary during the period. This is caused by long-term storage, and those products are damage and usable products. It is necessary to sell them at a low price. I have not found the evidences to assure that the damaged products were included in the previous inventories because the subsidiary did not prepare the sortation of products report and provide evidence of the collection of damaged products before sales as well as inconsistent with the other environmental evidences.

The abovementioned situation may have a material impact on inventories in the consolidated financial statements and the separate financial statements as at December 31, 2023 which presented as comparative information, consolidated and separate retained earnings of the current period, comparative financial statements and consolidated and separate results of operations for the three-month periods ended March 31, 2024.

### **Conclusion**

Except for the mentioned in the Basis of Qualified Conclusion paragraph, based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting.

### **Emphasis of Matter**

I draw your attention to the following information:

As stated in notes 16 to interim financial information, the Company signed a Memorandum of Understanding to amend the loan agreement due to the changes of collateral with the bank's condition to reserve the right to exercise the right for calling the debts payment and shall be considered as a Call default for any issues that affect the Company's operating results and financial position from the financial statements for the first quarter of 2024, the second quarter of 2024 and the third quarter of 2024. The maintenance of agreement conditions depends on the operation which does not affect to the Company's performance and financial position. Accordingly, the conclusion in my report on this matter remain unchanged.

D I A International Audit Co., Ltd.

(Mr. Wirote Satjathamnukul)

C.P.A. (Thailand)

Registration No. 5128

October 22, 2024

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT MARCH 31, 2024**

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
		(Unaudited/ but reviewed)	(Audited)	(Unaudited/ but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	82,272,758.29	75,424,242.60	79,191,095.19	73,836,271.24
Trade and other current receivables	5	904,573,928.12	884,813,451.99	806,878,483.25	738,873,546.01
Trade and other current receivables to related party	6, 22	-	-	82,253,690.37	15,154,282.32
Inventories	7	1,140,039,706.06	1,276,165,329.49	1,108,887,479.81	1,257,921,017.98
Non-current assets classified as held for sale	8	153,847,450.00	144,366,125.00	153,847,450.00	144,366,125.00
<b>Total current assets</b>		<b>2,280,733,842.47</b>	<b>2,380,769,149.08</b>	<b>2,231,058,198.62</b>	<b>2,230,151,242.55</b>
<b>Non-current assets</b>					
Bank deposit with obligations	9	8,594,645.93	8,594,645.93	8,594,645.93	8,594,645.93
Investment in subsidiary	10	-	-	115,810,303.01	115,810,303.01
Other long-term investments	11	2,250,000.00	2,250,000.00	2,250,000.00	2,250,000.00
Investment property	12	67,232,624.57	67,704,125.81	67,232,624.57	67,704,125.81
Property, plant and equipment	13	1,526,802,043.08	1,522,287,620.12	1,457,314,010.68	1,451,586,021.63
Right-of-use assets	14	14,248,593.26	14,335,651.87	-	-
Other intangible assets	15	2,008,419.17	2,095,746.17	2,008,419.17	2,095,746.17
Other non-current assets		727,132.60	569,196.60	536,651.36	535,228.10
<b>Total non-current assets</b>		<b>1,621,863,458.61</b>	<b>1,617,836,986.50</b>	<b>1,653,746,654.72</b>	<b>1,648,576,070.65</b>
<b>Total assets</b>		<b>3,902,597,301.08</b>	<b>3,998,606,135.58</b>	<b>3,884,804,853.34</b>	<b>3,878,727,313.20</b>

Notes to financial statements are parts of these financial statements.

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2024

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		March 31, 2024 (Unaudited/ but reviewed)	December 31, 2023 (Audited)	March 31, 2024 (Unaudited/ but reviewed)	December 31, 2023 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from					
financial institutions	16	1,359,145,891.11	1,367,513,032.68	1,359,145,891.11	1,367,513,032.68
Trade and other current payables	17, 22	1,049,137,647.95	1,038,250,870.68	1,043,601,410.75	1,032,962,779.94
Corporate income tax payable		495,591.62	-	-	-
<b>Total current liabilities</b>		<b>2,408,779,130.68</b>	<b>2,405,763,903.36</b>	<b>2,402,747,301.86</b>	<b>2,400,475,812.62</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	19	8,072,929.07	5,759,098.41	8,072,929.07	5,759,098.41
Non-current provisions for employee benefit	18	9,811,752.50	9,690,884.00	9,811,752.50	9,690,884.00
<b>Total non-current liabilities</b>		<b>17,884,681.57</b>	<b>15,449,982.41</b>	<b>17,884,681.57</b>	<b>15,449,982.41</b>
<b>Total liabilities</b>		<b>2,426,663,812.25</b>	<b>2,421,213,885.77</b>	<b>2,420,631,983.43</b>	<b>2,415,925,795.03</b>

Notes to financial statements are parts of these financial statements.

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT MARCH 31, 2024

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		March 31, 2024 (Unaudited/ but reviewed)	December 31, 2023 (Audited)	March 31, 2024 (Unaudited/ but reviewed)	December 31, 2023 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
1,085,670,000 common shares of Baht 1 each		1,085,670,000.00	1,085,670,000.00	1,085,670,000.00	1,085,670,000.00
Issued and paid-up share capital					
1,045,125,093 common shares of Baht 1 each		1,045,125,093.00	1,045,125,093.00	1,045,125,093.00	1,045,125,093.00
Share premium		918,494,598.54	918,494,598.54	918,494,598.54	918,494,598.54
Retained earnings (deficit)					
Appropriated					
Legal reserve	20	35,179,082.30	35,179,082.30	35,179,082.30	35,179,082.30
Unappropriated		(561,459,122.49)	(449,109,781.32)	(534,625,903.93)	(535,997,255.67)
Other components of equity		38,593,837.48	27,703,257.29	-	-
<b>Total shareholders' equity</b>		<b>1,475,933,488.83</b>	<b>1,577,392,249.81</b>	<b>1,464,172,869.91</b>	<b>1,462,801,518.17</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,902,597,301.08</b>	<b>3,998,606,135.58</b>	<b>3,884,804,853.34</b>	<b>3,878,727,313.20</b>

Notes to financial statements are parts of these financial statements.

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024

(UNAUDITED / REVIEWED ONLY)

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Revenues from sales	21	1,369,688,895.29	1,510,311,678.97	1,480,102,263.24	1,507,864,052.14
Cost of sales		(1,424,471,338.55)	(1,455,553,709.84)	(1,431,910,688.83)	(1,471,434,717.83)
Reversal of (loss) on inventories devaluation		(2,231,756.79)	1,122,824.40	120,371.62	1,122,824.40
<b>Gross profit</b>		(57,014,200.05)	55,880,793.53	48,311,946.03	37,552,158.71
Other income		381,080.00	406,812.25	381,080.00	406,812.25
Reversal of expected credit losses		-	2,720,641.92	-	2,720,641.92
Reversal of loss on impairment of investment		9,481,325.00	-	9,481,325.00	-
Gain (loss) on exchange rate		(5,461,459.39)	(1,010,132.14)	(1,497,540.05)	618,650.07
Distribution costs		(10,881,581.69)	(7,293,467.92)	(10,881,581.69)	(7,293,467.92)
Administrative expenses		(28,419,287.24)	(28,797,837.71)	(25,257,897.38)	(26,704,160.67)
Finance costs		(16,852,149.51)	(10,222,178.37)	(16,852,149.51)	(10,222,178.37)
<b>Profit (loss) before income tax expense</b>		(108,766,272.88)	11,684,631.56	3,685,182.40	(2,921,544.01)
Tax income (expense)	19	(3,583,068.29)	(2,614,936.66)	(2,313,830.66)	(2,614,936.66)
<b>Profit (loss) for the period</b>		(112,349,341.17)	9,069,694.90	1,371,351.74	(5,536,480.67)
<b>Other comprehensive income :</b>					
<b>Items that will be reclassified to profit or loss</b>					
Exchange differences on translating financial statements		10,890,580.19	478,180.40	-	-
<b>Other comprehensive income (expense) for the period</b>		10,890,580.19	478,180.40	-	-
<b>Total comprehensive income (expense) for the period</b>		(101,458,760.98)	9,547,875.30	1,371,351.74	(5,536,480.67)

Notes to financial statements are parts of these financial statements.

SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024

(UNAUDITED / REVIEWED ONLY)

(Unit : Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2024	2023	2024	2023
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(112,349,341.17)	9,069,694.90	1,371,351.74	(5,536,480.67)
Non-controlling interests		-	-	-	-
		<u>(112,349,341.17)</u>	<u>9,069,694.90</u>	<u>1,371,351.74</u>	<u>(5,536,480.67)</u>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the Company		(101,458,760.98)	9,547,875.30	1,371,351.74	(5,536,480.67)
Non-controlling interests		-	-	-	-
		<u>(101,458,760.98)</u>	<u>9,547,875.30</u>	<u>1,371,351.74</u>	<u>(5,536,480.67)</u>
<b>Earnings per share</b>					
Basic earnings (loss) per share		(0.11)	0.01	-	(0.01)
Number of weighted average common shares (share)		1,045,125,093	1,045,125,093	1,045,125,093	1,045,125,093

Notes to financial statements are parts of these financial statements.

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024**

**(UNAUDITED / REVIEWED ONLY)**

**(Unit : Baht)**

	Consolidated financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity	
			Appropriated Legal reserve	Unappropriated		
Balance as at January 1, 2023	1,045,125,093.00	918,494,598.54	35,179,082.30	(356,794,378.30)	15,321,913.81	1,657,326,309.35
Changes in shareholders' equity for the three-month periods :						
Profit for the period	-	-	-	9,069,694.90	-	9,069,694.90
Other comprehensive income (expense) for the period	-	-	-	10,890,580.19	478,180.40	11,368,760.59
Balance as at March 31, 2023	<u>1,045,125,093.00</u>	<u>918,494,598.54</u>	<u>35,179,082.30</u>	<u>(336,834,103.21)</u>	<u>15,800,094.21</u>	<u>1,677,764,764.84</u>
Balance as at January 1, 2024	1,045,125,093.00	918,494,598.54	35,179,082.30	(449,109,781.32)	27,703,257.29	1,577,392,249.81
Changes in shareholders' equity for the three-month periods :						
Loss for the period	-	-	-	(112,349,341.17)	-	(112,349,341.17)
Other comprehensive income (expense) for the period	-	-	-	-	10,890,580.19	10,890,580.19
Balance as at March 31, 2024	<u>1,045,125,093.00</u>	<u>918,494,598.54</u>	<u>35,179,082.30</u>	<u>(561,459,122.49)</u>	<u>38,593,837.48</u>	<u>1,475,933,488.83</u>

Notes to financial statements are parts of these financial statements.

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024**

**(UNAUDITED / REVIEWED ONLY)**

**(Unit : Baht)**

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		
			Appropriated	Unappropriated	
			Legal reserve		
Balance as at January 1, 2023	1,045,125,093.00	918,494,598.54	35,179,082.30	(411,286,709.93)	1,587,512,063.91
Changes in shareholders' equity for the three-month periods :					
Loss for the period	-	-	-	(5,536,480.67)	(5,536,480.67)
Balance as at March 31, 2023	<u>1,045,125,093.00</u>	<u>918,494,598.54</u>	<u>35,179,082.30</u>	<u>(416,823,190.60)</u>	<u>1,581,975,583.24</u>
Balance as at January 1, 2024	1,045,125,093.00	918,494,598.54	35,179,082.30	(535,997,255.67)	1,462,801,518.17
Changes in shareholders' equity for the three-month periods :					
Profit for the period	-	-	-	1,371,351.74	1,371,351.74
Balance as at March 31, 2024	<u>1,045,125,093.00</u>	<u>918,494,598.54</u>	<u>35,179,082.30</u>	<u>(534,625,903.93)</u>	<u>1,464,172,869.91</u>

Notes to financial statements are parts of these financial statements.

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024**

**(UNAUDITED / REVIEWED ONLY)**

**(Unit : Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(112,349,341.17)	9,069,694.90	1,371,351.74	(5,536,480.67)
<b>Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities</b>				
Adjustment for tax (income) expense	3,583,068.29	2,614,936.66	2,313,830.66	2,614,936.66
Adjustment for finance costs	16,225,739.71	9,642,279.90	16,225,739.71	9,642,279.90
Depreciation and amortization	14,220,614.68	15,768,345.18	12,867,344.83	14,033,845.34
(Reversal) of loss on devaluation of inventories	2,231,756.79	(1,122,824.40)	(120,371.62)	(1,122,824.40)
Unrealized (gain) loss on exchange rate	201,256.06	(805,581.13)	(708,059.25)	(234,823.44)
Loss on sale of assets	19,094.79	-	19,094.79	-
(Reversal) of expected credit losses	155,350.96	(2,720,641.92)	155,350.96	(2,720,641.92)
(Reversal) of loss on impairment of investment	(9,481,325.00)	-	(9,481,325.00)	-
Amortized assets	23,602.21	127,515.27	23,602.21	127,515.27
Employee benefit expenses	120,868.50	136,908.75	120,868.50	136,908.75
<b>Profit (loss) from operation before changes in operating assets and liabilities</b>	<b>(85,049,314.18)</b>	<b>32,710,633.21</b>	<b>22,787,427.53</b>	<b>16,940,715.49</b>
<b>Operating assets (increase) decrease</b>				
Trade and other current receivables	(19,230,463.85)	(246,103,346.79)	(68,160,288.20)	(188,530,296.76)
Trade and other current receivables from related party	-	-	(66,190,092.74)	(55,260,637.73)
Inventories	133,893,866.64	(83,898,341.22)	149,153,909.79	(66,271,231.77)
Other non-current assets	(156,512.74)	(70,967.76)	-	-
<b>Operating liabilities increase (decrease)</b>				
Trade and other current payables	(8,284,252.50)	330,175,542.28	(8,270,907.02)	330,169,531.22
Employee benefit paid - retirement	-	(655,466.00)	-	(655,466.00)
<b>Cash generated (paid) from operation</b>	<b>21,173,323.37</b>	<b>32,158,053.72</b>	<b>29,320,049.36</b>	<b>36,392,614.45</b>
Interest paid	(16,571,056.23)	(9,410,078.64)	(16,571,056.23)	(9,410,078.64)
Income tax paid	(775,069.27)	(9,019.74)	(1,423.26)	(9,019.74)
<b>Net cash provided by (used in) operating activities</b>	<b>3,827,197.87</b>	<b>22,738,955.34</b>	<b>12,747,569.87</b>	<b>26,973,516.07</b>

Notes to financial statements are parts of these financial statements.

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**STATEMENTS OF CASH FLOWS (Cont'd)**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024**

**(UNAUDITED / REVIEWED ONLY)**

**(Unit : Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from investing activities</b>				
Proceeds from other long-term investment	-	4,530,846.16	-	4,530,846.16
Decrease in advance payment for assets	(685,363.24)	(747,932.00)	-	(747,932.00)
Acquisition of property, plant and equipment	(18,183,884.09)	(42,351,070.75)	(18,131,238.94)	(42,351,070.75)
Proceeds from sale of assets	52,036.30	-	52,036.30	-
Proceeds from deposit for machinery	18,955,706.00	-	18,955,706.00	-
Increase (decrease) in assets payable	359,155.64	(242,595.54)	97,663.70	(187,785.00)
<b>Net cash provided by (used in) investing activities</b>	<b>497,650.61</b>	<b>(38,810,752.13)</b>	<b>974,167.06</b>	<b>(38,755,941.59)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term borrowings from financial institutions	(8,367,141.57)	4,235,770.73	(8,367,141.57)	4,235,770.73
Payments for short-term borrowings	-	(4,000,000.00)	-	(4,000,000.00)
Payments for lease liabilities	-	(157,309.60)	-	(157,309.60)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,367,141.57)</b>	<b>78,461.13</b>	<b>(8,367,141.57)</b>	<b>78,461.13</b>
<b>Increase in exchange difference on translation of financial statements</b>	<b>10,890,580.19</b>	<b>478,180.40</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,848,287.10</b>	<b>(15,515,155.26)</b>	<b>5,354,595.36</b>	<b>(11,703,964.39)</b>
Unrealized gain on exchange rate of foreign currency cash and deposit	228.59	-	228.59	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75,424,242.60</b>	<b>93,842,355.76</b>	<b>73,836,271.24</b>	<b>89,205,989.95</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>82,272,758.29</b>	<b>78,327,200.50</b>	<b>79,191,095.19</b>	<b>77,502,025.56</b>

Notes to financial statements are parts of these financial statements.

**SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**NOTES TO INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024**

**(UNAUDITED / REVIEWED ONLY)**

**1. GENERAL INFORMATION**

1.1 SAMCHAI STEEL INDUSTRIES PUBLIC COMPANY LIMITED ("the Company") was registered as a company limited on December 25, 1997, with registration No. 1489/2540 and the Company was registered to convert into a public company limited on March 18, 2004, with registration No. BorMorJor. 0107547000249 and became a listed company in the Stock Exchange of Thailand on September 7, 2004.

1.2 Locations:

Head office is located at 75/14, 75/17, 85 Soi Wat Sopanaram, Ekkachai Road, Tumbol Kokkham, Amphur Muang, Samutsakorn.

Branch office is located at 56-56/1 Moo 2, Poochaosamingprai Road, Tumbol Bangyaphraek, Amphur Praphradaeng, Samutprakarn.

1.3 The Company engaged in manufacturing and selling of steel pipes and tubes.

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

2.1 Interim financial statements preparation

These interim financial statements have been prepared on a condensed basis to be corresponded with Thai Accounting Statements No. 34 "Interim Financial Reporting", guideline promulgated by the Federation of Accounting Professions, and the related regulation and notification of the Securities and Exchange Commission.

These interim financial statements have been prepared for the purpose to provide the update information on the latest complete set of annual financial statements for the year ended December 31, 2023. Accordingly, it does not include all of financial information required for full annual financial statements but it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2023.

The financial statements in Thai language are mainly used as a statutory financial statements, an English version of financial statements have been translated from Thai financial statements.

The Group's financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

These consolidated financial statements consist of financial statements of Samchai Steel Industries Public Company Limited which is a parent company and the financial statements of subsidiary in which Samchai Steel Industries Public Company Limited, held its share capital or has significantly power to control such subsidiary as below:

<u>Subsidiary name</u>	<u>Incorporated in</u>	<u>Percentage of holding</u>	<u>Type of business</u>	<u>Relationship</u>
Steel Hub Limited	Cambodia	100.00	Manufacturing of steel pipes	Shareholder, control

## 2.2 Transaction with related party

Inter-company transactions have been eliminated in the consolidated financial statements.

2.3 The consolidated financial statements have been presented the consolidated financial position and results of operations of Samchai Steel Industries Public Company Limited and its subsidiary. The usefulness of transaction of consolidated financial statements for other purposes may be limited due to the difference business of those consolidated companies.

## 2.4 New financial reporting standards that became effective in the current year

The Group has adopted a number of revised financial reporting standards and interpretations, which are effective for the financial statements for fiscal year beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

## 2.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2023.

### **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

In preparation of interim financial information, the management must make subjective judgements and estimates affect to the adoption of accounting policy and reported amounts of assets, liabilities, revenues and expenses which actual results could differ from these estimates.

#### 4. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Cash	931,344.03	897,242.49	739,994.00	717,685.00
Savings deposit	73,307,361.49	66,751,099.37	71,690,145.12	66,009,011.60
Current accounts	8,034,052.77	7,775,900.74	6,760,956.07	7,109,574.64
Total	82,272,758.29	75,424,242.60	79,191,095.19	73,836,271.24

#### 5. TRADE AND OTHER CURRENT RECEIVABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Trade accounts receivable	898,882,940.43	908,602,931.90	811,504,068.52	768,016,346.02
Less Allowance for expected credit losses	(71,033,615.93)	(70,878,264.97)	(71,033,615.93)	(70,878,264.97)
Trade accounts receivable - net	827,849,324.50	837,724,666.93	740,470,452.59	697,138,081.05
Other current receivables				
Advance payment for goods	45,075,788.83	13,006,001.96	44,066,513.36	11,511,184.15
Advance payment for assets	685,363.24	-	-	-
Revenue Department receivable	15,892,386.29	27,559,564.68	15,892,386.29	27,559,564.68
Others	15,071,065.26	6,523,218.42	6,449,131.01	2,664,716.13
Total other current receivables	76,724,603.62	47,088,785.06	66,408,030.66	41,735,464.96
Total	904,573,928.12	884,813,451.99	806,878,483.25	738,873,546.01

**5. TRADE AND OTHER CURRENT RECEIVABLES (Cont'd)**

As at March 31, 2024 and December 31, 2023, the Company has outstanding trade accounts receivable classified by aging as follows:

	<b>(Unit : Baht)</b>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
In due	556,011,926.24	588,967,888.87	468,633,054.33	448,381,302.99
Overdue				
Less than 3 months	231,639,502.94	229,909,343.30	231,639,502.94	229,909,343.30
Over 3 - 6 months	24,286,299.22	3,143,128.20	24,286,299.22	3,143,128.20
Over 6 - 12 months	4,882,163.97	3,928,907.22	4,882,163.97	3,928,907.22
Over 12 months	82,063,048.06	82,653,664.31	82,063,048.06	82,653,664.31
Total	<u>898,882,940.43</u>	<u>908,602,931.90</u>	<u>811,504,068.52</u>	<u>768,016,346.02</u>

**6. TRADE AND OTHER CURRENT RECEIVABLES TO RELATED PARTY**

	<b>(Unit : Baht)</b>	
	<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Trade accounts receivable to related party	79,767,497.37	15,154,282.32
Other current receivable to related party	2,486,193.00	-
Total	<u>82,253,690.37</u>	<u>15,154,282.32</u>

As at March 31, 2024 and December 31, 2023, the Company has outstanding trade accounts receivable classified by aging as follows:

	<b>(Unit : Baht)</b>	
	<u>Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
In due	79,767,497.37	15,154,282.32

7. INVENTORIES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Finished goods				
Manufacture	357,632,038.64	345,548,266.74	326,260,795.52	319,931,307.67
Trading	369,339,119.61	463,914,826.46	367,206,008.07	462,275,257.32
Goods in process	60,549,293.14	24,473,484.37	60,549,293.14	24,473,484.37
Raw materials	239,103,892.20	177,770,901.34	239,103,892.20	177,770,901.34
Supplies	18,936,691.12	18,659,769.72	18,936,691.12	18,659,769.72
Goods in transit	25,838,273.24	-	25,838,273.24	-
Raw materials in transit	84,912,582.55	268,647,827.09	84,912,582.55	268,647,827.09
Supplies in transit	-	202,898.12	-	202,898.12
Total	1,156,311,890.50	1,299,217,973.84	1,122,807,535.84	1,271,961,445.63
Less Allowance for devaluation				
of inventories	(16,272,184.44)	(23,052,644.35)	(13,920,056.03)	(14,040,427.65)
Inventories	1,140,039,706.06	1,276,165,329.49	1,108,887,479.81	1,257,921,017.98

As at April 5, 2018, the Customs officer has investigated and seized raw materials in the form of steel coil and metal pipe with the estimated carrying value of Baht 58 million caused by the mistaking of the officers regarding the cut off raw materials by using FIFO (First-in First-out) basis. At present, the seized goods as exhibit still being the ownership of the Company which had not been devolved on the State yet.

## 8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the three-month periods ended March 31, 2024, the movements in non-current assets classified as held for sale are as follows:

	<b>(Unit : Baht)</b>
	<b>Consolidated and Separate financial statements</b>
Net book value as at 1 January 2024	144,366,125.00
Reversal of loss on impairment of investment for the period	9,481,325.00
Net book value as at March 31, 2024	<u>153,847,450.00</u>

On February 13, 2023, the Company entered into a trading contract for machinery with an overseas company (the "Buyer") with a contract value of USD 4.25 million. Currently, the Company has received the payment under trading contract in full. The machinery has been dismantled and gradually delivered to the buyer country to be tested to ensure about whether it can run at full capacity in accordance with the conditions specified in the contract.

As at March 31, 2024 and December 31, 2023, the aforementioned machinery has been used to guarantee against short-term borrowings from financial institutions as stated in note 16. At present, the Company has completely proceeded the collaterals replacement for the bank. The registration of the mortgaged machine redemption is completed on October 11, 2024.

## 9. BANK DEPOSIT WITH OBLIGATIONS

Bank deposits as collateral for the local bank to issue letters of guarantee to the government agency as stated in note 23.1.

## 10. INVESTMENT IN SUBSIDIARY

		<b>(Unit : Baht)</b>			
		<b>Paid-up share capital</b>		<b>Separate financial statements</b>	
<b>Company's name</b>	<b>Proportion of investment</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>Cost Method March 31, 2024</b>	<b>December 31, 2023</b>
Steel Hub Limited	100%	115,810,303.01	115,810,303.01	115,810,303.01	115,810,303.01

As at March 31, 2024 and December 31, 2023, the Company has investment in a subsidiary amount of USD 3.56 million.

## 11. OTHER LONG-TERM INVESTMENTS

	(Unit : Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Cost of investment :-		
Thai Cold Rolled Steel Sheet Public Company Limited	5,000,000.00	5,000,000.00
Less Provision for impairment of investment	(2,750,000.00)	(3,218,953.84)
Other long-term investments	<u>2,250,000.00</u>	<u>2,250,000.00</u>

## 12. INVESTMENT PROPERTY

During the three-month periods ended March 31, 2024, the movements in investment property are as follows:

	(Unit : Baht)
	<u>Consolidated and Separate financial statements</u>
Net book value as at 1 January 2024	67,704,125.81
Depreciation for the period	(471,501.24)
Net book value as at March 31, 2024	<u>67,232,624.57</u>

On September 27, 2024, part of investment property was used as guarantee against short-term borrowings as stated in note 16.

## 13. PROPERTY, PLANT AND EQUIPMENT

During the three-month periods ended March 31, 2024, the movements in property, plant and equipment are as follows:

	(Unit : Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value as at 1 January 2024	1,522,287,620.12	1,451,586,021.63
Purchase during the period	18,183,884.09	18,131,238.94
Disposal during the period	(94,727.30)	(94,727.30)
Depreciation for the period	(13,574,733.83)	(12,308,522.59)
Net book value as at March 31, 2024	<u>1,526,802,043.08</u>	<u>1,457,314,010.68</u>



**16. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

**(Unit : Baht)**

	<b>Consolidated and Separate financial statements</b>	
	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Borrowings from banks		
Promissory notes	364,000,000.00	251,000,000.00
Trust receipt	995,145,891.11	1,116,513,032.68
Total	<u>1,359,145,891.11</u>	<u>1,367,513,032.68</u>

As at March 31, 2024 and December 31, 2023, the Company has credit lines from three local banks total amount of Baht 1,570.00 million, guaranteed by mortgaging part of land with its construction and machinery of the Company as stated in note 8 and note 13.

On September 26, 2024, the Company signed a Memorandum of Understanding to amend the separate loan agreement for each bank as confirmed by the Company in accordance with the loan terms and conditions framework for the DR Biz project on September 6, 2024, which is a jointly qualified conclusion of those three banks. There are the significant terms and conditions that have been changed from the original version as follows:

1. Conditions for discharge of machine collateral as stated in note 8 with collateral replacement as follows:
  - 1.1 Part of investment property as stated in note 12
  - 1.2 Part of property, plants and equipment as stated in note 13

At present, the Company has mortgaged the condominium and machines and completely registered the part of vehicles as business collaterals as mentioned in No. 1.1 and 1.2.

2. The bank reserves the right to exercise the right for calling the debts payment and shall be considered as a call default for any issues that affect the Company's operating results and financial position from the financial statements for the first quarter of 2024, the second quarter of 2024 and the third quarter of 2024.

Accordingly, the bank will consider the debt repayment ability in accordance with the conditions as a basis.

**17. TRADE AND OTHER CURRENT PAYABLES**

**(Unit : Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Trade accounts payable				
Trade accounts payable	603,024,427.18	643,122,231.45	603,024,427.18	643,122,231.45
Trade accounts payable from related party	144,522.76	123,088.52	144,522.76	123,088.52
Total trade accounts payable	<u>603,168,949.94</u>	<u>643,245,319.97</u>	<u>603,168,949.94</u>	<u>643,245,319.97</u>
Other current payables				
Accrued expenses	22,684,683.62	27,947,279.20	22,684,683.62	27,947,279.20
Advance payment for goods	233,225,613.81	176,471,665.66	233,225,613.81	176,471,665.66
Deposit for machinery	148,986,736.00	130,031,030.00	148,986,736.00	130,031,030.00
Assets payable	5,809,631.58	5,450,475.95	1,481,910.87	1,443,667.18
Guarantees payable	32,512,185.63	32,512,185.63	32,512,185.63	32,512,185.63
Advance - received	-	19,772,870.00	-	19,772,870.00
Others	2,749,847.37	2,820,044.27	1,481,910.87	1,538,762.30
Total other current payables	<u>445,968,698.01</u>	<u>395,005,550.71</u>	<u>440,432,460.81</u>	<u>389,717,459.97</u>
Total	<u>1,049,137,647.95</u>	<u>1,038,127,782.16</u>	<u>1,043,456,887.99</u>	<u>1,032,839,691.42</u>

**18. NON-CURRENT PROVISIONS FOR EMPLOYEE**

Changes in present value of non-current provisions for employee benefit

**As at March 31, 2024 and December 31, 2023**

**(Unit : Baht)**

	<b>Consolidated and Separate financial statements</b>	
	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Non-current provisions for employee benefit		
are the beginning of the period	9,690,884.00	10,897,195.00
Current service cost	92,158.25	425,089.00
Interest cost	28,710.25	122,546.00
Payment of employee benefit during the period	-	(1,753,946.00)
Non-current provisions for employee benefit		
at the end of the period	<u>9,811,752.50</u>	<u>9,690,884.00</u>

**18. NON-CURRENT PROVISIONS FOR EMPLOYEE(Cont'd)**

Non-current provision for employee benefit expense is recognized in the following items in the statement of comprehensive income:

**For the three-month periods ended March 31, 2024 and 2023**

	<b>(Unit : Baht)</b>	
	<b>Consolidated and Separate financial statements</b>	
	<b>2024</b>	<b>2023</b>
Cost of sales	50,999.75	60,807.50
Distribution costs	9,902.25	13,865.00
Administrative expenses	59,966.50	62,236.25
Total	<u>120,868.50</u>	<u>136,908.75</u>

**19. TAX EXPENSES/ DEFERRED TAX**

Deferred tax assets and liabilities after offsetting are included in statements of financial position as detailed following:

	<b>(Unit : Baht)</b>	
	<b>Consolidated and Separate financial statements</b>	
	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Deferred tax assets</b>		
Expected credit losses	7,804,760.52	7,629,920.93
Allowance for devaluation of inventories	2,784,011.21	2,808,085.53
Employee benefit provisions	1,962,350.50	1,938,176.80
Provisions for impairment of investment	550,000.00	550,000.00
Provision for impairment of asset	56,774,590.25	58,670,855.25
Total	<u>69,875,712.48</u>	<u>71,597,038.51</u>
<b>Deferred tax liabilities</b>		
Depreciation from changes in provisions	77,948,641.55	77,356,136.92
Total	<u>77,948,641.55</u>	<u>77,356,136.92</u>
Deferred tax assets (liabilities) - net	<u>(8,072,929.07)</u>	<u>(5,759,098.41)</u>

**19. INCOME TAX EXPENSES/ DEFERRED TAX (Cont'd)**

Tax expenses for the three-month periods ended March 31, 2024 and 2023 are summarized as follows:

**(Unit : Baht)**

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Current tax :</b>				
Tax income for the period	1,269,237.63	-	-	-
<b>Deferred tax :</b>				
Deferred tax resulted from temporary differences and reversal of temporary differences	2,313,830.66	2,614,936.66	2,313,830.66	2,614,936.66
Tax (income) expenses presented in statements of comprehensive income	<u>3,583,068.29</u>	<u>2,614,936.66</u>	<u>2,313,830.66</u>	<u>2,614,936.66</u>

**21. LEGAL RESERVE**

According to the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deducting deficit brought forward (if any) until the legal reserve reach 10% of authorized share capital. Such legal reserve is not available for dividend distribution.

**21. REVENUES FROM SALES**

A subsidiary in the Kingdom of Cambodia (Steel Hub Limited) has the net operating loss for the period ended March 31, 2024 for the amount of USD 3,105,611 (appropriately Baht 112.62 million) arose from sales of products below the cost price in the first quarter of 2024, resulted in the gross loss of USD 2,898,398 (appropriately Baht 105.33 million) that the sales of goods in the price lower than the cost price equivalents to 45.02% of costs of goods., due to the separation of old out-of-stock products at the subsidiary itself and out-of-stock products sold by the Company to subsidiary during the period. This is caused by long-term storage, and those products are damage and usable products. It is necessary to sell them at a low price.

## 22. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues, and expenses of the Company was derived from its related parties. These companies are related to the Company through the co-shareholders and/or co-directors. The financial statements are reflected the effects of these transactions on the basis determined by the normal course of business with related parties as similar to deal with other parties.

<b>Related Parties</b>	<b>Relationship</b>	<b>Transaction</b>	<b>Pricing Policy</b>
Steel Hub Limited	Subsidiary	Selling goods	Cost
Chainarong Intertrade Co., Ltd.	The Company's director is a major shareholder and authorized director	Bearing acquisition	Market price

The balance of inter-company transaction are detailed as follows:

**(Unit : Baht)**

	<b>Consolidated financial statements</b>			
	<b>December 31,2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>March 31,2024</b>
<b>Chainarong Intertrade Co., Ltd.</b>				
Trade accounts payable	123,088.52	144,522.76	(123,088.52)	144,522.76

**(Unit : Baht)**

	<b>Separate financial statements</b>			
	<b>December 31,2023</b>	<b>Increase</b>	<b>Decrease</b>	<b>March 31,2024</b>
<b>Steel Hub Limited</b>				
Trade accounts receivable	15,154,282.32	235,770,388.44	(171,157,173.39)	79,767,497.37
Other current receivables	-	4,286,113.00	(1,799,920.00)	2,486,193.00
<b>Chainarong Intertrade Co., Ltd.</b>				
Trade accounts payable	123,088.52	144,522.76	(123,088.52)	144,522.76

## 22. TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Revenues and expenses transactions with related companies for the three-month periods ended March 31, 2024 and 2023, are summarized as follows:

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Steel Hub Limited</b>				
Sell of goods	-	-	235,718,352.14	173,837,673.08
Sell of assets	-	-	52,036.30	-
<b>Chainarong Intertrade Co., Ltd.</b>				
Acquire of goods and supplies	135,068.00	127,814.00	135,068.00	127,814.00

## 23. COMMITMENT AND CONTINGENT LIABILITIES

23.1 As at March 31, 2024 and December 31, 2023, the Company has commitment from three local banks issuance letter of guarantee to the government agencies and the private companies, totaling Baht 71.54 million.

23.2 As at March 31, 2024 and December 31, 2023, the Company has opened letter of credit in the amount of Baht 97.35 million and Baht 130.81 million respectively to purchase finished goods and raw materials from overseas.

23.3 As at March 31, 2024 and December 31, 2023, the Company has the remaining contingent liability for purchasing finished goods and raw materials from local and overseas companies of Baht 327.98 million and Baht 77.81 million respectively.

23.4 As at March 31, 2024 and December 31, 2023, the Company has the remaining contingent liability for purchasing machinery and vehicles from two local companies of Baht 0.63 million.

23.5 As at March 31, 2024 and December 31, 2023, the Company has commitment under hire of renovation of plant and machinery with four domestic companies which has remaining in the amount of Baht 3.77 million and Baht 3.06 million respectively.

23.6 As at March 31, 2024 and December 31, 2023, the subsidiary has the remaining contingent liability for purchasing finished goods from overseas companies of Baht 2.44 million and Baht 3.53 million respectively.

## 24. FINANCIAL INFORMATION SEGMENT

The financial information is separated in geographical segment (selling of steel pipes and tubes) based on the operating location for the three-month periods ended March 31, 2024 and 2023, as follows:

(Unit : Million Baht)

	Consolidated financial statements					
	As at March 31, 2024			As at March 31, 2023		
	Domestic sales	Overseas sales	Total	Domestic sales	Overseas sales	Total
Revenues from sales	1,245	125	1,370	1,331	179	1,510
Cost of sales	(1,197)	(230)	(1,427)	(1,298)	(156)	(1,454)
Gross profit (loss)	48	(105)	(57)	33	23	56
Other income			-			(1)
Reversal loss on						
impairment of asset			9			-
Distribution costs			(11)			(7)
Administrative expenses			(33)			(26)
Finance costs			(17)			(10)
Tax income (expense)			(3)			(3)
Profit (loss) for the period			(112)			9
Property, plant and equipment			1,527			1,696

## 25. EVENTS AFTER THE REPORTING PERIOD

According to the resolution of the Executive Committee Meeting No. 5/2024 held on June 4, 2024, passed to approve a subsidiary in the Kingdom of Cambodia (Steel Hub Limited) to participate with foreign shareholders and establish a joint venture company (SteelTech Pipes Company Limited in the Kingdom of Cambodia) with a registered capital of USD 5,000,000 (2,500,000 shares, at the value of USD 2 per share) to engage in the business of manufacturing and exporting steel pipes, in which the subsidiary holds 50% of the shares and was registered as a company on June 10, 2024.

## 26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved and authorized for issue by the Board of directors of the Company on October 22, 2024