

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Siam Steel Service Center Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Siam Steel Service Center Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statement of financial position as of 31 December 2022, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including the summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Siam Steel Service Center Public Company Limited and its subsidiaries as of 31 December 2022, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Company's Financial Statements section of this report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in my audit of the consolidated and separate financial statements for the current year. These matters were addressed in the context of my audit of the consolidated and separate financial, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
<p><i>Recognition of sale revenues with installation, measurement of work in process and estimation of installation cost for the outstanding projects at the end of accounting period</i></p> <p>The Group and the Company recognize revenues from sales with installation for the projects outstanding at 31 December 2022 amounting to Baht 380 million and Baht 338 million, respectively, which is included in sales and installation income – net. This represents 7% and 6% of total revenues, respectively.</p> <p>The Group recognizes sales with installation income in the statement of income based on survey of the percentage of physical completion for the projects in progress at the end of the year as determined by the Group's engineers coupled with the comparison of actual costs with estimated total costs. Actual costs of the project work are recognized as incurred on an accrual basis. The process to determine estimated costs of sales with installation is highly judgmental and can be affected by changes in environmental factors, including economic conditions and future availability of materials and labour. The actual costs may differ from such estimated costs which could result in a material variance in the amount of profit or loss in the current period.</p> <p>The Group and the Company disclose accounting policies for the recognition of revenues with installation in Note 3 to financial statements.</p>	<p>My audit procedures by sampling are summarized below:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Evaluate the management process for determining the percentage of completion of each contract for income recognition. <input type="checkbox"/> Select significant projects in progress by sampling for physical observation with the Company's representative to determine the percentage of physical completion for comparison with the accounting percentage of completion summarized by the Company at the end of the year. <input type="checkbox"/> Review evidence supporting estimated total budget costs and actual costs up to the end of the year and estimated costs to complete the projects. <input type="checkbox"/> Compare the actual costs to the budgeted total costs to complete the project to consider that the percentage of completion for accounting purpose is in line with the physical completion. <input type="checkbox"/> Review the adequacy of disclosure in accordance with the Financial Reporting Standards.

Key audit matters	How the matter was addressed in the audit
<p data-bbox="368 344 625 376"><i>Valuation of inventories</i></p> <p data-bbox="368 432 911 591">The Group and the Company have inventories as of 31 December 2022 amount of Baht 1,746 million and 1,706 million, respectively. which represents 40% and 39% of total assets, respectively.</p> <p data-bbox="368 651 911 943">Inventories are carried in the financial statements at the lower of cost or net realizable value. The management estimates the net realizable values from estimated selling prices in the ordinary course of business, less expenses necessary to make the products ready for sale. Including selling expenses, such as transportation expenses, etc.</p> <p data-bbox="368 1003 911 1328">The management determines the selling prices based on domestic market prices which are affected by the highly fluctuation of demand and supply in the global market, competitive marketing and the situation in the industry. The management prepares a net realizable value calculation report and estimates the adequacy of the allowance for net realizable value at the report date.</p> <p data-bbox="368 1388 911 1458">Refer to Notes 9 which provides details of the valuation of inventories.</p>	<p data-bbox="938 432 1249 463">My audit procedure included;</p> <ul style="list-style-type: none"> <li data-bbox="938 472 1469 667">- Obtain management information and determine the net realizable value of inventories, and test current market prices of inventories and the purchase and sale commitments that may exist. <li data-bbox="938 685 1469 797">- Evaluate the design of the internal control process and test the operating effectiveness of the controls. <li data-bbox="938 815 1469 927">- Perform substantive testing on a sample basis on the net realizable value of inventories as at the report date. <li data-bbox="938 945 1469 1236">- Review the actual results for the year with reference to the Company's historical estimation of allowance for decline value of inventories and future operating plan to evaluate the appropriateness of the Company's estimation relating to the valuation of inventories. <li data-bbox="938 1254 1469 1366">- Consider the adequacy and appropriateness of the allowance for decline value of inventories determined by the management. <li data-bbox="938 1406 1469 1518">- Review the adequacy of disclosure in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information comprising the information included in the annual report other than the consolidated and separate financial statements and my auditor's report thereon. It is expected that the management will arrange for the preparation of annual report and provide a copy for me to review after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, I am also responsible to read the other information referred to above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for them to correct the material misstatement.

Responsibilities of Management and Those Charged with Governance for the Preparation of Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mr. Somckid Tiatragul

Certified Public Accountant

Registration No. 2785

Grant Thornton Limited

Bangkok

28 February 2023