

# 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 (the Company) and its subsidiary (the Group) which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, which include significant accounting policies.

In my opinion, the 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 subsidiary as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) 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 TFAC Code. 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 judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	Audit responses
<p><i>Recognition of installation income, measurement of work in process and estimation of installation cost for the outstanding projects at the end of the year.</i></p> <p>The Group and the Company recognize installation income for projects installation for the year ended 31 December 2024 amounting to Baht 1,028 million and Baht 942 million, respectively, which is included in sales and installation income - net. These represent 21% and 19% of total revenues, respectively, and impact to the accounting transactions that unbilled accrued income amounting to Baht 117 million and Baht 117 million, respectively. Refer to Note 8 and 20.</p> <p>The Group recognizes installation income in the statement of income over time for the projects in progress at the end of the year. The percentage of completion is determined based on the actual costs incurred compared to the estimate project costs. Actual costs of the project work are recognized as incurred on an accrual basis. The process to determine estimated costs of installation income and percentage of completion are 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><i>My audit procedures are summarized below:</i></p> <ul style="list-style-type: none"> <li>- Consider the appropriate of project cost estimation by reviewing quotation, agreements and other cost estimation assumptions.</li> <li>- Examined actual project costs by understanding, evaluating and testing key internal controls in project management processes, as well as reviewing relevant supporting documents to ensure the completeness and accuracy of actual project costs incurred.</li> <li>- Tested the calculation of the percentage of completion by comparing actual installation costs incurred with the estimated total project costs.</li> <li>- Compared the calculated percentage of completion with the project progress reports assessed by project engineers, analysed any discrepancies and made necessary adjustments to improve the accuracy of the percentage of completion.</li> <li>- Selected significant ongoing installation projects for physical observation conducted jointly with company representatives to verify their existence, reasonableness and progress.</li> <li>- Tested the calculation of revenue recognized for the year and the outstanding unbilled receivables and advances from customers, ensuring they were based on the percentage of completion and the contract value.</li> </ul>

Key audit matters	Audit responses
<p>The Group and the Company disclosed accounting policies for the recognition of revenues with installation in Note 3.</p>	<ul style="list-style-type: none"> <li>- Evaluate the adequacy of the Group's financial reporting disclosures in accordance with the financial reporting standards.</li> </ul> <p>Based on the above procedures, the Group has appropriately recognized installation service revenue, unbilled receivables and advances from customers.</p>

#### *Other Information*

The management are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me 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, my responsibility is to read the other information identified 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 the management and Those Charged with Governance for the Preparation of Financial Statements*

The 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 consolidated and separate 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 is not a guarantee that an audit conducted in accordance with TSAs 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 these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement 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 and the Company's internal control.

- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ☐ Conclude on the appropriateness of the management use of the going concern basis of accounting 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 and the Company'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 and the Company 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 the audit committee 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 the audit committee 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 the audit committee, 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.

**Kesanee Srathongphool**

Certified Public Accountant

Registration No. 9262

Grant Thornton Limited

Bangkok

28 February 2025