



| Unit (Million Baht)                  | Q3/2024 | Q3/2023 | Rate of increase (decrease) (%) | 9M/2024 | 9M/2023 | Rate of increase (decrease) (%) |
|--------------------------------------|---------|---------|---------------------------------|---------|---------|---------------------------------|
| Income from product sales            | 172.94  | 206.54  | (16.27)                         | 436.01  | 635.87  | (31.43)                         |
| Gain (loss) from equity valuation    | (4.88)  | (33.23) | 85.31                           | 63.47   | (22.92) | 376.96                          |
| Total income                         | 176.36  | 207.62  | (15.05)                         | 515.06  | 639.58  | (19.00)                         |
| Gross Profit (Loss)                  | 20.32   | 11.96   | 69.96                           | 37.08   | 15.35   | 141.51                          |
| Profit (loss) from sales of products | 7.54    | (9.70)  | 177.78                          | (1.89)  | (46.57) | 95.94                           |
| Net Profit (Loss)                    | 2.66    | (42.92) | 106.20                          | 61.58   | (69.49) | 188.62                          |
| Gross Profit Margin (%)              | 11.75   | 5.79    |                                 | 8.50    | 2.41    |                                 |
| Sales profit Margin (%)              | 4.36    | (4.69)  |                                 | (0.43)  | (7.32)  |                                 |
| Net profit Margin (%)                | 1.51    | (20.67) |                                 | 11.96   | (10.86) |                                 |

The company has operating results from production and sales of products.

In Q3/2024, the company had an operating profit from the production and sale of goods of 7.54 million baht, an increase of 17.24 million baht or 177.78% compared to Q3/2023, when the company suffered a loss of 9.70 million baht. This growth was the result of adjusting the strategy to suit the global market conditions, as the price of steel wire was highly volatile. Therefore, the company used strict management of raw material prices and remaining stocks and selected to sell products to customers who offered the highest prices to reduce the risk of losses from stock.

In addition, the company uses a strategy of purchasing raw materials at lower prices to average costs, resulting in low production costs, enabling the company to maintain its competitiveness and effectively increase profits.

The Company recognizes losses from the valuation of financial assets. For this quarter, the Company recognized a loss on the valuation of equity instruments of 4.88 million

baht, a decrease of 28.35 million baht or 85.31% compared to a loss of 33.23 million baht in Q3/2023. This decrease in loss was the result of the adjustment of the fair value of financial assets in accordance with the mechanism of the equity market, reflecting the recovery of market prices and more effective risk management.

**The company had a net profit** In Q3/2024, the company had a net profit of 2.66 million baht, an increase of 45.58 million baht or 106.20% compared to Q3/2023, when the company had a net loss of 42.92 million baht. This adjustment reflects more efficient management in terms of costs and operations, which helped the company return to net profit in this quarter.

**The company had income from product sales** In Q3/2024, the Company had revenue from sales of 172.94 million baht, a decrease of 33.60 million baht or 16.27% compared to Q3/2023, which had revenue from sales of 206.54 million baht. This decrease in revenue was the result of adjusting sales strategy, whereby the Company chose to allocate sales to customers with high margins instead of focusing on dumping.



Although overall sales decreased, the higher selling price per unit helped increase profits and efficiency of the business.

**Total income** In Q3/2024, the Company had a total revenue of 176.36 million baht, a decrease of 31.26 million baht or 15.05% compared to Q3/2023, which had a total revenue of 207.62 million baht. This decrease was the result of lower sales volume in line with the current steel market conditions and a sales strategy that focused on setting unit selling prices as the main indicator, which resulted in lower sales but was able to maintain higher selling prices and increase profitability.

**Comparing the total income for 9 months of 2024 with the total income for 9 months of 2023, it was found that**

The company had total revenue of 515.06 million baht, a decrease of 124.52 million baht or 19.00% compared to total revenue of 639.58 million baht in the same period of 2023. This decrease was due to lower sales volume in line with challenging market conditions.

**Operating results from selling products for a total of 9 months of 2024**

The company had a loss of 1.89 million baht, a decrease of 44.68 million baht or 95.94% compared to a loss of 46.57 million baht in the first 9 months of 2023. This decrease in loss was due to the adjustment of the cost of raw materials to decrease in 2024. The company also effectively controlled and managed the risk of raw material prices and inventory levels, resulting in low-cost control. At the same time, the marketing strategy that emphasizes controlling the selling price helps increase profits even though the sales volume may decrease.

**The company recognized a profit from the valuation of equity assets for a total of 9 months of 2024**

The amount of 63.47 million baht, an increase of 86.39 million baht or an increase of 376.96% when compared to the same period of 2023, in which the Company had a loss from the measurement of equity instruments of 22.92 million baht. This increase was due to the adjustment of the fair value of financial assets

according to the mechanism of the equity market, reflecting the recovery of equity prices in the market and effective management of the company.

**Total operating results for the first 6 months of 2024, the**

**company had a net profit of 61.58 million baht, which is an increase in profit of 131.07 million baht or an increase of 188.63% when compared to the same period of 2023, where the company had a net loss of 69.49 million baht. This growth in net profit reflects the significant improvement in the company's operating efficiency and risk management.**

**Cost of sales**

In Q3/2024, the company had a cost of sales of 152.62 million baht, a decrease of 41.97 million baht or 21.57% compared to Q3/2023, when the cost of sales was 194.59 million baht. This decrease in the cost of sales was due to the sales strategy that the company used to control selling prices and maintain its target customer base with high profit margins by selecting to sell products from high-priced stock and accepting low-priced raw materials to average costs, resulting in an effective decrease in the cost of sales.

**Distribution costs**

In Q3/2024, the company had distribution costs of 6.62 million baht, a decrease of 1.18 million baht or 15.14% compared to Q3/2023, which had distribution costs of 7.80 million baht. This decrease was a result of lower sales volume, which resulted in lower freight costs. However, when compared to sales revenue, distribution costs remained at a ratio close to that of Q3/2023.

**Administrative expenses**

In Q3/2024, the company had administrative expenses of 7.66 million baht, a decrease of 4.41 million baht or 36.53% compared to Q3/2023, which had administrative expenses of 12.07 million baht. This decrease was the result of the restructuring of employees to increase work potential and reduce administrative expenses, which helped the Company



reduce costs and increase operational efficiency. In addition, on March 1, 2024, the company agreed to renew the lease and service fee contract for the company's branch office (Rama 3 branch) with an area of 220 sq m. at Supalai Grand Tower Building with the parent company, holding 52.30% of the shares (Capital Engineering Network Public Company Limited) at the following rates:

Rental fee: 726,000 baht per year (rental fee: 275 baht per sq m.) Total 3 years, total amount 2,178,000 baht

Service fee Year 1 = 924,000 baht per year  
(service fee 350 baht per sq m.)

Service fee Year 2 = 937,200 baht per year  
(service fee 355 baht per sq m.)

Service fee Year 3 = 950,400 baht per year  
(service fee 360 baht per sq m.)

The criteria for determining the rental rate are equal to the rental rate in the original contract and consistent with the rental rates of nearby commercial buildings such transactions are related to related companies in the type of real estate rental transaction, not exceeding 3 years, with a transaction size of "medium", meaning the total transaction size is more than 1 million baht but less than 20 million baht (calculated by comparing with the NTA from the company's financial statements, which have been audited and certified by the auditor for 2023 as of the contract date on March 1, 2024, which is equal to 1,000,843,492 baht). When calculating the transaction size on the contract date, it is only 0.50 percent of NTA, which has been recognized as an expense in the interim financial statements since the first quarter of 2024 onwards.

#### Asset

As of September 30, 2024, the company had total assets of 1,268.87 million baht, an increase of 51.97 million baht or 4.27% compared to the end of 2023, which had total assets of 1,216.90 million baht. This increase was due to several factors, with cash decreasing by 106.75 million baht because the company used cash to pay off short-term debts from financial institutions to purchase raw materials, which helped reduce

interest expenses. In addition, the company used cash to purchase additional shares to create better returns.

Meanwhile, trade receivables increased by 54.49 million baht due to the strategy of selling products and raw materials to control the amount of stock remaining in stock, especially in a situation where the world steel price is volatile and tends to decrease, resulting in an increase in trade receivables while the remaining stock decreased by 15.76 million baht due to the control of the amount of raw materials and finished products to prevent the risk of price fluctuations.

The company's other current financial assets increased by 132.31 million baht as a result of the management of highly liquid assets such as cash and bank deposits during a period when the economic situation was not conducive to investment in the specified business plan. In order to generate high and worthwhile returns, the Company decided to invest in additional shares of EMC Public Company Limited (EMC). On May 13, 2024, the company's board of directors resolved to purchase additional shares under the rights offering (Right Offering: RO) in the amount of 976,475,700 shares at a price of 0.07 baht per share, totaling 68.35 million baht such investment is therefore considered liquidity management and is not considered an acquisition of assets in any way.

This additional share purchase also allows the Company to receive warrants at a rate of 2 new shares per 1 warranty, with the Company receiving 488,237,850 units at no cost, which can be assessed at the market value of this warranty at 43.94 million baht at the end of Q3/2024.

#### Liabilities

As of September 30, 2024, the Company had total liabilities of 206.30 million baht, a decrease of 9.61 million baht or 4.45% compared to December 31, 2023, which had total liabilities of 215.92 million baht. This decrease was due to the repayment of short-term loans from financial institutions, which helped



reduce interest burdens and adjust the financial structure to be more sustainable.

#### Equity of shareholder

As of September 30, 2024, the Company had total shareholders' equity of 1,062.57 million baht, an increase of 61.58 million baht or 6.15% compared to December 31, 2023, which had shareholders' equity of 1,000.98 million baht. This increase was due to an increase in profit in the first 9 months of 2024 of 61.58 million baht, reflecting improved operating results and value creation for shareholders.

| Key financial ratios        | Q3/2024 | Q3/2023 |
|-----------------------------|---------|---------|
| Days of accounts receivable | 109     | 121     |
| Number of days inventory    | 53      | 91      |
| Liquidity ratio (times)     | 12.78   | 7.75    |
| Debt to Equity ratio (D/E)  | 0.19    | 0.25    |

The number of trade receivable days per income Q3 /2024 is 109 days, down 12 days from Q3 / 2023 which is 121 days due to the adjustment of debt acceleration strategy and tighter credit terms.

The number of days of inventory remaining per revenue Q3/2024 is 53 days, down 38 days from Q3/2023, which has the number of days of trade receivable to revenue of 121 days. This decrease is the result of the adjustment of the debt acceleration strategy and the setting of tighter credit terms, which helps to make the collection more efficient and reduce the period of the debtor's overdue payment.

The liquidity ratio Q3/2024 is 12.78 times, an increase of 5.03 when compared to Q3/2023 with a ratio of 7.75 times. This increase is due to the increase in current assets from the adjustment of the fair value of financial assets. At the same time, current liabilities decreased because the company has repaid short-term loans from financial institutions, which helps improve the company's liquidity and significantly reduces short-term debt burden.

The debt to equity of shareholder ratio Q3/2024 is 0.19 times, down from 0.25 times in Q3/2023. This decrease is due to the Company making a profit in the first 9 months of 2024, which resulted in such profit being transferred to shareholders' equity. In addition, the Company has repaid its loans from financial institutions, which has significantly reduced its debt burden. The Company's debt to equity ratio is low compared to the same industry group, reflecting the Company's solid financial position.

Yours sincerely,

- Ms.Laphassarin Kraiwongwanitruong -  
(Ms.Laphassarin Kraiwongwanitruong)

Managing Director