The financial statements were approved and authorized for issue by the Board of Directors on February 26, 2026.

1. GENERAL INFORMATION AND THE SHAREHOLDING STRUCTURE

1.1 General information

G J Steel Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office as follows:

|  |  |  |
| --- | --- | --- |
| Head office | : | 88 Paso Tower, 24th Floor, Silom Road, Suriyawong, Bangrak, Bangkok |
|  |  |  |
| Factory | : | 358 Moo 6, WHA Chonburi Industrial Estate 1 Highway 331, Tambol Bowin, Amphur Sriracha, Chonburi |

The Company was listed on the Stock Exchange of Thailand (the “SET”) on July 2, 1996.

The principal activities of the Company are the manufacturing and distribution of hot rolled coil steel products.

1.2 The shareholding structure

Thus, the Company’s major shareholders are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Proportionate of shares (%) | | |
| Shareholders’ Name |  | 2025 |  | 2024 |
|  |  |  |  |  |
| Asia Credit Opportunities I (Mauritius) Limited  (“ACO I”) - incorporated in the Republic of Mauritius |  | 40.45 |  | 40.45 |
| G Steel Public Company Limited (“G Steel”) |  | 8.24 |  | 8.24 |
| Nippon Steel Corporation (“NSC”) |  | 7.70 |  | 7.70 |
| Thai R.T.N.T. Holding Co., Ltd. |  | 4.97 |  | 4.97 |
| Ms. Arunsri Ratanathayaporn |  | 4.83 |  | 4.83 |
| Superior Overseas (Thailand) Company Limited |  | 1.62 |  | 1.62 |
| GS Securities Holdings Co., Ltd. (“GS Securities”)  GS Securities are 99.99% owned by G Steel |  | 1.21 |  | 1.21 |

As at December 31, 2025 and 2024, the Company’s ultimate parent company is Nippon Steel Corporation and is incorporated in Japan, whose shares are listed on the Stock Exchanges in Japan.

**2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The statutory financial statements are prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements, which are issued solely for domestic financial reporting purposes.

***Accounting standards that became effective in the current accounting period***

The Company disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2025, in the Note 3.

The Company’s management has assessed the effects of the revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and considers that they do not have a material impact to the financial statements for the year ended December 31, 2025.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank deposits available for withdrawal on demand, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

**Accounts Receivable and Allowance for Expected Credit Losses**

Accounts receivable are stated at amortized cost net of allowance for expected credit losses (“ECL”) (if any).

The Company applies a simplified approach in calculating ECL for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

**Inventory Valuation**

The Company values its inventories at the lower of cost and net realizable value by using the following methods:

|  |  |
| --- | --- |
| Finished goods, raw materials, consumables (except rolls) and spare parts | - at average cost method |
|  |  |
| Consumables - rolls | - at cost method and the Company amortizes its costs of rolls to expense based on consumption |

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated production cost to complete and selling expenses.

The Company provides an allowance for all deteriorated, damaged, obsolete and slow-moving inventories.

**Property, Plant and Equipment and Depreciation**

Land is stated at cost less allowance for impairment losses. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in profit or loss.

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

|  |  |  |
| --- | --- | --- |
|  |  | Years |
|  |  |  |
| Land improvements |  | 5 - 20 |
| Buildings and building improvements |  | 5 - 44 |
| Machinery and equipment |  | 5 - 42 |
| Furniture, fixtures and office equipment |  | 5 - 10 |
| Vehicles |  | 5 and 10 |

The Company does not depreciate on freehold land or assets under construction.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Right-of-Use Assets and Depreciation**

Right-of-use assets are recognized at the commencement date of the leases. Right-of-use assets are stated at cost less accumulated depreciation and allowance for impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The costs of right-of-use assets also include an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the remaining lease term and the estimated useful lives:

|  |  |  |
| --- | --- | --- |
|  |  | Years |
|  |  |  |
| Vehicles |  | 3 - 5 |

**Unusable machines are classified held for sale**

Unusable machines are classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Subsequent gains and losses on remeasurement are recognized in profit or loss.

**Other Intangible Assets and Amortization**

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortization and allowance for impairment losses (if any).

Amortization is charged to profit or loss on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. The estimated useful lives are as follows:

|  |  |  |
| --- | --- | --- |
|  |  | Years |
|  |  |  |
| Software licenses |  | 5 and 10 |
| Production licenses |  | 25 |

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Impairment of Assets**

The Company reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset’s selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statement of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

**Interest-bearing liabilities**

Interest-bearing liabilities are recognized at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortized cost using the effective interest rate (“EIR”) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

**Provision**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

**Provision for Employee Retirement Benefit**

Provision for employee retirement benefit is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

**Use of Judgements and Estimates**

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

*Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is leases.

*Assumptions and estimation uncertainties*

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

* Net realizable value of inventories
* Current and deferred taxation
* Utilization of tax losses
* Key assumptions used in discounted cash flow projections
* Measurement of provision for employee retirement benefit
* Provisions and contingencies
* Valuation of financial instruments
* Determination of impairment of assets

**Revenue Recognition**

To determine whether to recognize revenue, the Company follows a 5-step process as below:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognizes revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, relevant tax and after deduction of any trade discounts and volume rebates.

*Sale of goods and services*

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data. Revenue from rendering of services is recognized over time as services are provided.

*Interest income*

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

*Other income*

Other income is recognized as income on an accrual basis.

**Repair and Maintenance**

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

**Leases**

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company (as a lessee) assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Leases are recognized as assets (right-of-use assets) and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense in profit or loss on a straight-line basis over the lease term.

*Lease liabilities*

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

**Financial Instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

* ***Classification and measurement of financial assets***

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

*Financial assets at amortized cost*

The Company measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment assessment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

*Financial assets designated at FVOCI (equity instruments)*

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI, which cannot subsequently be reclassified. The classification is determined on an instrument-by-instrument basis. Gains and losses recognized in other comprehensive income on these financial assets are never subsequently recycled to profit or loss.

Dividends on these investments are recognized as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognized in other comprehensive income.

Equity investments designated at FVOCI are not subject to impairment assessment.

*Financial assets at FVTPL*

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on market securities are recognized as other income in profit or loss.

* ***Classification and measurement of financial liabilities***

Except for derivative liabilities, at initial recognition, the Company’s financial liabilities are recognized at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

* ***Derecognition of financial instruments***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

* ***Impairment of financial assets***

The Company recognizes an allowance for expected credit losses (“ECL”) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the financial instruments (a lifetime ECL).

For trade account receivables, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

* ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Fair Value Measurement**

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The different levels have been defined as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs for such assets or liabilities, such as uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities, or estimates of future cash flows.

**Finance Costs**

Interest expense and similar costs are charged to profit of loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of lease payments is recognized in the profit or loss using the effective interest rate method.

##### **Foreign Currency Transactions**

Foreign currency transactions during the year are translated into Baht at the rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the prevailing rates at that date. Gains or losses on translation are credited or charged to current operations in profit or loss.

**Income Tax**

The income tax charge is based on profit for the year and considers deferred taxation. Deferred taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

##### **Basic Loss per Share**

Basic loss per share is determined by dividing the loss for the year by the weighted average number of shares outstanding during the year.

**Segment Reporting**

Segment results that are reported to the Company’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those can be allocated on a reasonable basis.

**4. TRANSACTIONS WITH RELATED PARTIES**

For the purposes of these financial statements, connected persons or related parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Connected persons or related parties may be individuals or other entities.

Relationships with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Country of | |  |  |  |  |
| Name of entities |  | Incorporation | |  | Type of business |  | Nature of relationships |
|  |  |  | |  |  |  |  |
| Nippon Steel Corporation (“NSC”) |  | Japan | |  | Steelmaking and steel fabrication, engineering and construction, chemicals and materials, and system solutions |  | Indirect ultimate shareholder |
|  |  |  | |  |  |  |  |
| Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) |  | Republic of Mauritius | |  | Special-purpose for investment |  | Major shareholder and a subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Link Capital I (Mauritius) Limited  (“Link Capital I”) |  | Republic of Mauritius | |  | Special-purpose for investment |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel Trading Corporation |  | Japan | |  | Sales and imports/export of steel, industrial supply and infrastructure, textiles, foodstuffs and others |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel Trading (Thailand) Co., Ltd. |  | Thailand | |  | Wholesale of iron, steel and  non-ferrous metal in primary forms |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel (Thailand) Co., Ltd. (“NSTH”) |  | Thailand | |  | Regional Operating Headquarters |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| NS-Siam United Steel Co., Ltd.  (“NS-SUS”) |  | Thailand | |  | Manufacture and sale of steel |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| NS BlueScope (Thailand) Ltd. |  | Thailand | |  | Manufacture and sale of steel |  | Associate of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel Logistics (Thailand) Co., Ltd. |  | Thailand | |  | Providing transportation and storage services and selling packaging paper |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Thai NS Solution Co., Ltd. |  | Thailand | |  | Sales and services of computer program (excluding web pages  and network) |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Krosaki Harima Corporation |  | Japan | |  | Manufacture and sales of refractories |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel Technology Co., Ltd. |  | Japan | |  | Researching on technology, market, economy trends, and intellectual property and support for sales public relations and human resource development |  | Subsidiary of NSC |
|  |  |  | |  |  |  |  |
| Nippon Steel Hardfacing (Thailand)  Co., Ltd. |  | Thailand |  | | Hardfacing of roll using thermal spraying technologies |  | Associate of NSC | |
|  |  |  | |  |  |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | Country of | |  |  |  |  |
| Name of entities |  | | Incorporation | |  | Type of business |  | Nature of relationships |
|  |  | |  | |  |  |  |  |
| G Steel Public Company Limited  (“G Steel”) | |  | | Thailand |  | Manufacture and sales of steel |  | Same indirect ultimate shareholder |
|  | |  | |  |  |  |  |  |
| GS Securities Holding Co., Ltd.  (“GS Securities”) | |  | | Thailand |  | Special-purpose restructuring entity |  | Subsidiary of G Steel |
|  | |  | |  |  |  |  |  |
| JSSR Logistics Co., Ltd. | |  | | Thailand |  | Freight forwarding and custom agent |  | Related party of the shareholder of the Company |
|  | |  | |  |  |  |  |  |
| Key management personnel |  | | - | |  | - |  | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise)  of the Company |

The pricing policies for particular types of transactions are explained further below:

|  |  |  |
| --- | --- | --- |
| **Transactions** |  | **Pricing policies** |
|  |  |  |
| Sales of finished goods |  | Mutually agreed prices with reference to market prices |
| Sales of raw materials and consumables |  | Mutually agreed prices with reference to market prices |
| Other income |  | Cost plus margin and mutually agreed prices |
| Purchases of raw materials and consumables |  | Mutually agreed prices with reference to market prices |
| Other expenses |  | Contractual rates |
| Improvement of software solutions |  | Contractual rate |

Significant transactions for each of years ended December 31, 2025 and 2024 with related parties were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | In Million Baht | | |
|  |  | 2025 |  | 2024 |
| **Related parties** |  |  |  |  |
| Sales of finished goods |  | 8,900 |  | 45 |
| Sales of raw materials and consumables |  | 15 |  | 1 |
| Other Income |  | 66 |  | - |
| Purchases of raw materials and consumables |  | 1,669 |  | 328 |
| Other expense**s** |  | 11 |  | 6 |
| Improvement of software solutions |  | 5 |  | - |
|  |  |  |  |  |
| **Key management personnel** |  |  |  |  |
| Key management personnel compensation |  |  |  |  |
| Short-term benefits |  | 20 |  | 36 |
| Long-term benefits |  | 0.6 |  | 0.7 |

Balances as at December 31, 2025 and 2024 with related parties were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | In Million Baht | | |
|  | *Notes* | 2025 |  | 2024 |
| **Other current assets** | *9* |  |  |  |
| Other related parties |  | 10 |  | 2 |
|  |  |  |  |  |
| **Trade account payables** | *14* |  |  |  |
| Other related parties |  | 268 |  | - |
|  |  |  |  |  |
| **Other current payables and accrued expenses** | *15* |  |  |  |
| Other related parties |  | 3 |  | 5 |
|  |  |  |  |  |
| **Advances received from customer** | *16* |  |  |  |
| Other related party |  | 953 |  | - |

**Significant agreement with related parties**

***Technical Service Contract***

On September 1, 2022, the Company entered into a Technical Service Contract with a local related company to obtain services relating to maintenance training, safety programs, inspection of measuring instruments by specialist, supervision/advice by specialist, laboratory testing and analysis, for which the service fee shall be charged base on contractual prices. The contract is valid for a period of 1 year and shall automatically be renewed for 1 year each unless either party gives the other party at least 90 days written termination notice prior to the end of the initial or renewal term.

***Technical Service Framework Agreement***

On February 6, 2023, the Company entered into a Technical Service Framework Agreement with a foreign related party to obtain services relating to research and development support in providing certain technical services and related license of proprietary technology, know-how, patents, and software in foreign related company’s possession, for which the service fee shall be charged based on contractual prices. The agreement is valid for a period of 3 years ending on February 5, 2026.

On April 1, 2025, the Company entered into Amendment Agreement to Technical Service Framework Agreement to extend the period of 3 years ending March 31, 2028 and shall automatically be renewed for 1 year each unless either party gives the other party at least 60 days written termination notice prior to the end of the initial or renewal term.

***Licensed SAP Cloud Service Project Agreement***

On May 29, 2024, the Company entered into a Licensed SAP Cloud Service Project Agreement with a local related party to obtain licensed SAP cloud service, for which the service fee shall be charged based on contractual prices. The agreement is valid for a period of 5 years from September 1, 2024, to August 31, 2029.

***Cash Management Service Agreement***

On September 9, 2022, the Company entered into a Cash Management Service Agreement with a local related company, whereby such related company will provide loan credit facility of Baht 500 million to supply fund for the cash flow to the Company in case of insufficient funds in the Company's bank accounts as specified in the agreement at the end of any business day. The repayment of such drawdown will be made on the beginning of the following business day and the interest will be charged at the rate agreed in the agreement. The credit facility shall automatically be renewed for 1 year each unless either party gives the other party at least 30 days written termination notice prior to the end of the initial or renewal term (March 31, 2025).

On May 28, 2025, the Company entered into Amendment Agreement to Cash Management Service Agreement a local related company to extend the maturity date of credit facility of Baht 500 million for one more year up to April 30, 2026.

***Toll Pickling Service Agreement***

On January 23, 2023, the Company entered into a Toll Pickling Service Agreement with a local related party to obtain services relating to cleaning and inspection of the defect of hot rolled coil’s surface. The service fee shall be charged based on contractual prices. The contract is valid for a period of 1 year ending on January 22, 2024.

**5. CASH AND CASH EQUIVALENTS**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Cash in banks - Savings accounts | 898 |  | 110 |
| Cash in banks - Current accounts | - |  | 5 |
| Cash in bank - Fixed deposit accounts not over 3 months | 200 |  | 550 |
| Total | 1,098 |  | 665 |

The currency denomination of cash and cash equivalents as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 1,042 |  | 665 |
| United States Dollars | 47 |  | - |
| Euro | 9 |  | - |
| Total | 1,098 |  | 665 |

**6. SHORT-TERM INVESTMENT IN FIXED DEPOSITS**

As at December 31, 2024, short-term investment in fixed deposits represented 1-year term deposit with 2 local financial institutions which investment amount of Bath 1 billion bears interest at the rate of 2.3% per annum (2025: Nil).

The currency denomination of short-term investment in fixed deposits as at December 31, 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | - |  | 1,001 |

**7. TRADE ACCOUNT RECEIVABLES**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Other parties | 134 |  | 18 |

Aging analyses for trade account receivables were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Within credit-term | 134 |  | 4 |
| Overdue - Not over 3 months | - |  | 14 |
| Total | 134 |  | 18 |

In 2025, the normal sales terms granted by the Company are cash advance and credit not over 14 days (2024: not over 3 working days) for domestic sales, and cash advance and letter of credit at sight for export sales.

The currency denomination of trade accounts receivable as at December 31, 2025 and 2024 was as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 134 |  | 18 |

**8. INVENTORIES - Net**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Finished goods | 887 |  | 316 |
| Raw materials | 675 |  | 600 |
| Consumables | 472 |  | 438 |
| Spare parts | 760 |  | 674 |
| Goods in transit | 247 |  | 108 |
| Total | 3,041 |  | 2,136 |
| Less: Allowance for decline in value of inventories | (88) |  | (112) |
| Net | 2,953 |  | 2,024 |
|  |  |  |  |
| Allowance for decline in value of inventories during the year (reversal) | (24) |  | 91 |

**9. OTHER CURRENT ASSETS - Net**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Advances to suppliers - other parties | 23 |  | 28 |
| Less: Allowance for impairment losses | (2) |  | (10) |
|  | 21 |  | 18 |
|  |  |  |  |
| Refundable prepaid corporate income tax | 68 |  | 68 |
| Value added tax receivable | 23 |  | 27 |
| Suspense input tax | 4 |  | 7 |
| Prepaid expenses and others |  |  |  |
| - Related parties | 10 |  | 2 |
| - Other parties | 85 |  | 62 |
|  |  |  |  |
| Net | 211 |  | 184 |

***Court cases***

1. On September 13, 2019, the Company filed a lawsuit against a company in Thailand together with an authorized representative of such company as a criminal case at the Bangkok South Criminal Court on charges of jointly forging and fabricating documents of rights, sharing or claiming forged documents of rights, jointly defraud and counterfeited the bank account in such sale and purchase documents of a foreign company which is a manufacturer of electrode for an amount of Baht 2.3 million and interest at a rate of 7.5% per annum from the date of infringement (December 19, 2017) until the date of filing, totalling Baht 2.6 million and interest at the rate of 7.5% per annum of the principal after the date of filing until the two defendants will pay the plaintiff in full.

On September 1, 2023, the Civil Court ordered the defendant to pay the plaintiff of Baht 2.3 million and interest at the rate of 7.5% per annum from December 19, 2017 until April 10, 2021 and interest at the rate of 5.0% per annum from April 11, 2021 until the completion of payment is made to the plaintiff. The defendant filed an appeal on December 18, 2023. Subsequently on January 30, 2024, the Company already filed response to the appeal to the Court and is still under the Court of Appeal consideration.

1. On June 7, 2024, the Company filed a lawsuit against two companies in Thailand, the wholesale and the retail in steel business, who formerly provided support the financial assistance to import scraps for the Company, as a civil case at the Samut Sakhon Provincial Court on charges of breach of contract, call for the debts and claim for the damages of the cash collateral remaining of Baht 8 million and interest at a rate of 7.5% per annum from the date of infringement (May 24, 2017) until April 10, 2021, and interest at the rate of 5.0% per annum after April 11, 2021 until the two defendants will pay the plaintiff in full.

On March 18, 2025, the Court ordered the first defendant to pay the outstanding debt amounting to Baht 8 million and ordered two defendants to jointly pay amount of USD 68,000 to the Company together with the interest at the rate of 7.5% per annum from December 21, 2018 until April 10, 2021, and interest at the rate of 5% per annum or new interest rate adjusted by the Ministry of Finance plus 2% per annum from April 11, 2021 until the completion of repayment.

Subsequently on June 16, 2025, the Company and 2 defendant companies entered into Memorandum of Agreement on Scheduled Payment of Judgment Debt and such defendants agreed to pay the outstanding debt and interest totalling Baht 11 million. In this regard, the Company already received the payment in full amount in July 2025 and recorded such amount as a part of “other income” in the statement of comprehensive income for the year ended December 31, 2025.

**10. PROPERTY, PLANT AND EQUIPMENT - Net**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | | | | | | | |
|  |  |  |  |  |  |  | Furniture, |  |  |  |  |  |  |
|  | Land |  | Buildings |  | Machinery |  | fixtures |  |  |  |  |  |  |
|  | and land |  | and building |  | and |  | and office |  |  |  | Construction |  |  |
|  | improvements |  | improvements |  | equipment |  | equipment |  | Vehicles |  | in progress |  | Total |
| **Cost** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 1,106 |  | 6,265 |  | 17,530 |  | 241 |  | 4 |  | 120 |  | 25,266 |
| Additions | - |  | 10 |  | 20 |  | 24 |  | - |  | 142 |  | 196 |
| Write-off | - |  | - |  | (5) |  | (2) |  | - |  | - |  | (7) |
| Transferred in (out) | - |  | - |  | 54 |  | 3 |  | - |  | (57) |  | - |
| **As at December 31, 2024** | 1,106 |  | 6,275 |  | 17,599 |  | 266 |  | 4 |  | 205 |  | 25,455 |
| Additions | 3 |  | 23 |  | 149 |  | 95 |  | 1 |  | 48 |  | 319 |
| Disposals and write-off | (3) |  | - |  | (87) |  | (2) |  | - |  | - |  | (92) |
| Transferred in (out) | 7 |  | 51 |  | 65 |  | 12 |  | - |  | (135) |  | - |
| **As at December 31, 2025** | 1,113 |  | 6,349 |  | 17,726 |  | 371 |  | 5 |  | 118 |  | 25,682 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated Depreciation** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 73 |  | 4,849 |  | 11,459 |  | 176 |  | 3 |  | - |  | 16,560 |
| Depreciation charge for the year | 6 |  | 123 |  | 417 |  | 18 |  | - |  | - |  | 564 |
| Write-off | - |  | - |  | (5) |  | (2) |  | - |  | - |  | (7) |
| **As at December 31, 2024** | 79 |  | 4,972 |  | 11,871 |  | 192 |  | 3 |  | - |  | 17,117 |
| Depreciation charge for the year | 5 |  | 125 |  | 435 |  | 24 |  | - |  | - |  | 589 |
| Disposals and write-off | - |  | - |  | (77) |  | (2) |  | - |  | - |  | (79) |
| **As at December 31, 2025** | 84 |  | 5,097 |  | 12,229 |  | 214 |  | 3 |  | - |  | 17,627 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Allowance for Impairment** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Losses** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 23 |  | 76 |  | 375 |  | - |  | - |  | - |  | 474 |
| Reversal | - |  | - |  | (5) |  | - |  | - |  | - |  | (5) |
| **As at December 31, 2024** | 23 |  | 76 |  | 370 |  | - |  | - |  | - |  | 469 |
| Reversal | - |  | - |  | (1) |  | - |  | - |  | - |  | (1) |
| **As at December 31, 2025** | 23 |  | 76 |  | 369 |  | - |  | - |  | - |  | 468 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **As at December 31, 2024** | 1,004 |  | 1,227 |  | 5,358 |  | 74 |  | 1 |  | 205 |  | 7,869 |
| **As at December 31, 2025** | 1,006 |  | 1,176 |  | 5,128 |  | 157 |  | 2 |  | 118 |  | 7,587 |

The gross carrying amounts of the Company’s certain building and equipment totalling Baht 883 million and Baht 736 million were fully depreciated as at December 31, 2025 and 2024, respectively, but these items are still in active use.

***Mortgaged property, plant and equipment***

The Company filed a lawsuit to Southern Bangkok Civil Court against one defendant, in their capacities of bondholder trustee and security agent, to release the lien and security interests on the Company’s property, plant and equipment which the Company had completely settled under rehabilitation plan to such creditor. On October 28, 2013, the Court ruled the defendant to release the mortgaged assets. Accordingly, the Company already released the mortgaged land and building in November 2023, and released the mortgaged machinery in September 2025.

The Company’s machinery, which have net book value as at December 31, 2024 totalling Baht 4,422 million, are mortgaged first ranking security against the bondholders as mentioned above (2025: Nil).

***Impairment testing for carrying amount of property, plant and equipment***

The recoverable amount was based on its value in use, determined by engaging an independent professional expert engaged by the management and issued the report dated February 13, 2026. The values assigned to the key assumptions represented management’s assessment and determined by an independent professional expert and were based on future trends in the relevant industries and historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount of 2025 were as follows:

|  |  |  |
| --- | --- | --- |
| Valuation methodology | : | Discounted cash flow method |
|  |  |  |
| Period | : | 5 years financial projection was based on historical financial information and expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. |
|  |  |  |
| Growth rate of sale quantity | : | At the rate of 13.78% per annum in 1st year and 11.35% per annum in 2nd year and 0% per annum in  3rd - 5th year. |
|  |  |  |
| Growth rate of selling price | : | At 0% per annum in 1st - 5th year. |
|  |  |  |
| Terminal value | : | Determined based on terminal value growth rate of 0% per annum from net cash flows of the 5th year. |
|  |  |  |
| Discount rate | : | At the rate of 7.50% per annum which was based on weighted average cost of capital, with average cost of debt, risk free rate, market risk premium and average industry beta. |
|  |  |  |
| Others | : | Other assumptions relevant to estimated revenues and expenses were based on historical financial information and expectations of future outcomes taking into the past experience, adjusted for the anticipated market growth rate. |

Based on the above impairment testing, the management concluded that the allowance for impairment losses of property, plant and equipment of the Company as at December 31, 2025 was adequate.

***Sensitivity analysis of impairment test of property, plant and equipment***

Sensitivity analysis is performed to analyse the risk that valuation of recoverable amount of property, plant and equipment will increase or decrease as a result of changes in fair value assumptions.

Reasonably possible changes at the valuation date (dated December 31, 2025) to one of the relevant fair value assumptions, holding other assumptions constant, would have affected the fair value of recoverable amount by the amounts shown below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Impact to increase (decrease) fair value of | | |
|  |  | recoverable amount of property, plant and equipment | | |
|  |  | (in Million Baht) | | |
|  |  | Increase in change |  | Decrease in change |
|  |  | in assumption |  | in assumption |
| Discount rate |  |  |  |  |
| - Change of 1% |  | (1,054) |  | 1,382 |
| - Change of 2% |  | (1,884) |  | 3,270 |
|  |  |  |  |  |
| Change in sale quantity from base assumption |  |  |  |  |
| - Change of 5% |  | 619 |  | (619) |
| - Change of 10% |  | 1,237 |  | (1,237) |
|  |  |  |  |  |
| Change in selling price from base assumption |  |  |  |  |
| - Change of 5% |  | 678 |  | (678) |
| - Change of 10% |  | 1,357 |  | (1,357) |

Although the analysis does not take into account of the full distribution of cash flows expected under the financial projection, it does provide an approximation of the sensitivity of the assumptions shown.

**11. OTHER INTANGIBLE ASSETS - Net**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  |  |  |  |  | Software under |  |  |
|  | Software licenses |  | Production licenses |  | installations |  | Total |
| **Cost** |  |  |  |  |  |  |  |
| As at January 1, 2024 | 116 |  | 29 |  | - |  | 145 |
| Additions | - |  | - |  | 23 |  | 23 |
| **As at December 31, 2024** | 116 |  | 29 |  | 23 |  | 168 |
| Additions | 81 |  | - |  | 5 |  | 86 |
| Transferred in (out) | 23 |  | - |  | (23) |  | - |
| **As at December 31, 2025** | 220 |  | 29 |  | 5 |  | 254 |
|  |  |  |  |  |  |  |  |
| **Accumulated Amortization** |  |  |  |  |  |  |  |
| As at January 1, 2024 | 111 |  | 29 |  | - |  | 140 |
| Amortization charge for the year | 1 |  | - |  | - |  | 1 |
| **As at December 31, 2024** | 112 |  | 29 |  | - |  | 141 |
| Amortization charge for the year | 4 |  | - |  | - |  | 4 |
| **As at December 31, 2025** | 116 |  | 29 |  | - |  | 145 |
|  |  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |  |
| **As at December 31, 2024** | 4 |  | - |  | 23 |  | 27 |
| **As at December 31, 2025** | 104 |  | - |  | 5 |  | 109 |

The gross carrying amounts of the Company’s certain other intangible assets totalling Baht 137 million were fully amortized as at December 31, 2025 and 2024 but these items are still in active use.

**12. DEFERRED TAX**

Reconciliation between tax expense and accounting loss multiplied by the applicable tax rate for each the years ended December 31, 2025 and 2024 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | In Million Baht | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Accounting loss before tax | (1,029) |  | (1,019) |
|  |  |  |  |
| Income tax rates at 20% | (206) |  | (204) |
| Add (less): Tax effects from |  |  |  |
| - Exempt income and non-deductible expenses | (3) |  | 3 |
| - Unrecognized certain temporary differences | 57 |  | 82 |
| - Utilized unrecognition certain temporary differences | (1) |  | (33) |
| - Unrecognition of tax loss carry forward | 153 |  | 152 |
| Tax expense | - |  | - |

Deferred tax assets arising from temporary differences and unused tax loss carry forward that have not been recognized in the financial statements as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
| Temporary differences of deferred tax assets |  |  |  |
| - Allowance for decline in value of inventories | 18 |  | 22 |
| - Allowance for impairment on advances to suppliers | - |  | 2 |
| - Allowance for impairment losses on property, plant and equipment |  |  |  |
| and depreciation gap | 787 |  | 727 |
| - Allowance for impairment losses on suspended construction in progress | 76 |  | 76 |
| - Allowance for impairment losses on unusable machines held for sale | 1,350 |  | 1,348 |
| - Other current liabilities | 3 |  | 6 |
| - Non-current provision for employee retirement benefit | 38 |  | 35 |
|  | 2,272 |  | 2,216 |
| Tax loss carry forward | 358 |  | 205 |
| Total | 2,630 |  | 2,421 |

The loss carried forward will expire in 2029 to 2033. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in the financial statements of the Company in respect of these items because it is not certain that future taxable profit will be generated against which the Company can utilize the benefits there from.

**13. OTHER NON-CURRENT ASSETS - Net**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Unusable machines held for sale | 6,774 |  | 6,774 |
| Less: Allowance for impairment losses | (6,751) |  | (6,739) |
|  | 23 |  | 35 |
|  |  |  |  |
| Suspended construction in progress | 382 |  | 382 |
| Less: Allowance for impairment losses | (381) |  | (381) |
|  | 1 |  | 1 |
|  |  |  |  |
| Others | 3 |  | 3 |
| Net | 27 |  | 39 |

***Unusable machines held for sale***

The Company had engaged technical experts to carry out a review of the Galvanizing line lying under construction in progress. Based on such technical review, the additional investment required for making the Galvanizing line operational was estimated at USD 44.25 million to USD 47.25 million (equivalent to approximately Baht 1,534 million to Baht 1,638 million) which would include complete replacement of electrical and automation parts including replacement/purchase of new items to complete the commissioning. The management further noted that in spite of this additional investment, it would be very unlikely that such Galvanizing line could achieve the desired production capacities, quality parameters, and subsequent guarantee figures. If the old and rusted parts were not replaced, the risk of operational stability, frequent breakdowns due to cracks and jamming, which resulted in high maintenance/operational costs and importantly quality and safety issues would remain major concerns and finally, the Company’s product image would significantly be damaged.

After considering various factors, the Management Committee meeting held on February 17, 2023 resolved not to continue with the commissioning of the existing Galvanizing line but to set up additional impairment loss on such Galvanizing line (using the market scrap price) amounting to Baht 3,617 million in the books. Subsequently, the Audit Committee and Board of Directors meeting held on February 23, 2023, approved to record impairment loss on unusable machines held for sale amounting to Baht 3,617 million.

The carrying value of unusable machines held for sale was written down based on the market price of steel scrap of Baht 23 million and Baht 35 million as at December 31, 2025 and 2024, respectively. Hence, the Company has recorded additional impairment loss on unusable machines held for sale amounting to Baht 12 million in the statement of comprehensive income for the year ended December 31, 2025 (2024: Nil).

***Suspended construction in progress***

The carrying value of suspended construction in progress is written down value of Direct Reduced Iron plant based on the market price of steel scrap of Baht 0.6 million and Baht 1.2 million as at December 31, 2025 and 2024, respectively. Hence, the Company has recorded additional impairment loss on suspended construction in progress totalling Baht 0.6 million in the statement of comprehensive income for the year ended December 31, 2025 (2024: Nil).

**14. TRADE ACCOUNT PAYABLES**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Related parties | 268 |  | - |
| Other parties | 96 |  | 112 |
| Total | 364 |  | 112 |

The currency denomination of trade account payables as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 82 |  | 47 |
| United States Dollars | 281 |  | 61 |
| Euro | 1 |  | 4 |
| Total | 364 |  | 112 |

**15. OTHER CURRENT PAYABLES AND ACCREUD EXPENSES**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Electricity and natural gas payables | 189 |  | 65 |
| Accrued incentive bonus program | 33 |  | 43 |
| Other current payables |  |  |  |
| - Related parties | 3 |  | 5 |
| - Other parties | 191 |  | 179 |
| Others | 27 |  | 24 |
| Total | 443 |  | 316 |

The currency denomination of other current payables and accrued expenses as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 375 |  | 276 |
| United States Dollars | 44 |  | 28 |
| Euro | 24 |  | 12 |
| Total | 443 |  | 316 |

**16. ADVANCES RECEIVED FROM CUSTOMER**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Related party | 953 |  | - |

The currency denomination of advances received from customer as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 953 |  | - |

**17. OTHER CURRENT LIABILITIES**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Provision for loss on purchase orders for undelivered raw materials | 15 |  | 29 |
| Others | 5 |  | 4 |
| Total | 20 |  | 33 |

The currency denomination of other current liabilities as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 20 |  | 33 |

**18. NON-CURRENT PROVISION FOR EMPLOYEE RETIREMENT BENEFIT**

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Non-current provision for employee retirement benefit as at January 1 | 177 |  | 164 |
| Current service cost and interest cost | 16 |  | 15 |
| Employee retirement benefit paid | (5) |  | (2) |
| **Non-current provision for employee retirement benefit as at December 31** | 188 |  | 177 |

Expenses recognized in the statements of comprehensive income for each of years ended December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
| In loss for the year: |  |  |  |
| - Current service cost and interest cost | 16 |  | 15 |

Actuarial assumptions:

|  |  |
| --- | --- |
| Discount rate | 3.04% per annum |
| Future salary increase | 4.00% per annum |
| Employee turnover rate | 0.96% - 11.46% per annum |
| Mortality rate | 100% of Thai Mortality Table Year 2017 |

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | In Million Baht | | |
|  | 2025 |  | 2024 |
| Effect on the non-current provision for employee retirement benefit at 31 December |  |  |  |
| Discount rate |  |  |  |
| 1% increase | (16) |  | (16) |
| 1% decrease | 19 |  | 19 |
| Salary rate |  |  |  |
| 1% increase | 22 |  | 20 |
| 1% decrease | (19) |  | (18) |
| Employee turnover rate |  |  |  |
| 10% increase | (3) |  | (3) |
| 10% decrease | 3 |  | 3 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**19. LEGAL RESERVE**

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net profit (after deduction of the deficit brought forward, if any) as reserve fund until the reserve fund reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

**20. OTHER COMPONENTS OF EQUITY**

The detail of other components of equity as at December 31, 2025 and 2024 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
| Cash received from expired warrants |  |  |  |
| - First Warrants (a) | 162 |  | 162 |
| - Second Warrants (b) | 148 |  | 148 |
| **At December 31** | 310 |  | 310 |

1. Upon the cancellation of the 3,234 million units of First Warrants in year 2011, their carrying value at Baht 0.05 each was transferred from the warrants component of equity to other components of equity for an amount of Baht 162 million.
2. Upon the cancellation of the 4,933 million units of Second Warrants in year 2017, their carrying value at Baht 0.03 each was transferred from the warrants component of equity to other components of equity for an amount of Baht 148 million.

**21. REGISTERED PROVIDENT FUND**

The Company has established a contributory registered provident fund under the plan, members contribute to the fund at 2% to 15% of the employees’ basic salaries. The Company contributes to the fund at 3% to 10% of the employees’ monthly salaries, depending on the length of employment. Such provident fund was registered with the terms and conditions prescribed by the Ministry of Finance with an approved fund manager to manage the fund.

The Company’s contribution for the years ended December 31, 2025 and 2024, which were charged to profit or loss, amounted to Baht 23 million and Baht 21 million, respectively.

**22. EXPENSES BY NATURE**

Significant expenses by nature for each of the years ended December 31, 2025, and 2024 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | In Million Baht | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Raw materials and consumable used | 8,832 |  | 9,194 |
| Change in finished goods | (571) |  | 285 |
| Depreciation and amortization | 598 |  | 569 |
| Employee benefit expenses | 628 |  | 590 |
| Utility expenses | 1,298 |  | 1,198 |
| Natural gas expense | 375 |  | 326 |
| Repair and maintenance expenses | 416 |  | 381 |
| Allowance for decline in value of inventories (reversal) | (24) |  | 91 |
| Loss on purchase orders for undelivered raw materials | - |  | 29 |
| Loss on sale and write-off fixed assets | 9 |  | 1 |
| Impairment losses on unusable machines held for sale | 13 |  | - |
| Other expenses | 415 |  | 402 |
| Total expenses | 11,989 |  | 13,066 |

**23. BASIC LOSS PER SHARE**

The calculations of basic loss per share for each of the years ended December 31, 2025 and 2024 were based on the loss for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

|  | In Million Baht / Million shares | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Loss for the year | (1,029) |  | (1,019) |
|  |  |  |  |
| Number of ordinary shares outstanding at January 1 | 25,487 |  | 25,487 |
| Effect of issuance of new shares | - |  | - |
| Weighted average number of ordinary shares outstanding | 25,487 |  | 25,487 |
|  |  |  |  |
| Basic loss per share (in Baht) | (0.040) |  | (0.040) |

**24. DISCLOSURE OF FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, short-term investments in fixed deposits, trade account receivables, trade account payables, other current payables and accrued expenses, accrued interest expense and lease liabilities. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

**Financial Risk Management Policies**

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

**Capital Management**

The Board’s intention is to return to a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and preserves the ability to continue its business as a going concern.

**Foreign Currency Risk**

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and has financial liabilities denominated in foreign currencies. Accordingly, the Company had certain forward exchange contracts to manage this risk

**Credit Risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

At the reporting date there were no significant concentrations of credit risk because the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**Interest Rate Risk**

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Company. The Company’s exposure to interest rate risk relates primarily to its deposits at financial institutions, other current payables and accrued expenses and lease liabilities which most of the Company’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. Hence, the Company has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2025 and 2024 classified by type of interest rates are summarized in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2025 (In Million Baht) | | | | | |  |
|  |  | Fixed interest rates | | |  |  |  | Effective |
|  | Measurement | Within  1 year | 1- 5  years | Over  5 years | Floating  interest rate | Non-interest  bearing | Total | interest rate  (% p.a.) |
| **Financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | Amortized cost | 200 | - | - | 898 | - | 1,098 | 0.01 - 0.83 |
| Trade account receivables | Amortized cost | - | - | - | - | 134 | 134 | - |
| Total |  | 200 | - | - | 898 | 134 | 1,232 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Trade account payables | Amortized cost | - | - | - | - | 364 | 364 | - |
| Other current payables and accrued expenses | Amortized cost | - | - | - | - | 443 | 443 | - |
| Lease liabilities | Amortized cost | 4 | 11 | - | - | - | 15 | 3.45 - 4.26 |
| Total |  | 4 | 11 | - | - | 807 | 822 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2024 (In Million Baht) | | | | | |  |
|  |  | Fixed interest rates | | |  |  |  | Effective |
|  | Measurement | Within  1 year | 1- 5  years | Over  5 years | Floating  interest rate | Non-interest  bearing | Total | interest rate  (% p.a.) |
| **Financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | Amortized cost | 550 | - | - | 110 | 5 | 665 | 0.18 - 1.97 |
| Short-term investments in fixed deposits | Amortized cost | 1,001 | - | - | - | - | 1,001 | 0.30 and 2.30 |
| Trade account receivables | Amortized cost | - | - | - | - | 18 | 18 | - |
| Total |  | 1,551 | - | - | 110 | 23 | 1,684 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Trade account payables | Amortized cost | - | - | - | - | 112 | 112 | - |
| Other current payables and accrued expenses | Amortized cost | 13 | - | - | - | 303 | 316 | 7.50 |
| Accrued interest expense | Amortized cost | - | - | - | - | 10 | 10 | - |
| Lease liabilities | Amortized cost | 3 | 3 | - | - | - | 6 | 3.85 - 5.95 |
| Total |  | 16 | 3 | - | - | 425 | 444 |  |

**Fair Value of Financial Instruments**

Fair value is defined as the amount at which the instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm’s length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents, short-term investments in fixed deposits - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rate or fixed interest rate, which is approximately market rate.

Trade account receivables, trade account payables, other current payables and accrued expenses, accrued interest expense - the carrying values are approximate their fair values due to the relatively short-term maturity of these financial instruments.

Lease liabilities - the carrying value is approximately its fair value because these liabilities have been calculated using market interest rates.

**25. OPERATING SEGMENTS**

Segment information is presented in respect of the Company’s geographical segments based on the Company’s management and internal reporting structure.

***Business segments***

Management considers that the Company operates in a single line of business, namely manufacturing of hot rolled coil steel products, and has, therefore, only one major business segment and one cash generating unit.

***Geographic segments***

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Considering the location criteria of the Company's operations and market criteria, the Company has only one geographical segment, as the Company only operates most of its business in the country.

Non-current assets are located in Thailand only.

***Information about major customers***

For the year ended December 31, 2025, the Company had revenues from the domestic sales to 1 customer, a related party, for the total amount of Baht 8,637 million (2024: 3 customers, other parties, totalled Baht 8,486 million).

**26. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2025 and 2024, the Company had commitments and contingent liabilities as below:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | 2025 |  | 2024 |
| ***Commitments under lease and service agreements*** |  |  |  |
| Not later than 1 year | 27 |  | 12 |
| Later than 1 year but not later than 5 years | 47 |  | 27 |
| Total | 74 |  | 39 |
|  |  |  |  |
| ***Capital commitments*** |  |  |  |
| Purchases of fixed assets | 214 |  | 239 |
| Improvement of software solutions | 19 |  | 80 |
| Total | 233 |  | 319 |
|  |  |  |  |
| ***Commitments for purchases of raw materials and supplies*** |  |  |  |
| Purchases of raw materials, consumables and spare parts | 735 |  | 883 |
| Purchases of natural gas | 6 |  | 59 |
| Total | 741 |  | 942 |
|  |  |  |  |
| ***Contingent liabilities*** |  |  |  |
| Letters of guarantee | 133 |  | 133 |

***Forward exchange contract***

Commitment under forward exchange contract with a local financial institution covering its foreign currency from import raw materials. Details are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 2025 |  | 2024 |
|  |  |  |  |  |
| Forward contract values |  | USD 19 million |  | USD 0.5 million |
|  |  |  |  |  |
| Equivalent to Thai Baht |  | THB 585 million |  | THB 17 million |
|  |  |  |  |  |
| Maturity within |  | March 2026 |  | January 2025 |

***Significant agreements***

1. On July 1, 2019, the Company entered into agreement to purchase natural gas for 5 years up to of June 30, 2024. The Company committed to pay for the natural gas depending on monthly charges based on consumption. Subsequently, on January 15, 2025, the Company entered into agreement to purchase natural gas for 2 years up to of December 31, 2026.
2. On November 1, 2004, the Company entered into Oxygen, Nitrogen and Argon Supply Agreement for 20 years. Minimum payments under the agreement amounts to approximately Baht 6 million per month. Subsequently on May 9, 2025, the Company entered into the second Addendum to Oxygen, Nitrogen and Argon Supply Agreement to extend the term of the agreement till July 31, 2025 and shall be automatically renewed for further periods of 3 months each unless written notice is given of its intention not to renew this agreement at least 3 months prior to the expiry of this agreement during such notice period.
3. On May 23, 2024 and June 18, 2024, the Company entered into service agreements with 3 domestic companies for the transportation of goods to domestic customers for 3 years starting from June 2024, whereby the Company committed to pay the freight charge as specified in the agreement.

Freight service fee from such agreements for each of the years ended December 31, 2025 and 2024 amounted to Baht 155 million and Baht 141 million, respectively.

1. On August 1, 2018, the Company entered into service agreement for slag waste management service, which results from steelmaking and casting to recover ferrous scrap, with the local company with term of agreement for 7 years commencing from August 2018. Subsequently on July 1, 2025, the Company entered into another service agreement with such company for 7 years commencing from July 1, 2025 to June 30, 2032 and shall be automatically renewed for further periods of 1 year each unless written notice is given of its intention not to renew this agreement at least 6 months prior to the expiry of this agreement during such notice period. The Company committed to pay the waste management service fee as specified in the agreement.

Slag waste management services from such agreement for each of the years ended December 31, 2025 and 2024 amounted to Baht 69 million and Baht 56 million, respectively.

**27. CREDIT FACILITIES FOR OPERATION**

As at December 31, 2025 and 2024, the Company had uncommitted and unsecured short-term credit facilities from a local related party and various local financial institutions as below:

|  |  | Credit Line | | |
| --- | --- | --- | --- | --- |
| Credit Facilities |  | In Million USD |  | In Million Baht |
|  |  |  |  |  |
| ***Other related party*** |  |  |  |  |
| Short-term loan under Cash Management Service Agreement (Note 4) |  | - |  | 500 |
|  |  |  |  |  |
| ***Financial institutions*** |  |  |  |  |
| Short-term loan |  | 39 |  | 3,048 |
| Letter of credit and trust receipt |  | 63 |  | - |
| Letter of guarantee |  | - |  | 208 |
| Foreign currency exchange forward contract |  | 90 |  | - |

**28.     PROMOTIONAL PRIVILEGES**

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain promotional privileges relating to manufacturing of industrial hot rolled coil steel to improve production efficiency by using renewable energy on October 24, 2023, which include among others, the following:

(a) Exemption from corporate income tax on net profits at the rate of 50% of investment in performance improvement, excluding land and working capital, for the period of 3 years since the October 25, 2023 to October 24, 2026. The exempted income tax value does not exceed Baht 25.6 million.

(b) Allow to carry any annual losses incurred during that time, to be deducted from net profits incurred after the corporate income tax exemption period from the expiration of the period as mentioned above for 5 years since October 25, 2026 to October 24, 2031.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificate.

All of the Company’s revenue from sales - net for each of the years ended December 31, 2025 and 2024 were classified under promoted business.

**29. THAI FINANCIAL REPORTING STANDARDS ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE**

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after January 1, 2026 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.