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

1. GENERAL INFORMATION, THE SHAREHOLDING STRUCTURE AND GOING CONCERN

1.1 General information

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

|  |  |  |
| --- | --- | --- |
| Head office | : | 88 Paso Tower, 18th Floor, Silom Road, Suriyawong, Bangrak, Bangkok |
|  |  |  |
| Factory | : | 55 Moo 5, SSP Industrial Estate, Tambol Nonglalog, Amphur Bankhai, Rayong |

The Company was listed on the Stock Exchange of Thailand (“SET”) on January 25, 2006.

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

1.2 The shareholding structure

The Company’s major shareholders as at December 31, 2025 and 2024 were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Proportionate of share (%) | | |
| Shareholders’ Name |  | 2025 |  | 2024 |
|  |  |  |  |  |
| Asia Credit Opportunities I (Mauritius) Limited  (“ACO I”) - incorporated in the Republic of Mauritius |  | 49.99 |  | 49.99 |
| Nippon Steel Corporation (“NSC”) - incorporated in Japan |  | 10.24 |  | 10.24 |
| UOB Kay Hian Private Limited - incorporated in Singapore |  | 7.50 |  | 7.50 |
| Superior Overseas (Thailand) Company Limited |  | 7.00 |  | 7.00 |

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.

Details of the Company’s subsidiaries as at December 31, 2025 and 2024 were as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | Country of |  | Proportionate (%) | | |
| Name of the entity |  | Nature of Business |  | incorporation |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |  |
| ***Direct subsidiaries*** |  |  |  |  |  |  |  |  |
| Siam Professional Holdings Co., Ltd.  (“SPH”) |  | Investment holdings company |  | Thailand |  | 99.99 |  | 99.99 |
|  |  |  |  |  |  |  |  |  |
| GS Securities Holdings Co., Ltd.  (“GS Securities”) |  | Special-purpose restructuring entity |  | Thailand |  | 99.99 |  | 99.99 |

For reporting purposes, the Company and its subsidiaries are collectively called “the Group”.

1.3 Going concern

As at December 31, 2025 and 2024, part of financial position of the Group and of the Company were as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | In Million Baht | | | | | | |
|  |  | Consolidated | | |  | Separate | | |
|  |  | Financial Statements | | |  | Financial Statements | | |
| Risk effected to the going concern |  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |  |
| 1. Loss for the year attributable to |  |  |  |  |  |  |  |  |
| owners of the parent |  | (1,561) |  | (1,755) |  | (1,561) |  | (1,756) |
| 1. Deficit |  | (28,126) |  | (26,564) |  | (28,233) |  | (26,671) |
| 1. Current liabilities exceed current assets |  | 5,594 |  | 4,788 |  | 5,594 |  | 4,788 |
| 1. Equity attributable to owners of |  |  |  |  |  |  |  |  |
| the parent (Capital deficiency) |  | (1,453) |  | 180 |  | (1,468) |  | 157 |

Hence, the Group’s ability to repay the current liabilities depends on the management’s ability to obtain further long-term borrowings from the financial institutions and related parties and manage the Group’s future operations in a profitable manner.

The Company is taking the following steps to improve the financial condition:

**a) Source of Funding**

Presently, the Company has obtained both short-term and long-term credit facilities from 3 local financial institutions and a related party as discussed in Notes 32.

The Company is also receiving financial support from the ultimate parent company group to carry the critical capital expenditure required for turning around the Company and funding for working capital.

Further, the Company maintains a policy of maximizing sales on advance payment terms and accelerating the debt collection from its debtors to ensure adequate turnaround of cash flows.

**b) Production and Sales**

While the external situation remains volatile, the Company is taking the following countermeasures to improve the long-term performance:

* The Company has already initiated a capital investment project of Baht 3,000 million to restore equipment health and invest in new machinery with technical and financial support from the ultimate parent company. This will help to strengthen production stability, improve quality of the products and enhance cost competitiveness.
* To increase sales volume and customer outreach by using the strong marketing team and customer base of the parent Group. As a result of quality improvement and marketing efforts, the Company has now started producing and selling re rolling grade of Hot-Rolled Coil (“HRC”) in the Domestic market and also started exports of HRC to European markets. These actions have further helped in increasing the shipment and production volumes.
* Optimizing the scrap procurement function to ensure stable supply of scrap at competitive price.
* Continuous improvements in operating costs.
* Leverage its position as low carbon emission steel producer which will help in contributing to Thai Government’s goal of achieving carbon neutrality and export of Company’s products.
* The Company is continuously monitoring the imports and seeking support from the Government to curb unfair imports since year 2024, the following have been achieved:
* Enforcement of Anti-Circumvention measures to extend the imposition of anti-dumping duty on imports of Alloy Hot-Rolled Coil from 17 manufacturers from Republic of China, effective from August 2, 2024 onwards.
* Extension for enforcement of Anti-dumping measures for boron-added HRC products originating from Republic of China for a further period of 5 years, effective from November 8, 2024, to November 7, 2029.

Under the current management by NSC and the strong support and commitment by NSC, the management firmly believes in the Group’s ability to continue its operations as a going concern and has no material uncertainty related to going concern anymore.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION**

**(a) Statement of Compliance**

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

For the convenience of the readers, the Group has prepared an English translation of the financial statements 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 Group 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 Group’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 significant impact to the financial statements for the year ended December 31, 2025.

**(b) Principles of Consolidation**

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any gain or loss on loss of control over a subsidiary is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Significant transactions among the Group have been eliminated in these consolidated financial statements.

The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.

Non-controlling interests represent the portion of net profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, bank deposits available for withdrawal on demand, 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 Group applies a simplified approach in calculating ECL for trade receivables. Therefore, the Group 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 Group 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 Group 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 Group provides an allowance for all deteriorated, damaged, obsolete and slow-moving inventories.

**Investments**

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment losses.

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

Investment in equity securities that not held for trading but held for strategic purposes are stated at fair value, where an irrevocable election has been made by the management. Changes in the fair value of these securities are recorded in other comprehensive income and not subsequently transferred to profit or loss in the statement of comprehensive income when disposal, instead, it is transferred to retained earnings. Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

The fair value of marketable securities is based on the latest bid price of the last working day of the statement financial position date.

Equity securities which are not marketable securities are stated at cost less allowance for impairment losses.

The cost of investments disposed of during the year is determined by the weighted average method.

**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 depreciation and allowance for impairment losses (if any) are eliminated from the accounts and any gain or loss resulting from their disposal is included in the 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 |  |  | 20 |
| Buildings and building improvements |  |  | 25 - 40 |
| Machinery and equipment |  |  | 5 - 40 |
| Furniture, fixtures and office equipment |  |  | 2 - 5 |
| Vehicles |  |  | 5 |

The Group 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 |  | 2 - 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 Group 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 |
|  |  |  |
| Computer software licenses |  | 10 |

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

**Impairment of Assets**

The Group 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 Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in the 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 Group 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 Group 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 the 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 consists of the following:

- Consolidation: whether the Group has de facto control over an investee

- 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

- Business combination

- 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 Group 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 Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group 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 for rendering of services is recognized over time as the services are provided.

*Interest income*

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

*Dividend income*

Dividend income is recognized in the statement of comprehensive income on the date the Group’s right to receive payments is established.

*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 Group 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 Group (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 Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group 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 Group 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 Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

*Financial assets at amortized cost*

The Group 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 Group 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 Group 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 Group’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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or the Group 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 Group 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 Group 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 Group applies a simplified approach in calculating ECL. Therefore, the Group 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 Group 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 in profit or 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 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 Group 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 Group re-assesses unrecognized deferred tax assets. The Group 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 Group 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 Attributable to Owners of the Parent**

Basic loss per share attributable to owners of the parent are determined by dividing loss for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

**Segment Reporting**

Segment results that are reported to the Group’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 Group if the Group 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 Group 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 fabrication,  engineering and construction, chemicals and materials, and system solutions |  | Indirect ultimate shareholder |
|  |  |  |  |  |  |  |
| Nippon Steel Trading Corporation  (“NST”) |  | Japan |  | Sales and Imports/export of steel, industrial supply and infrastructure, textiles, foodstuffs and others |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Krosaki Harima Corporation |  | Japan |  | Manufacture and sale of refractories |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Asia Credit Opportunities I (Mauritius) Limited (“ACO I”) |  | Republic of Mauritius |  | Special-purpose for investment |  | Major shareholder and subsidiary of NSC |
|  |  |  |  |  |  |  |
| Link Capital I (Mauritius) Limited  (“Link Capital I”) |  | Republic of Mauritius |  | Special-purpose for investment |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| SPH |  | Thailand |  | Investment holdings company |  | Subsidiary, 99.99% shareholding |
|  |  |  |  |  |  |  |
| GS Securities |  | Thailand |  | Special-purpose restructuring entity |  | Subsidiary and common directors, 99.99% shareholding |
|  |  |  |  |  |  |  |
| G J Steel Public Company Limited  (“G J Steel”) |  | Thailand |  | Manufacture and sale of hot rolled coil steel products |  | Same indirect ultimate shareholder |
|  |  |  |  |  |  |  |
| Nippon Steel (Thailand) Company  Limited (“NSTH”) |  | Thailand |  | Regional Operating Headquarters |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Nippon Steel Trading (Thailand) Co., Ltd. |  | Thailand |  | Wholesale of iron, steel and  non-ferrous metal in primary forms |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| NS-Siam United Steel Co., Ltd.  (“NS-SUS”) |  | Thailand |  | Manufacture and sales of steel |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Asia Metal Public Company Limited |  | Thailand |  | Manufacture and sales of steel |  | Common shareholder with the Company |
|  |  |  |  |  |  |  |
| Superior Overseas (Thailand) Company Limited |  | Thailand |  | Management advisory |  | Related party of the shareholder of the Company |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Thai Nippon Steel Engineering & Construction Corporation Co., Ltd. |  | Thailand |  | Construction |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Nippon Steel Logistics (Thailand)  Co., Ltd. |  | Thailand |  | Shipping and forwarding agents |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| Thai NS Solutions Co., Ltd. |  | Thailand |  | Computer programming (except web pages and network programming) |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| NS-Texeng Amec Co., Ltd. |  | Thailand |  | Computer programming (except web pages and network programming) |  | Subsidiary of NSC |
|  |  |  |  |  |  |  |
| 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 Group |

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 |  | Mutually agreed prices |
| Purchases of raw materials and consumables |  | Mutually agreed prices with reference to market prices |
| Other expenses |  | Contractual rates with reference to market prices and cost plus margin |
| Finance costs |  | Contractual rates with reference to market prices |
| Improvement of software solutions |  | Contractual rate |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | In Million Baht | | | | | | |
|  |  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  |  | 2025 |  | 2024 |  | 2025 |  | 2024 |
| **Other related parties** |  |  |  |  |  |  |  |  |
| Sales of finished goods |  | 6,437 |  | - |  | 6,437 |  | - |
| Sales of raw materials and consumables |  | 81 |  | - |  | 81 |  | - |
| Other income |  | 19 |  | - |  | 19 |  | - |
| Purchases of raw materials and consumables |  | 893 |  | 425 |  | 893 |  | 425 |
| Other expenses |  | 43 |  | 10 |  | 43 |  | 10 |
| Finance costs |  | 133 |  | 131 |  | 133 |  | 131 |
| Improvement of software solutions |  | 5 |  | - |  | 5 |  | - |
|  |  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |  |
| Short-term benefits |  | 16 |  | 23 |  | 16 |  | 23 |
| Long-term benefits |  | 0.1 |  | 0.1 |  | 0.1 |  | 0.1 |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | In Million Baht | | | | | | |
|  |  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | *Note* | 2025 |  | 2024 |  | 2025 |  | 2024 |
| **Other current receivables from   related parties** |  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |  |
| GS Securities |  | - |  | - |  | 7 |  | 7 |
| SPH |  | - |  | - |  | 1 |  | - |
| Less: Allowance for expected credit losses |  | - |  | - |  | (6) |  | (5) |
| Net |  | - |  | - |  | 2 |  | 2 |
|  |  |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |  |
| G J Steel |  | 6 |  | - |  | 6 |  | - |
| Total |  | 6 |  | - |  | 8 |  | 2 |
|  |  |  |  |  |  |  |  |  |
| **Other non-current assets** | *14* |  |  |  |  |  |  |  |
| **Loans to and accrued interest income from related party** |  |  |  |  |  |  |  |  |
| **Subsidiary** |  |  |  |  |  |  |  |  |
| **Loans to** |  |  |  |  |  |  |  |  |
| SPH |  | - |  | - |  | 7 |  | 7 |
| Less: Allowance for expected credit losses |  | - |  | - |  | (7) |  | (7) |
| Net |  | - |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |  |
| **Accrued interest income** |  |  |  |  |  |  |  |  |
| SPH |  | - |  | - |  | 1 |  | 1 |
| Less: Allowance for expected credit losses |  | - |  | - |  | (1) |  | (1) |
| Net |  | - |  | - |  | - |  | - |

Movements of loans to subsidiary during the year ended December 31, 2025 were as follows:

|  | In Million Baht | | |
| --- | --- | --- | --- |
|  | Consolidated  Financial Statements |  | Separate  Financial Statements |
| **Loans to subsidiary** |  |  |  |
| As at January 1, 2025 | - |  | 7 |
| Addition | - |  | - |
| **As at December 31, 2025** | - |  | 7 |

|  |  | In Million Baht | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | *Note* | 2025 |  | 2024 |  | 2025 |  | 2024 |
| **Trade account payables** | *16* |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |  |
| NST |  | 122 |  | - |  | 122 |  | - |
| NS-SUS |  | 18 |  | - |  | 18 |  | - |
| Total |  | 140 |  | - |  | 140 |  | - |
|  |  |  |  |  |  |  |  |  |

|  |  | In Million Baht | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated Financial Statements | | | | |  | | Separate Financial Statements | | |
|  | *Notes* | 2025 | |  | 2024 | |  | | 2025 |  | 2024 |
| **Other payables and accrued expenses** | *17* | |  |  | |  | |  |  |  |  | |
| **Other related parties** |  | |  |  | |  | |  |  |  |  | |
| ACO I |  | | 204 |  | | 205 | |  | 204 |  | 205 | |
| G J Steel |  | | 5 |  | | - | |  | 5 |  | - | |
| Thai NS Solutions Co., Ltd. |  | | 2 |  | | - | |  | 2 |  | - | |
| NSC |  | | 1 |  | | - | |  | 1 |  | - | |
| Total |  | | 212 |  | | 205 | |  | 212 |  | 205 | |
|  |  | |  |  |  | |  | |  |  |  | |
| **Advances received from customers** | *18* | |  |  |  | |  | |  |  |  | |
| **Other related parties** |  | |  |  |  | |  | |  |  |  | |
| NS-SUS |  | | 912 |  | - | |  | | 912 |  | - | |
| Asia Metal Public Company Limited |  | | - |  | 1 | |  | | - |  | 1 | |
| Total |  | | 912 |  | 1 | |  | | 912 |  | 1 | |
|  |  | |  |  |  | |  | |  |  |  | |
| **Accrued interest expense** | *19* |  | |  |  | |  | |  |  |  |
| **Subsidiary** |  |  | |  |  | |  | |  |  |  |
| GS Securities |  | - | |  | - | |  | | 2 |  | 2 |
|  |  |  | |  |  | |  | |  |  |  |
| **Other related parties** |  |  | |  |  | |  | |  |  |  |
| ACO I |  | 88 | |  | 94 | |  | | 88 |  | 94 |
| NSTH |  | 31 | |  | 38 | |  | | 31 |  | 38 |
| Superior Overseas (Thailand) Co., Ltd. |  | - | |  | 5 | |  | | - |  | 5 |
| Total |  | 119 | |  | 137 | |  | | 121 |  | 139 |
|  |  |  | |  |  | |  | |  |  |  |
| **Liabilities from compromise** | *20* |  | |  |  | |  | |  |  |  |
| **Other related party** |  |  | |  |  | |  | |  |  |  |
| Superior Overseas (Thailand) Co., Ltd. |  | - | |  | 103 | |  | | - |  | 103 |
|  |  |  | |  |  | |  | |  |  |  |
| **Short-term borrowings from**  **related party** | *21* |  | |  |  | |  | |  |  |  |
| **Other related party** |  |  | |  |  | |  | |  |  |  |
| NSTH |  | 4,390 | |  | 3,100 | |  | | 4,390 |  | 3,100 |

Movements of short-term borrowings from related party during the year ended December 31, 2025 were as follows:

|  |  |  | Consolidated/Separate  Financial Statements |
| --- | --- | --- | --- |
|  |  |  | (in Million Baht) |
| **Short-term borrowings from related party** |  |  |  |
| As at January 1, 2025 |  |  | 3,100 |
| Additions |  |  | 3,190 |
| Repayments |  |  | (1,900) |
| **As at December 31, 2025** |  |  | 4,390 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | In Million Baht | | | | | | |
|  |  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | *Note* | 2025 |  | 2024 |  | 2025 |  | 2024 |
| **Long-term borrowings from**  **related parties** | *21* |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |  |
| Portion due within one year |  |  |  |  |  |  |  |  |
| ACO I |  | 169 |  | 169 |  | 169 |  | 169 |
|  |  |  |  |  |  |  |  |  |
| Portion due after one year |  |  |  |  |  |  |  |  |
| NSTH |  | 2,700 |  | 1,085 |  | 2,700 |  | 1,085 |
| Total |  | 2,869 |  | 1,254 |  | 2,869 |  | 1,254 |

Movements of long-term borrowings from related parties during the year ended December 31, 2025 were as follows:

|  |  |  | Consolidated/Separate  Financial Statements |
| --- | --- | --- | --- |
|  |  |  | (in Million Baht) |
| **Long-term borrowings from related parties** |  |  |  |
| As at January 1, 2025 |  |  | 1,254 |
| Additions |  |  | 1,615 |
| **As at December 31, 2025** |  |  | 2,869 |

**Significant agreements with related parties**

***Credit Agreement - NSTH***

On July 30, 2024, the Company entered into a Credit Agreement with NSTH with effect from July 29, 2024, whereby such related company will provide uncommitted revolving and unsecure loan credit facility which total amount will not exceed Baht 2,700 million as financial assistance for the period of 2 years from July 29, 2024 to July 28, 2026. Within the credit facility period, the Company can drawdown loan and shall repay within period not exceeding 6 months after drawdown date. In addition, such loan can be renewed for further period which are not exceeding 6 months by both parties mutually agreeing in writing at least 3 banking day before each maturity date. The interest will be charged at the policy rate announced by the Bank of Thailand (“BOT”) plus 0.18% per annum.

On February 26, 2025, the Company entered into an unsecured short-term loan agreement with NSTH to provide financial assistance for general company purpose including working capital for the Company amounting to Baht 1,100 million for a period from February 26, 2025 to June 30, 2025 with the interest rate at the policy rate announced by the BOT plus 0.18% per annum. The balance amount along with interest accrued was repaid on June 30, 2025.

On June 17, 2025, the Company entered into an unsecured Credit Agreement with NSTH to provide financial assistance for general company purpose including working capital for the Company amounting to Baht 3,369 million for a period from June 17, 2025 to May 31, 2026. The interest will be charged at the policy rate announced by BOT plus 0.18% per annum and will be paid every 6 months.

On June 17, 2025, the Company entered into a secured Credit Agreement with NSTH to provide financial assistance for general company purpose including working capital for the Company amounting to Baht 1,100 million with the drawdown period from June 30, 2025 to December 31, 2025. The repayment of such borrowing will be made on the maturity date on December 31, 2029 or prepayment before the final maturity date. The interest will be charged at the policy rate announced by BOT plus 0.23% per annum and will be paid every 6 months. Such credit facility shall be secured by the mortgaged land, buildings and machinery as discussed in Note 11.

On August 13, 2024, the Company entered into secured loan agreement with NSTH to provide financial assistance for capital expenditure and general operating expenses for the Company amounting to Baht 1,600 million for a period from August 13, 2024 to December 31, 2029 with the interest rate not exceeding policy rate announced by BOT plus 0.23% per annum from August 13, 2024 to August 12, 2026 and BOT plus 1.80% per annum from August 13, 2026 afterward. Such credit facility shall be secured by the mortgaged land, buildings and machinery as discussed in Note 11.

***Cash Management Service Agreement***

On September 9, 2022, the Company entered into a Cash Management Service Agreement with NSTH, whereby such related company will provide loan credit facility of Baht 400 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.

On November 11, 2024, the Company entered into Amendment Agreement to increase additional loan credit facility under Cash Management Service Agreement with NSTH amounting to Baht 200 million (from existing credit facility of Baht 400 million to Baht 600 million). Subsequently on May 28, 2025, the Company entered into an Amendment Agreement to Cash Management Service Agreement with NSTH with credit facility of Baht 600 million to extend the maturity date for one more year up to April 30, 2026.

***Loan Agreements - ACO I***

Long-term borrowings from ACO I represented borrowings which were assigned from creditors to ACO I according to Transfer Notice dated December 17, 2018. Such borrowings were repayable in various amount as specified in the agreements ending within February and June 2019 and bear interest at the rate of 15% per annum (default rate). The Company was responsible for withholding income tax as specified in agreement. Subsequently on May 19, 2021, the Company entered to Debt Restructuring Agreement to extend the repayment period up to December 1, 2025 and reduce interest rate to 6% per annum.

On August 30, 2024 and November 15, 2024, the Company entered into Amendment Agreement to Debt Restructuring Agreements with ACO I to extend the repayment of accrued interest, which matured on September 1, 2024 to be September 1, 2025 with no additional interest as a result of this deferment and extend the repayment of principal debts, which will mature on December 1, 2024 and March 1, 2025 to April 30, 2025 with the existing interest rate as specified in the agreements, respectively.

Subsequently on April 30, 2025 and August 6, 2025, the Company entered into an Amendment Agreements to Loan Agreement with ACO I to extend the maturity date of debts amounting to Baht 169 million and related accrued compound interest with one-time principal repayment on December 1, 2026 and changed the interest rate from 6% per annum to the policy rate announced by BOT plus maximum margin of 0.97% per annum. The interest will be paid every 6 months and effective date on May 1, 2025.

***Debt Restructuring Agreement with ACO I***

On November 28, 2019, the Company entered into a Debt Restructuring Agreement and a Debt Amendment Agreement with ACO I. The outstanding principal USD 37.49 million, the Company shall repay to ACO I in one bullet payment on the Final Repayment Date (the date falling the 9th anniversary of the date of the Agreement) with 3 years grace period on cash payments of interest, charging an interest at the rate of LIBOR plus 2.10% per annum.

On May 19, 2021, the Company entered into a Debt Restructuring Agreement with ACO I to repay the original debts plus accrued interest expense calculated up to March 1, 2020 totalling Baht 188.3 million. Under the agreement, such debts bear interest at the rate of 6% per annum and are repayable on quarterly installments as specified in the agreement starting from June 1, 2021 and ending on December 1, 2025. The Company is responsible for withholding income tax as specified in agreement.

On August 30, 2024 and November 15, 2024, the Company entered into Amendment Agreement to Debt Restructuring Agreements for debt dominated in Thai Baht with ACO I to extend the repayment of accrued interest, which matured on September 1, 2024 to be September 1, 2025 with no additional interest as a result of this deferment and extend the repayment of principal debts which will mature on December 1, 2024 and March 1, 2025 to April 30, 2025 with the existing interest rate as specified in the agreements, respectively.

On August 6, 2025, the Company entered into Amendment Agreements to Debt Restructuring Agreement and Debt Amendment Agreement with ACO I to convert U.S. Dollars denominated debts amounting to USD 3.44 million into Thai Baht debts at the exchange rate of Baht 33.9189 to USD (BOT’s exchange rate as at March 10, 2025) amounting to Baht 116.6 million and changed the interest rate from LIBOR plus 2.10% per annum to the policy rate announced by BOT plus margin of 0.97% per annum. The interest will be paid every 6 months and effective date on May 1, 2025.

On April 30, 2025 and August 6, 2025, the Company entered into Amendment Agreements to Debt Restructuring Agreement and Debt Amendment Agreement with ACO I to extend the maturity date of debts for Thai Baht denominated debts of the amounting to Baht 87 million and related accrued compound interest with one-time principal repayment on December 1, 2026, and changed the interest rate from 6.00% per annum to the policy rate announced by BOT plus margin of 0.97% per annum. The interest will be paid every 6 months and effective date on May 1, 2025.

***Compromise Agreement***

On July 31, 2019, the Company entered into a compromise agreement with Superior Overseas (Thailand) Co., Ltd., which included repayment of remaining debt Baht 146 million within 9 years from March 31, 2023 to December 1, 2028. Interest will be calculated on remaining principal of Baht 59 million with the rate of MLR-2% per annum. The Company will receive grace period for 3 years and start to repay principal and interest from the 4th year (starting from December 2023). However, the Company has to pay all principal and interest within the 9th years, the maturity period.

Subsequently on May 2, 2023, the Company entered into Addendum to Compromise Agreement with Superior Overseas (Thailand) Company Limited to amend the repayment schedule of remaining principal debt amounting to Baht 146 million and deferred accrued interest (up to December 1, 2022) amounting Baht 6 million to be paid in 24 quarterly equal installments at Baht 6.3 million per quarter starting from March 31, 2023 until December 1, 2028. Interest rate for interest bearing principal is at the rate of MLR-2% per annum and shall be repaid on quarterly basis starting from March 31, 2023. Such addendum was effective on March 31, 2023.

In June 2025, the Company has fully repaid the amount of such liabilities from compromise with other party and related accrued interest expense. Accordingly, the Company already released the pledged shares on August 1, 2025 and released the mortgaged land on August 15, 2025 as discussed in Notes 10 and 11, respectively.

***Technical Service Agreement***

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 ending on August 31, 2023 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 company 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, 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.

***Guarantee Fee Agreement***

On June 17, 2025, the Company entered into Guarantee Fee Agreement with NSC, whereby NSC shall provide guarantee for loan agreements which the Company granted from 3 local financial institutions for a maximum guarantee amount of Baht 2,100 million as discussed in Note 15. The guarantee period shall be effective from June 30, 2025 to June 30, 2026 according to the tenor of the underlying loan agreements, and may be further amended, extended or renewed upon mutual agreement of both parties. In this regard, the Company is committed to pay guarantee fee at the rate of 0.13% per annum.

**5. CASH AND CASH EQUIVALENTS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated/Separate  Financial Statements | | |
|  |  | | |  | (in Million Baht) | | |
|  |  |  |  |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Cash at banks - savings accounts |  |  |  |  | 398 |  | 200 |

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated/Separate  Financial Statements | | |
|  |  | | |  | (in Million Baht) | | |
|  |  |  |  |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Thai Baht |  |  |  |  | 187 |  | 183 |
| United States Dollars |  |  |  |  | 211 |  | 17 |
| Total |  |  |  |  | 398 |  | 200 |

**6. TRADE ACCOUNT RECEIVABLES**

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | (In Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Trade account receivables - other parties | 182 |  | - |

Aging analyses for trade account receivables were as follows:

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | (In Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Within credit-term | 182 |  | - |

**Customer credit terms**

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 letters of credit at sight for export sales.

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 182 |  | - |

**7. INVENTORIES - Net**

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | (In Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Finished goods | 822 |  | 232 |
| Raw materials | 790 |  | 528 |
| Consumables | 523 |  | 445 |
| Spare parts | 624 |  | 518 |
| Goods in transit | 125 |  | 92 |
| Total | 2,884 |  | 1,815 |
| Less: Allowance for decline in value of inventories | (184) |  | (142) |
| Less: Allowance for raw materials lost | (92) |  | (92) |
| Net | 2,608 |  | 1,581 |
|  |  |  |  |
| Allowance for decline in value of inventories during the year | 42 |  | 78 |

**Raw materials lost**

In the third quarter of 2017, the Company had raw materials (scrap steel) which was lost and which may be considered misappropriated, fraud or stolen. Estimated preliminary damage cost was approximately Baht 88 million for which the Company had fully set provision. Later, in the fourth quarter of 2017, the Company prepared yearly stock count of its goods and raw materials as at December 31, 2017 and found that quantity of the Company’s raw materials (scrap steel) lost from the stock amounted to Baht 92 million. Therefore, the Company set up additional in allowance for loss on raw materials amounting to Baht 4 million in the fourth quarter of 2017.

The Company received a letter dated April 4, 2022 from Rayong Provincial Probation Office informing the Company to meet with the probation officer at Rayong Provincial Probation Office in order to clarify the facts about the circumstances of the case as well as damages and mitigation. The Rayong Provincial Public Prosecutor has charged one Defendant based on several offences of under the Weights and Measures Act B.E. 2542 (1999) as amended, the Ministerial Regulations and the Rules and Procedures for Registration of Personal Marks B.E. 2546 dated October 10, 2003. The public prosecutor also requested the court to confiscate all the property in dispute and to order the defendant to make repayment to the Company. In this respect, the Company has replied to the Rayong Provincial Public Prosecutor and the Rayong Provincial Probation Office that the damage to the Company is Baht 92 million. The Company has also reported that there is also loss on account of scrap kept at the Company area which is the property of third party.

On May 10, 2022, the Rayong Provincial Court rendered the judgment that the first Defendant has committed the offences and shall be imprisoned for a term of 2 years and shall repay the money to the injured person (the Company) in the amount of Baht 174 million. Subsequently, on September 8, 2022, the Defendant has submitted an appeal to the Rayong Provincial Court. On April 27, 2023, the Appeal Court gave the judgment that the Defendant has committed the offences and shall be imprisoned for a term of 2 years and shall repay the money to the injured person (the Company) in the amount of Baht 174 million, reaffirmed the verdict of the Court of the First Instance then the case was finalized on June 29, 2023.

On January 27, 2023, the Company received the letter from Rayong Prosecutor’s Office. The letter is to inform that Rayong Provincial Prosecutor has filed a lawsuit against the second defendant and his group for the offences under the Weights and Measures Act B.E. 2542 and embezzlement; and the Company, as an injured person under Section 44/1 of the Criminal Procedure Code, has the right to claim compensation for injury caused to its property.

On March 15, 2023, the second defendant and his group confessed and the court therefore terminated the examination of witnesses and issued a verdict on that date, ordering the defendant for 2 years in prison. On July 12, 2023, the second defendant and his group submitted the appeal to the Rayong Provincial Court. Subsequently on January 9, 2024, the Appeal Court gave the judgment that the Defendant has committed the offences and shall be imprisoned for a term of 2 years and shall repay the money to the injured person (the Company) in the amount of Baht 174 million, reaffirmed the verdict of the Court of the First Instance then the case was finalized on December 13, 2023.

On April 4, 2023, the Company received the Letter from Rayong Prosecutor’s Office. The letter is to inform that Rayong Provincial Prosecutor has filed a lawsuit against the third defendant and her group for the offences under the Weights and Measures Act B.E. 2542 and embezzlement; and the Company, as an injured person under Section 44/1 of the Criminal Procedure Codey, has the right to claim compensation for injury caused to its property.

On March 19, 2025, the Court gave the judgement that the third defendant and her group have committed the offences and shall be imprisoned for a term of 2 years and shall repay the money to the injured person (the Company) in the amount of Baht 174 million. Subsequently on August 8, 2025, the third defendant’s group have filed the appeal to the Appeal Court and the case is now under consideration of the Appeal Court.

**8. OTHER CURRENT ASSETS - Net**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (In Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Advances to suppliers - other parties | 44 |  | 39 |
| Value added tax receivable | 165 |  | 65 |
| Refundable corporate income tax | 9 |  | 9 |
| Suspense input tax | 15 |  | 10 |
| Prepaid expenses and others - net | 128 |  | 134 |
| Total | 361 |  | 257 |

**9. INVESTMENTS IN SUBSIDIARIES - Net**

As at December 31, 2025 and 2024, the investments in subsidiaries were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  |  | | |  | Separate Financial Statements (In Million Baht) | | | | | | | | | | |
|  | Paid Share Capital  (In Million Baht) | | |  | Proportionate (%) | | |  | Cost value | | |  | Allowance for  impairment loss | | |  | At cost - Net | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |  | 2025 |  | 2024 |  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| SPH | 341 |  | 341 |  | 99.99 |  | 99.99 |  | 341 |  | 341 |  | (341) |  | (341) |  | - |  | - |
| GS Securities | 67 |  | 67 |  | 99.99 |  | 99.99 |  | 22 |  | 22 |  | - |  | - |  | 22 |  | 22 |
| Total |  |  |  |  |  |  |  |  | 363 |  | 363 |  | (341) |  | (341) |  | 22 |  | 22 |

**10. OTHER LONG-TERM INVESTMENT**

As December 31, 2025 and 2024, other long-term investment represented investment in G J Steel Public Company Limited (“G J Steel”) at 9.45% shareholding (direct holding of 8.24% held by the Company and indirect holding held by GS Securities of 1.21%) that not held for trading but held for strategic purposes and is stated at fair value. Unrealized loss on changes in the fair value of this security were recorded through other comprehensive income in the consolidated and separate financial statements for year ended December 31, 2025 amounting to Baht 73 million and Baht 63 million, respectively. Details were as follow:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Balance as at January 1 | 362 |  | 506 |  | 315 |  | 441 |
| Changes in fair value | (73) |  | (144) |  | (63) |  | (126) |
| **Balance as at December 31** | 289 |  | 362 |  | 252 |  | 315 |

**G J Steel’s shares pledge as collateral**

As at December 31, 2025 and 2024, the Company pledged its G J Steel’s shares as collateral for the benefit of creditors as follows:

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | Number of shares (In Million Shares) | | |
|  | 2025 |  | 2024 |
| ***G J Steel’s shares*** |  |  |  |
| Liabilities from compromise | - |  | 800 |
| Long-term borrowings from related party | 1,100 |  | 1,100 |
| Total | 1,100 |  | 1,900 |

As at December 31, 2025, the Company has fully repaid the amount of such liabilities from compromise with other party and related accrued interest expense as discussed in Note 20. On August 1, 2025, the Company has already released such pledged shares.

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/Separate financial statements (In Million Baht) | | | | | | | | | | | | |
|  |  |  |  |  |  |  | Furniture, |  |  |  |  |  |  |
|  | Land |  | Buildings |  | Machinery |  | fixtures |  |  |  | Construction |  |  |
|  | and land |  | and building |  | and |  | and office |  |  |  | in |  |  |
|  | improvements |  | improvements |  | equipment |  | equipment |  | Vehicles |  | progress |  | Total |
| **Cost** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 762 |  | 3,213 |  | 19,659 |  | 145 |  | 4 |  | 108 |  | 23,891 |
| Additions | - |  | - |  | 65 |  | 14 |  | - |  | 454 |  | 533 |
| Write-off | - |  | - |  | (959) |  | (90) |  | - |  | - |  | (1,049) |
| Transfers in (out) | - |  | - |  | 3 |  | 1 |  | - |  | (4) |  | - |
| **As at December 31, 2024** | 762 |  | 3,213 |  | 18,768 |  | 70 |  | 4 |  | 558 |  | 23,375 |
| Additions | 2 |  | 21 |  | 132 |  | 15 |  | 1 |  | 984 |  | 1,155 |
| Disposals and write-off | - |  | (21) |  | (231) |  | (3) |  | - |  | - |  | (255) |
| Transfers in (out) | - |  | 3 |  | 196 |  | - |  | - |  | (199) |  | - |
| **As at December 31, 2025** | 764 |  | 3,216 |  | 18,865 |  | 82 |  | 5 |  | 1,343 |  | 24,275 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Accumulated Depreciation** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 26 |  | 1,482 |  | 13,292 |  | 131 |  | 4 |  | - |  | 14,935 |
| Depreciation charge for the year | - |  | 45 |  | 391 |  | 4 |  | - |  | - |  | 440 |
| Write-off | - |  | - |  | (923) |  | (84) |  | - |  | - |  | (1,007) |
| **As at December 31, 2024** | 26 |  | 1,527 |  | 12,760 |  | 51 |  | 4 |  | - |  | 14,368 |
| Depreciation charge for the year | - |  | 46 |  | 403 |  | 7 |  | - |  | - |  | 456 |
| Disposals and write-off | - |  | (13) |  | (218) |  | (3) |  | - |  | - |  | (234) |
| **As at December 31, 2025** | 26 |  | 1,560 |  | 12,945 |  | 55 |  | 4 |  | - |  | 14,590 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Allowance for Impairment Losses** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at January 1, 2024 | 306 |  | 1,071 |  | 1,705 |  | 6 |  | - |  | - |  | 3,088 |
| Reversal | - |  | - |  | (32) |  | (6) |  | - |  | - |  | (38) |
| **As at December 31, 2024** | 306 |  | 1,071 |  | 1,673 |  | - |  | - |  | - |  | 3,050 |
| Reversal | - |  | (5) |  | (5) |  | - |  | - |  | - |  | (10) |
| **As at December 31, 2025** | 306 |  | 1,066 |  | 1,668 |  | - |  | - |  | - |  | 3,040 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **As at December 31, 2024** | 430 |  | 615 |  | 4,335 |  | 19 |  | - |  | 558 |  | 5,957 |
| **As at December 31, 2025** | 432 |  | 590 |  | 4,252 |  | 27 |  | 1 |  | 1,343 |  | 6,645 |

The gross carrying amounts of the Company’s certain building and equipment totalling Baht 1,960 million and Baht 1,962 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***

Certain land of the Company, which have net book value as at December 31, 2024 of Baht 66 million, were mortgaged as collateral for liabilities from compromise as discussed in Note 20 (2025: Nil).

In June 2025, the Company has fully repaid the amount of such liabilities from compromise and related accrued interest expense. Subsequently on August 7, 2025, the Board of Directors approved to enter into the security release and discharge agreement and also approved the release of land mortgage with such creditor. Accordingly, the Company has already released such mortgaged land on August 15, 2025.

Property, plant and equipment of the Company, which had net book value as at December 31, 2025 and 2024 totalling Baht 4,048 million and Baht 3,084 million, respectively, are subject to the required approvals of such mortgage assets from 3 local financial institutions as collateral for secured borrowings from NSTH as discussed in Notes 4, 21 and 32.

***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 rates of 44.10% per annum in 1st year, 27.54% per annum in 2nd year and 0% per annum in year  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 rates of 7.20% per annum which were based on weighted average cost of capital, with average industry 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 and appropriate.

***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% |  | (1,006) |  | 1,344 |
| - Change of 2% |  | (1,791) |  | 3,185 |
|  |  |  |  |  |
| Change in sale quantity from base assumption |  |  |  |  |
| - Change of 5% |  | 557 |  | (557) |
| - Change of 10% |  | 1,113 |  | (1,113) |
|  |  |  |  |  |
| Change in selling price from base assumption |  |  |  |  |
| - Change of 5% |  | 661 |  | (661) |
| - Change of 10% |  | 1,321 |  | (1,321) |

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.

**12. OTHER INTANGIBLE ASSETS - Net**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated/Separate financial statements (In Million Baht) | | | | |
|  | Computer software |  | Software under |  |  |
|  | licenses |  | installations |  | Total |
| **Cost** |  |  |  |  |  |
| As at January 1, 2024 | 19 |  | - |  | 19 |
| Additions | - |  | 12 |  | 12 |
| **As at December 31, 2024** | 19 |  | 12 |  | 31 |
| Additions | 95 |  | 5 |  | 100 |
| Transferred in (out) | 12 |  | (12) |  | - |
| **As at December 31, 2025** | 126 |  | 5 |  | 131 |
|  |  |  |  |  |  |
| **Accumulated Amortization** |  |  |  |  |  |
| **As at January 1, 2024 and December 31, 2024** | 18 |  | - |  | 18 |
| Amortization charge for the year | 3 |  | - |  | 3 |
| **As at December 31, 2025** | 21 |  | - |  | 21 |
|  |  |  |  |  |  |
| **Net Book Value** |  |  |  |  |  |
| **As at December 31, 2024** | 1 |  | 12 |  | 13 |
| **As at December 31, 2025** | 105 |  | 5 |  | 110 |

The gross carrying amounts of the Company’s certain other intangible assets totalling Baht 17 million were fully amortized as at December 31, 2025 and 2024, but these items are still in active use.

**13. DEFERRED TAX**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Accounting loss before tax | (1,561) |  | (1,755) |  | (1,561) |  | (1,756) |
|  |  |  |  |  |  |  |  |
| Income tax rate at 20% | (312) |  | (351) |  | (312) |  | (351) |
| Add (Less): Tax effect on |  |  |  |  |  |  |  |
| - Exempt income and non-deductible expenses | (2) |  | 3 |  | (2) |  | 3 |
| - Unrecognized temporary differences | 32 |  | 104 |  | 32 |  | 104 |
| - Unrecognition tax loss carry forward | 286 |  | 252 |  | 286 |  | 252 |
| - Utilized unrecognized other temporary |  |  |  |  |  |  |  |
| differences | (4) |  | (8) |  | (4) |  | (8) |
| 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 | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
| Temporary differences |  |  |  |  |  |  |  |
| - Allowance for decline in value of inventories | 37 |  | 28 |  | 37 |  | 28 |
| - Allowance for impairment losses on property, plant and equipment and depreciation gap | 1,486 |  | 1,464 |  | 1,486 |  | 1,464 |
| - Allowance for impairment losses on  unusable machines held for sale | 994 |  | 993 |  | 994 |  | 993 |
| - Other current payables and accrued expenses | 32 |  | 32 |  | 32 |  | 32 |
| - Other current liabilities | 3 |  | 9 |  | 3 |  | 9 |
| - Non-current provision for employee retirement benefit | 21 |  | 22 |  | 21 |  | 22 |
|  | 2,573 |  | 2,548 |  | 2,573 |  | 2,548 |
| Tax loss carry forwards | 864 |  | 555 |  | 864 |  | 555 |
| Total | 3,437 |  | 3,103 |  | 3,437 |  | 3,103 |

Tax loss carried forwards will expire in 2028 to 2030. 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.

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Unusable machines held for sale | 4,979 |  | 4,979 |  | 4,979 |  | 4,979 |
| Less: Allowance for impairment losses | (4,969) |  | (4,963) |  | (4,969) |  | (4,963) |
|  | 10 |  | 16 |  | 10 |  | 16 |
|  |  |  |  |  |  |  |  |
| Loans to and accrued interest income from subsidiary | - |  | - |  | 8 |  | 8 |
| Less: Allowance for expected credit losses | - |  | - |  | (8) |  | (8) |
|  | - |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| Others | 7 |  | 9 |  | 7 |  | 9 |
| Net | 17 |  | 25 |  | 17 |  | 25 |

***Unusable machines held for sale***

The Company had engaged technical experts to carry out a review of the Pickling & Oiling Line lying under construction in progress. Based on such technical review, the additional investment required for making the Pickling & Oiling Line operational was estimated at USD 13.5 million to USD 15 million (equivalent to approximately Baht 461 million to Baht 512 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 Pickling & Oiling Line could achieve the desired production capacities, quality parameters, and subsequent guarantee figures. If the old and rusted parts are 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 Pickling & Oiling Line but to set up additional an impairment loss on such Pickling & Oiling Line (using the market scrap price) amounting to Baht 1,497 million in the books. Subsequently, the Audit Committee and Board of Directors meeting held on February 24, 2023, approved to record impairment loss on unusable machines held for sale amounting to Baht 1,497 million.

The carrying value of unusable machines held for sale was written down based on the market price of steel scrap of Baht 10 million and Baht 16 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 6 million in the statement of comprehensive income for the year ended December 31, 2025 (2024: Nil).

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/Separate Financial Statements | | | | | | |
|  | Interest Rates (% p.a.) | | |  | In Million Baht | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Short-term borrowings - Baht currency | 1.40 and 1.51 |  | 2.40 and 2.51 |  | 1,750 |  | 1,400 |

As at December 31, 2025 and 2024, the Company had uncommitted and unsecured short-term borrowings from various local financial institutions which are repayable on demand. Such borrowings are guaranteed by NSC for a maximum guarantee amount of Baht 2,100 million as discussed in Note 4.

Movements of short-term borrowings from financial institutions during the year ended December 31, 2025 were as follows:

|  | Consolidated/Separate  Financial Statements |
| --- | --- |
|  | (In Million Baht) |
|  |  |
| As at January 1, 2025 | 1,400 |
| Additions | 350 |
| **As at December 31, 2025** | 1,750 |

**16. TRADE ACCOUNT PAYABLES**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Related parties | 140 |  | - |
| Other parties | 197 |  | 189 |
| Total | 337 |  | 189 |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 119 |  | 77 |
| United States Dollars | 173 |  | 93 |
| Euro | 45 |  | 17 |
| Japanese Yen | - |  | 2 |
| Total | 337 |  | 189 |

**17. OTHER PAYABLES AND ACCRUED EXPENSES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |
| Other current payables |  |  |  |  |  |  |  |
| Related parties | 95 |  | 87 |  | 95 |  | 87 |
| Other parties | 211 |  | 166 |  | 211 |  | 166 |
| Electricity and energy service payables | 64 |  | 22 |  | 64 |  | 22 |
| Accrued bonus and incentive program | 25 |  | 35 |  | 25 |  | 35 |
| Others | 236 |  | 226 |  | 236 |  | 226 |
|  | 631 |  | 536 |  | 631 |  | 536 |
|  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |
| Other non-current payables - Related party | 117 |  | 118 |  | 117 |  | 118 |
| Electricity payable | - |  | 3 |  | - |  | 3 |
|  | 117 |  | 121 |  | 117 |  | 121 |
| Total | 748 |  | 657 |  | 748 |  | 657 |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | | |
|  | Consolidated Financial Statements | | |  | | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 | |  | 2024 |
|  |  |  |  |  |  | |  |  |
| Thai Baht | 721 |  | 520 |  | 721 | |  | 520 |
| United States Dollars | 17 |  | 136 |  | 17 | |  | 136 |
| Euro | 10 |  | 1 |  | 10 | |  | 1 |
| Total | 748 |  | 657 |  | 748 | |  | 657 |

**18. ADVANCES RECEIVED FROM CUSTOMERS**

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Related party | 912 |  | 1 |
| Other parties | 1 |  | 2 |
| Total | 913 |  | 3 |

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

|  | Consolidated/Separate  Financial Statements | | |
| --- | --- | --- | --- |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 913 |  | 3 |

**19. ACCRUED INTEREST EXPENSE**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
| ***Current*** |  |  |  |  |  |  |  |
| Short-term borrowings from financial institutions | 1 |  | 3 |  | 1 |  | 3 |
| Debentures | 263 |  | 264 |  | 263 |  | 264 |
| Liabilities from terminated rehabilitation plan |  |  |  |  |  |  |  |
| and compromise |  |  |  |  |  |  |  |
| Related parties | - |  | 2 |  | - |  | 2 |
| Other parties | 1 |  | 5 |  | 1 |  | 5 |
| Borrowings from related parties | 102 |  | 113 |  | 104 |  | 115 |
| Others |  |  |  |  |  |  |  |
| Related parties | 17 |  | 19 |  | 17 |  | 19 |
| Other parties | 29 |  | 26 |  | 29 |  | 26 |
|  | 413 |  | 432 |  | 415 |  | 434 |
| ***Non-current*** |  |  |  |  |  |  |  |
| Liabilities from terminated rehabilitation plan |  |  |  |  |  |  |  |
| and compromise - related party | - |  | 3 |  | - |  | 3 |
| Total | 413 |  | 435 |  | 415 |  | 437 |

The currency denomination of accrued interest expense as at December 31, 2025 and 2024 was as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | | |
|  | Consolidated Financial Statements | | |  | | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 | |  | 2024 |
|  |  |  |  |  |  | |  |  |
| Thai Baht | 121 |  | 145 |  | 123 | |  | 147 |
| United States Dollars | 282 |  | 281 |  | 282 | |  | 281 |
| Euro | 10 |  | 9 |  | 10 | |  | 9 |
| Total | 413 |  | 435 |  | 415 | |  | 437 |

**20. LIABILITIES FROM TERMINATED REHABILITATION PLAN AND COMPROMISE**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Liabilities from terminated rehabilitation plan - Other parties | 30 |  | 62 |
| Liabilities from compromise |  |  |  |
| Related parties | - |  | 103 |
| Other parties | - |  | 325 |
| Total | 30 |  | 490 |
|  |  |  |  |
| Current | 30 |  | 417 |
| Non-current | - |  | 73 |
| Total | 30 |  | 490 |

The movements of liabilities from terminated rehabilitation plan and compromise for the years ended December 31, 2025 and 2024 were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| At January 1 | 490 |  | 612 |
| Repayments | (428) |  | (122) |
| Write-back expired legal prescription of liabilities | (32) |  | - |
| **At December 31** | 30 |  | 490 |

The currency denomination of liabilities from terminated rehabilitation plan and compromise as at December 31, 2025 and 2024 was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 30 |  | 490 |

***Liabilities from terminated rehabilitation plan***

Liabilities from terminated rehabilitation plan of the Company were due to be paid in year 2018 but fell into default. Accordingly, the Company recorded accrued interest at default rate from the date of default as specified in the rehabilitation plan and presented the outstanding liabilities from terminated rehabilitation plan as at December 31, 2025 and 2024 as current liabilities in the separate and consolidated statements of financial position.

At the Board of Directors’ Meeting of the Company held on August 7, 2025 and November 7, 2025, the directors approved to write-back liabilities from terminated rehabilitation plan which have exceeded legal prescription period of 10 years without any claim from the creditors of Baht 32 million and related accrued interest of Baht 2 million, totalling Baht 34 million. Hence, the Company recorded such write-back expired legal prescription of liabilities in the statement of comprehensive income for the year ended December 31, 2025.

***Liabilities from compromise - Other parties***

The Company entered into various compromise agreements with various creditors. These compromise agreements are repayable in monthly installments and bear interest at rate as specified in the agreements.

As at December 31, 2024, such liabilities from compromise were guaranteed by certain mortgaged land of the Company and pledged G J Steel’s shares as discussed in Notes 10 and 11 and personal assets of the Company’s director and 2 related parties.

In June 2025, the Company has fully repaid the amount of such liabilities from compromise with other party and related accrued interest expense. Accordingly, the Company already released the pledged shares on August 1, 2025 and released the mortgaged land on August 15, 2025 as discussed in Notes 10 and 11, respectively.

**21. BORROWINGS FROM RELATED PARTIES - Net**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated/Separate  Financial Statements | | |
|  |  | | |  | (In Million Baht) | | |
|  |  |  |  |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Short-term borrowings from NSTH |  |  |  |  | 4,390 |  | 3,100 |
|  |  |  |  |  |  |  |  |
| Long-term borrowings |  |  |  |  |  |  |  |
| - Portion due within one year |  |  |  |  |  |  |  |
| - ACO I |  |  |  |  | 169 |  | 169 |
| - Portion due after one year |  |  |  |  |  |  |  |
| - NSTH |  |  |  |  | 2,700 |  | 1,085 |
| Total long-term borrowings |  |  |  |  | 2,869 |  | 1,254 |
|  |  |  |  |  |  |  |  |
| Grand total |  |  |  |  | 7,259 |  | 4,354 |

The currency denomination of borrowings from related parties as at December 31, 2025 and 2024 were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated/Separate  Financial Statements | | |
|  |  | | |  | (in Million Baht) | | |
|  |  |  |  |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Thai Baht |  |  |  |  | 7,259 |  | 4,354 |

Such long-term borrowings are secured by pledging of G J Steel’s shares and mortgaging of property, plant and equipment of the Company, which are subject to the required approvals to mortgage such assets from 3 local financial institutions as discussed in Notes 10 and 11.

**22. CURRENT PORTION OF DEBENTURES**

As at December 31, 2025 and 2024, the outstanding balances of the Company’s debentures were amounting to USD 15.51 million and bore interest at the rate of 3% per annum and was unsecured, which was matured in October 2015. On January 9, 2012, the Company received notice letter from bondholder’s representative that the Company defaulted to pay debentures’ interest expense which was due on December 30, 2011. However, up to present, the Company has not been called to redeem such matured debentures.

The movements of debentures during the years ended December 31, 2025 and 2024 were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| As at January 1 | 530 |  | 533 |
| Exchange rate adjustments | (38) |  | (3) |
| **As at December 31** | 492 |  | 530 |

**23. OTHER CURRENT LIABILITIES**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Provision for loss on purchase orders for undelivered raw materials | 17 |  | 43 |
| Liabilities related to taxes | 3 |  | 4 |
| Total | 20 |  | 47 |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Thai Baht | 20 |  | 47 |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Non-current provision for employee retirement benefit as at January 1 | 108 |  | 111 |
| Current service cost | 6 |  | 7 |
| Interest cost | 3 |  | 3 |
| Employee retirement benefit paid | (10) |  | (13) |
| **Non-current provision for employee retirement benefit as at December 31** | 107 |  | 108 |

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

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (in Million Baht) | | |
|  | 2025 |  | 2024 |
| In loss for the year : |  |  |  |
| - Current service cost and interest cost | 9 |  | 10 |

Actuarial assumptions:

|  |  |
| --- | --- |
| Discount rate | 2.76% per annum |
| Future salary increase | 4% per annum |
| Employee turnover | 2.87% - 17.19% 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.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Impact to increase (decrease) / (in Million Baht) | | |
|  | Consolidated/Separate Financial Statements | | |
|  | 2025 |  | 2024 |
| Effect on the non-current provision for retirement employee benefit at December 31, |  |  |  |
| Discount rate |  |  |  |
| 1% increase | (8) |  | (8) |
| 1% decrease | 9 |  | 9 |
| Salary rate |  |  |  |
| 1% increase | 11 |  | 10 |
| 1% decrease | (10) |  | (9) |
| Employee turnover rate |  |  |  |
| 10% increase | (3) |  | (3) |
| 10% decrease | 4 |  | 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.

**25. LEGAL RESERVE AND OTHER COMPONENTS OF EQUITY**

***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.

***Other Components of equity***

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
| Cash received from expired warrants |  |  |  |  |  |  |  |
| - First Warrants (GSTEL-W1) | 11 |  | 11 |  | 11 |  | 11 |
| - Second Warrants (GSTEL-W2) | 3 |  | 3 |  | 3 |  | 3 |
|  | 14 |  | 14 |  | 14 |  | 14 |
|  |  |  |  |  |  |  |  |
| Loss on change in fair value of equity security |  |  |  |  |  |  |  |
| designated at fair value through |  |  |  |  |  |  |  |
| other comprehensive income | (2,595) |  | (2,522) |  | (2,502) |  | (2,439) |
| Net | (2,581) |  | (2,508) |  | (2,488) |  | (2,425) |

The cancellation in 2019 of warrants amounted to 7,025 million units which had book value of Baht 0.002 per unit, was transferred from warrants to be other component of equity amounting to Baht 14 million.

**26. REGISTERED PROVIDENT FUND**

The Company has established a contributory registered provident fund under the plan, members contribute to the fund at 2% to 10% 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 contributed to the fund totalling approximately Baht 17 million and Baht 16 million for the years ended December 31, 2025 and 2024, respectively.

**27. EXPENSES BY NATURE**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Raw materials and consumable used | 7,020 |  | 6,553 |  | 7,020 |  | 6,553 |
| Change in finished goods | (590) |  | 58 |  | (590) |  | 58 |
| Depreciation and amortization | 463 |  | 444 |  | 463 |  | 444 |
| Employee benefit expenses | 517 |  | 513 |  | 517 |  | 513 |
| Utility expenses | 1,271 |  | 1,065 |  | 1,271 |  | 1,065 |
| Natural gas expense | 367 |  | 379 |  | 367 |  | 379 |
| Repair and maintenance expenses | 493 |  | 384 |  | 493 |  | 384 |
| Loss on decline in value of inventories (Note 7) | 42 |  | 78 |  | 42 |  | 78 |
| Loss on impairment of |  |  |  |  |  |  |  |
| unusable machines held for sale | 6 |  | - |  | 6 |  | - |
| Loss on confirmed purchase orders for |  |  |  |  |  |  |  |
| undelivered raw materials | - |  | 22 |  | - |  | 22 |
| Others | 391 |  | 481 |  | 391 |  | 481 |
| Total expenses | 9,980 |  | 9,977 |  | 9,980 |  | 9,977 |

**28. BASIC LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | In Million Baht / Million shares | | | | | | |
|  | Consolidated Financial Statements | | |  | Separate Financial Statements | | |
|  | 2025 |  | 2024 |  | 2025 |  | 2024 |
|  |  |  |  |  |  |  |  |
| Loss for the year attributable to |  |  |  |  |  |  |  |
| owner of the parent | (1,561) |  | (1,755) |  | (1,561) |  | (1,756) |
|  |  |  |  |  |  |  |  |
| Number of ordinary shares outstanding at 1 January | 28,929 |  | 28,929 |  | 28,929 |  | 28,929 |
| Effect of issuance of new shares | - |  | - |  | - |  | - |
| Weighted average number of |  |  |  |  |  |  |  |
| ordinary shares outstanding | 28,929 |  | 28,929 |  | 28,929 |  | 28,929 |
|  |  |  |  |  |  |  |  |
| Basic loss per share (In Baht) |  |  |  |  |  |  |  |
| attributable to owners of the parent | (0.054) |  | (0.061) |  | (0.054) |  | (0.061) |

**29. DISCLOSURE OF FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities carried on the consolidated and separate statements of financial position include cash and cash equivalents, short-term investments in trading securities, trade account receivables, other current receivables from related parties, other long-term investment, short-term borrowings from financial institutions, trade account payables, other payables and accrued expenses, accrued interest expense, liabilities from terminated rehabilitation plan and compromise, borrowings from related parties and other party, debentures 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 Group 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 Group 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 Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and has financial assets and liabilities denominated in foreign currencies. Accordingly, the Group 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 Group. The Group’s exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings from financial institutions, trade account payables, other payable and accrued expenses, accrued interest expense, liabilities from terminated rehabilitation plan and compromise, borrowings from related parties, debentures and lease liabilities, which most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates. Hence, the Group 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.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated Financial Statements | | | | | |  |
|  |  | 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 | - | - | - | 398 | - | 398 | 0.01 - 0.20 |
| Short-term investment in |  |  |  |  |  |  |  |  |
| trading security | FVTPL | - | - | - | - | 1 | 1 | - |
| Trade account receivables | Amortized cost | - | - | - | - | 182 | 182 | - |
| Other current receivables from |  |  |  |  |  |  |  |  |
| related parties - net | Amortized cost | - | - | - | - | 6 | 6 | - |
| Other long-term investment | FVOCI | - | - | - | - | 289 | 289 | - |
| Total |  | - | - | - | 398 | 478 | 876 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| financial institutions | Amortized cost | - | - | - | 1,750 | - | 1,750 | 1.40 and 1.51 |
| Trade account payables | Amortized cost | 7 | - | - | - | 330 | 337 | 7.50 |
| Other payables and accrued |  |  |  |  |  |  |  |  |
| expenses | Amortized cost | 17 | - | - | 204 | 527 | 748 | 2.61 and 7.00 |
| Accrued interest expense | Amortized cost | - | - | - | 86 | 327 | 413 | 2.61 |
| Liabilities from terminated |  |  |  |  |  |  |  |  |
| rehabilitation plan | Amortized cost | 30 | - | - | - | - | 30 | 0.50 |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| related party | Amortized cost | - | - | - | 4,390 | - | 4,390 | 1.43 |
| Long-term borrowings from |  |  |  |  |  |  |  |  |
| related parties | Amortized cost | - | - | - | 2,869 | - | 2,869 | 1.43 and 2.22 |
| Debentures | Amortized cost | 492 | - | - | - | - | 492 | 3.53 |
| Lease liabilities | Amortized cost | 4 | 10 | - | - | - | 14 | 7.28 - 7.63 |
| Total |  | 550 | 10 | - | 9,299 | 1,184 | 11,043 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated Financial Statements | | | | | |  |
|  |  | 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 | - | - | - | 200 | - | 200 | 0.05 - 0.40 |
| Short-term investment in |  |  |  |  |  |  |  |  |
| trading security | FVTPL | - | - | - | - | 1 | 1 | - |
| Other long-term investment | FVOCI | - | - | - | - | 361 | 361 | - |
| Total |  | - | - | - | 200 | 362 | 562 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| financial institutions | Amortized cost | - | - | - | 1,400 | - | 1,400 | 2.40, 2.51 |
| Trade account payables | Amortized cost | 7 | - | - | - | 182 | 189 | 7.50 |
| Other payables and accrued |  |  |  |  |  |  |  |  |
| expenses | Amortized cost | 87 | - | - | 118 | 452 | 657 | 6.95 - 7.06 |
| Accrued interest expense | Amortized cost | 87 | - | - | - | 348 | 435 | 7.06 |
| Liabilities from terminated |  |  |  |  |  |  |  |  |
| rehabilitation plan and |  |  |  |  |  |  |  |  |
| compromise | Amortized cost | 386 | - | - | 42 | 62 | 490 | 0.50 - 6.00 |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| related party | Amortized cost | - | - | - | 3,100 | - | 3,100 | 2.43, 2.65 |
| Long-term borrowings from |  |  |  |  |  |  |  |  |
| related parties | Amortized cost | 169 | - | - | 1,085 | - | 1,254 | 2.48, 7.06 |
| Borrowing from other party | Amortized cost | - | - | - | - | 4 | 4 | - |
| Debentures | Amortized cost | 530 | - | - | - | - | 530 | 3.53 |
| Lease liabilities | Amortized cost | 2 | 2 | - | - | - | 4 | 7.28 - 12.00 |
| Total |  | 1,268 | 2 | - | 5,745 | 1,048 | 8,063 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate Financial Statements | | | | | |  |
|  |  | 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 | - | - | - | 398 | - | 398 | 0.01 - 0.20 |
| Short-term investment in |  |  |  |  |  |  |  |  |
| trading security | FVTPL | - | - | - | - | 1 | 1 | - |
| Trade account receivables | Amortized cost | - | - | - | - | 182 | 182 | - |
| Other current receivables from |  |  |  |  |  |  |  |  |
| related parties - net | Amortized cost | - | - | - | - | 8 | 8 | - |
| Other long-term investment | FVOCI | - | - | - | - | 252 | 252 | - |
| Total |  | - | - | - | 398 | 443 | 841 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| financial institutions | Amortized cost | - | - | - | 1,750 | - | 1,750 | 1.40 and 1.51 |
| Trade account payables | Amortized cost | 7 | - | - | - | 330 | 337 | 7.50 |
| Other payables and accrued |  |  |  |  |  |  |  |  |
| expenses | Amortized cost | 17 | - | - | 204 | 527 | 748 | 2.61 and 7.00 |
| Accrued interest expense | Amortized cost | - | - | - | 86 | 329 | 415 | 2.61 |
| Liabilities from terminated |  |  |  |  |  |  |  |  |
| rehabilitation plan | Amortized cost | 30 | - | - | - | - | 30 | 0.50 |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| related party | Amortized cost | - | - | - | 4,390 | - | 4,390 | 1.43 |
| Long-term borrowings from |  |  |  |  |  |  |  |  |
| related parties | Amortized cost | - | - | - | 2,869 | - | 2,869 | 1.43 and 2.22 |
| Debentures | Amortized cost | 492 | - | - | - | - | 492 | 3.53 |
| Lease liabilities | Amortized cost | 4 | 10 | - | - | - | 14 | 7.28 - 7.63 |
| Total |  | 550 | 10 | - | 9,299 | 1,186 | 11,045 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate Financial Statements | | | | | |  |
|  |  | 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 | - | - | - | 200 | - | 200 | 0.05 - 0.40 |
| Short-term investment in |  |  |  |  |  |  |  |  |
| trading security | FVTPL | - | - | - | - | 1 | 1 | - |
| Other current receivables from |  |  |  |  |  |  |  |  |
| related parties | Amortized cost | - | - | - | - | 2 | 2 | - |
| Other long-term investment | FVOCI | - | - | - | - | 315 | 315 | - |
| Total |  | - | - | - | 200 | 318 | 518 |  |
|  |  |  |  |  |  |  |  |  |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| financial institutions | Amortized cost | - | - | - | 1,400 | - | 1,400 | 2.40, 2.51 |
| Trade account payables | Amortized cost | 7 | - | - | - | 182 | 189 | 7.50 |
| Other payables and accrued |  |  |  |  |  |  |  |  |
| expenses | Amortized cost | 87 | - | - | 118 | 452 | 657 | 6.95 - 7.06 |
| Accrued interest expense | Amortized cost | 87 | - | - | - | 350 | 437 | 7.06 |
| Liabilities from terminated |  |  |  |  |  |  |  |  |
| rehabilitation plan and |  |  |  |  |  |  |  |  |
| compromise | Amortized cost | 386 | - | - | 42 | 62 | 490 | 0.50 - 6.00 |
| Short-term borrowings from |  |  |  |  |  |  |  |  |
| related party | Amortized cost | - | - | - | 3,100 | - | 3,100 | 2.43, 2.65 |
| Long-term borrowings from |  |  |  |  |  |  |  |  |
| related parties | Amortized cost | 169 | - | - | 1,085 | - | 1,254 | 2.48, 7.06 |
| Borrowing from other party | Amortized cost | - | - | - | - | 4 | 4 | - |
| Debentures | Amortized cost | 530 | - | - | - | - | 530 | 3.53 |
| Lease liabilities | Amortized cost | 2 | 2 | - | - | - | 4 | 7.28 - 12.00 |
| Total |  | 1,268 | 2 | - | 5,745 | 1,050 | 8,065 |  |

**Fair Value of Financial Instruments**

Fair value is defined as the amount at which the instrument 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 - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates.

Short-term investment in trading security and other long-term investments - the fair value is based on their quoted market prices (using fair value level 1 input).

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

Other non-current payables and accrued expenses, liabilities from terminated rehabilitation plan and compromise and borrowings from related parties - the aggregate carrying value is insignificantly different from its aggregate fair value because these financial liabilities have floating or fixed interest rates which are approximately market rates.

Debentures and borrowings from other party - the fair value cannot reasonably to be calculated.

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

As at December 31, 2025 and 2024, the Group had the following assets that were measured at fair value classified by different levels of inputs as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2025 Consolidated Financial Statements (In Million Baht) | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets measured at fair value** |  |  |  |  |  |  |  |
| Short-term investment in trading security | 1 |  | - |  | - |  | 1 |
| Other long-term investment | 289 |  | - |  | - |  | 289 |
| Total | 290 |  | - |  | - |  | 290 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2024 Consolidated Financial Statements (In Million Baht) | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets measured at fair value** |  |  |  |  |  |  |  |
| Short-term investment in trading security | 1 |  | - |  | - |  | 1 |
| Other long-term investment | 361 |  | - |  | - |  | 361 |
| Total | 362 |  | - |  | - |  | 362 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2025 Separate Financial Statements (In Million Baht) | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets measured at fair value** |  |  |  |  |  |  |  |
| Short-term investment in trading security | 1 |  | - |  | - |  | 1 |
| Other long-term investment | 252 |  | - |  | - |  | 252 |
| Total | 253 |  | - |  | - |  | 253 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2024 Separate Financial Statements (In Million Baht) | | | | | | |
|  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
| **Assets measured at fair value** |  |  |  |  |  |  |  |
| Short-term investment in trading security | 1 |  | - |  | - |  | 1 |
| Other long-term investment | 315 |  | - |  | - |  | 315 |
| Total | 316 |  | - |  | - |  | 316 |

**30. 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.

***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***

During 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 6,248 million (2024: 4 customers, other parties, totalled Baht 6,202 million).

**31. COMMITMENTS AND CONTINGENT LIABILITIES**

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated/Separate Financial Statements (In Million Baht) | | | | | | | | |
|  | 2025 | | | |  | 2024 | | | |
|  | Within  1 year | Over 1 year but less than 5 years | Over  5 years | Total |  | Within  1 year | Over 1 year but less than 5 years | Over  5 years | Total |
| ***Commitments for purchases of   raw materials and supplies*** |  |  |  |  |  |  |  |  |  |
| Purchases of raw materials, |  |  |  |  |  |  |  |  |  |
| consumables and spare parts | 730 | 3 | - | 733 |  | 581 | - | - | 581 |
| Purchases of electricity | 639 | 2,556 | 3,194 | 6,389 |  | 662 | 2,648 | 3,973 | 7,283 |
| Purchases of natural gas | 186 | - | - | 186 |  | 135 | - | - | 135 |
| Purchases of raw water | 4 | 17 | 14 | 35 |  | 3 | 17 | 19 | 39 |
| Total | 1,559 | 2,576 | 3,208 | 7,343 |  | 1,381 | 2,665 | 3,992 | 8,038 |
|  |  |  |  |  |  |  |  |  |  |
| ***Capital commitments*** |  |  |  |  |  |  |  |  |  |
| Purchases of fixed assets | 1,081 | 51 | - | 1,132 |  | 974 | - | - | 974 |
| Improvement of software solutions | 19 | - | - | 19 |  | 94 | - | - | 94 |
| Total | 1,100 | 51 | - | 1,151 |  | 1,068 | - | - | 1,068 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | (In Million Baht) | | |
|  | 2025 |  | 2024 |
| ***Commitments under lease and service agreements*** |  |  |  |
| Not later than 1 year | 10 |  | 9 |
| Later than 1 year but not later than 5 years | 20 |  | 22 |
| Total | 30 |  | 31 |
|  |  |  |  |
| ***Contingent liabilities*** |  |  |  |
| Letters of guarantee | 150 |  | 150 |

***Commitment under forward exchange contracts***

Forward exchange contracts with 3 local financial institutions covering its foreign currency liabilities from import purchase of fixed assets and raw materials. Details are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Consolidated/Separate  Financial Statements | | |
|  | 2025 |  | 2024 |
|  |  |  |  |
| Forward contract values | USD 9.7 million |  | USD 9.5 million |
|  |  |  |  |
| Equivalent to Thai Baht | THB 303 million |  | THB 314 million |
|  |  |  |  |
| Maturity | May 2026 |  | December 2025 |

***Significant agreements***

a) On December 1, 2025, the Company entered into agreement to purchase natural gas with a local company. The Company committed to pay the natural gas depend on monthly charges based on consumption, which shall be effective until December 31, 2035. However, the Company still has to pay for Demand Charge in each month to the seller in the case if the Company stop using natural gas.

b) On March 26, 1997, the Company entered into a supply agreement to purchase oxygen, argon and nitrogen. The Company committed to pay purchase oxygen, argon and nitrogen based on minimum quantity as specified in the agreement. Such Agreement has expired its Initial Term in April 2019. As per the terms of the Agreement, after the expiration of the Initial Term, the Agreement remains in full force and automatically renews on an annual basis, unless terminated by providing not less than 36 months prior written notice.

c) On July 16, 2015, the Company entered into an amended and restated energy services agreement (“ESA”) with the electricity supply company to purchase electricity (replaced the previous ESA dated August 19, 2008). The agreement shall continue in effect until the earliest of December 29, 2035 and a termination of the agreement by mutual agreement.

The Company commits to pay energy service based on minimum quantity under the agreement and the Company shall provide the guarantee for payment of Baht 60 million to such electricity supply company. Up to the present, the electricity supply company did not ask for such guarantee.

d) On June 1, 2024, the Company entered into a service agreement with a local company to render services for slag handling and process scrap for the period of 5 years and shall be automatically renewed for another one year unless either party gives to the other party written notice of its intention not to renew this agreement at least 6 months prior to the expiry of the initial period or any renewed period thereof.

The Company recorded service for such agreement for the each of the years ended December 31, 2025 and 2024 amounted to Baht 47 million and Baht 35 million, respectively.

e) On November 22, 2023, the Company entered into a supply agreement to purchase raw water with a local company. The agreement shall be effective for the period of 10 years from the start date of water purchase on May 1, 2024 and shall be automatically renewed for another 5 years unless either party gives to the other party written notice of its intention not to renew this agreement at least 12 months prior to the expiry of the initial period or any renewed period thereof.

The Company commits to purchase raw water based on minimum quantity as specified in the agreement and already paid a water usage fee amounted to Baht 2.2 million.

**32. CREDIT FACILITIES FOR OPERATION**

As at December 31, 2025 and 2024, the Company had credit facilities as below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated/Separate Financial Statements (In Million) | | | | | | |
|  |  | 2025 | | |  | 2024 | | |
| Credit facilities |  | USD |  | Baht |  | USD |  | Baht |
|  |  |  |  |  |  |  |  |  |
| ***NSTH*** *(Note 4)* |  |  |  |  |  |  |  |  |
| Short-term borrowing under: |  |  |  |  |  |  |  |  |
| - Credit Agreement |  | - |  | 6,069 |  | - |  | 2,700 |
| - Cash Management Service Agreement |  | - |  | 600 |  | - |  | 600 |
| Long-term borrowings under secured Credit Agreements |  | - |  | 2,700 |  | - |  | 1,600 |
|  |  |  |  |  |  |  |  |  |
| ***3 Local financial institutions*** *(uncommitted)* |  |  |  |  |  |  |  |  |
| Short-term borrowing |  | 18 |  | 1,470 |  | 36 |  | 2,814 |
| Letter of credit and trust receipt |  | 45 |  | - |  | 45 |  | - |
| Letter of guarantee |  | - |  | 186 |  | - |  | 186 |
| Forward exchange contract |  | 59 |  | - |  | 55 |  | - |

**33. LITIGATION**

On October 3, 2025, a former foreign lender filed a complaint to the Bangkok Southern District Court against the Company for default payment under the Loan Agreement dated January 20, 2009 and related amendment agreements at totalling to USD 16.7 million,  comprising principal amounting to USD 9.5 million and the default accrued interest calculated until the filing date amounting to USD 7.2 million, plus additional interest at the rate of 15% per annum on the principal which will be charged from the filing date until the repayment is made in full.

However, such debts were fully discharged by a debt-to-equity conversion where the Company had already issued and allocated the new shares of 546,862,275 shares to such lender on November 1, 2011, and which the lender had already acknowledged.

On February 2, 2026, the Court of First Instance has considered and examined the supporting evidence and rescheduled the next hearing for the purpose of determining the disputed issues or setting the case directions to be held on March 9, 2026. Based on legal opinion received, the management firmly believes that there is no provision required for any possible claim.

**34. 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.