Management Discussion and Analysis

Management Discussion and Analysis for the period ended 30 June 2026

1. Highlights

	Unit : million Baht	Q2/2026	Q2/2025
Performance	Total Revenues	4,165	1,955
	Total Gross Profit (Loss)	(143)	(340)
	Total Net Profit (Loss)	(306)	(405)
	Unit : million Baht	**30-Jun-26**	**31-Dec-25**
Financial Status	Total Assets	11,731	10,629
	Total Liabilities	13,671	12,082
	Equity Arributable to Owners of the Parent	(1,939)	(1,453)

2. Performance of the Company

- **Revenue from sales**

The Company reported revenue from sales of Baht 4,165 million, which increased by Baht 2,210 million due to the increase in both sales volume and selling prices compared to Q2-25.

- **Operating results**

The gross loss of the Company at Baht 143 million decreased by Baht 197 million mainly due to the ongoing cost savings efforts and increase in the production volume.

- **Selling expenses**

The Company recorded selling expenses of Baht 63 million, which increased by Baht 32 million compared to Q2-25 mainly due to the increase in sales volume and higher transportation cost.

- **Finance costs**

The Company recorded finance costs of Baht 36 million, which decreased by Baht 15 million compared to Q2-25 mainly due to the continuously declining in interest rates and the repayment of high interest bearing liabilities from compromise.

3. Statement of financial positions

- **Total assets**

As of 30 June 2026, the consolidated total assets amounted to Baht 11,731 million, which increased by Baht 1,102 million or 10% from year ended 2025.

Consolidated current assets increased by Baht 793 million mainly due to:

- Cash and cash equivalents increased by Baht 160 million.
- Inventories increased by Baht 673 million mainly due to the increase in raw materials, consumables, spare parts and the reversal in allowance for decline in value of inventories during the period, partly offset by the decrease in finished goods.
- Other current assets increased by Baht 113 million mainly due to the increase in VAT receivable, partly offset by the decrease in advance payments to suppliers.
- Trade accounts receivable decreased by Baht 149 million due to advance collection from related party in this year.

Consolidated non-current assets increased by Baht 309 million mainly due to:

- Net increase in property, plant and equipment by Baht 287 million (after depreciation deduction by Baht 225 million).
- Increase in fair value of other long-term investment in GJ Steel by Baht 24 million.

Cash and cash equivalents

As at 30 June 2026, the consolidated cash and cash equivalents balance was Baht 558 million, which increased by Baht 160 million or 40% from year ended 2025.

Consolidated cash flow

- Net cash flows used in operating activities is Baht 905 million.
- Net cash flows used in investing activities stood at Baht 549 million.
- Net cash flows provided by financing activities is Baht 1,614 million.

(For further details please refer to the Statement of cash flows)

- **Total liabilities**

Total liabilities in the consolidated financial statements as at 30 June 2026 amounted to Baht 13,671 million, which increased by Baht 1,588 million or 13% from year ended 2025.

Consolidated current liabilities increased by Baht 1,586 million mainly due to:

- Short-term borrowings from financial institutions and related party increased by Baht 1,688 million due to additional borrowings.
- Trade account payables and other payables increased by totalling of Baht 588 million from normal business operations.
- These were partly offset by the decrease in advances received from customers by Baht 760 million.

- **Shareholders' equity**

As of 30 June 2026, the consolidated financial statements recorded shareholders' equity of Baht -1,939 million, which decreased by Baht 486 million from year ended 2025 due to net loss of Baht 510 million, offset with the gain on change in fair value of equity security designated at fair value through other comprehensive income of Baht 24 million on account of GJ Steel investment.

- **Current Situation**

During the current tough situation of subdued global demand, low selling prices and cheap imports, disrupting the Thailand Domestic Hot Rolled Coil (HRC) market, the Company has taken several steps to increase sales volume, reduce the cost of production and work with Steel Associations and the Government Authorities to curb unfair imports of HRC to turnaround the Company and achieve sustainable profits.

However, despite these efforts, should the company continue to record negative shareholders' equity in the audited financial statements due to factors beyond its control, the Company may also be subject to a potential delisting on another ground, namely that its shareholders' equity has fallen below zero, as per the Stock Exchange of Thailand's regulations.