

Management Discussion and Analysis

Management Discussion and Analysis for the period ended 31 March 2026

1. Highlights

	Unit : million Baht	Q1/2026	Q1/2025
Performance	Total Revenues	3,923	1,830
	Total Gross Profit (Loss)	(70)	(352)
	Total Net Profit (Loss)	(204)	(457)
	Unit : million Baht	31-Mar-26	31-Dec-25
Financial Status	Total Assets	10,920	10,629
	Total Liabilities	12,553	12,082
	Equity Arributable to Owners of the Parent	(1,633)	(1,453)

2. Performance of the Company

• Revenue from sales

The Company reported revenue from sales of Baht 3,923 million, which increased by Baht 2,093 million mainly due to the increase in sales volume offset by the decrease in selling prices compared to Q1-25.

• Operating results

The gross loss of the Company at Baht 70 million decreased by Baht 282 million mainly due to the ongoing cost savings efforts and reversal in loss on decline the value of inventories by Baht 203 million.

• Other income

The Company recorded other income of Baht 47 million, which increased by Baht 29 million compared to Q1-25 mainly due to the increase in selling price of waste products and scrap generated by the skin pass process of the Company's HRC processed by the service provider.

• Selling expenses

The Company recorded selling expenses of Baht 60 million, which increased by Baht 33 million compared to Q1-25 mainly due to the increase in sales volume.

- **Net loss on foreign exchange rate**

The Company reported net loss on foreign exchange rate of Baht 28 million in Q1-26 due to the depreciation of Thai Baht versus US dollar from 31.7436 THB/USD on 31 December 2025 to 32.9936 THB/USD on 31 March 2026.

- **Finance costs**

The Company recorded finance costs of Baht 38 million, which decreased by Baht 16 million compared to Q1-25 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 31 March 2026, the consolidated total assets amounted to Baht 10,920 million, which increased by Baht 291 million or 3% from year ended 2025.

Consolidated current assets increased by Baht 87 million mainly due to:

- Cash and cash equivalents increased by Baht 161 million.
- Inventories increased by Baht 30 million mainly due to the reversal in allowance for decline in value of inventories, partly offset by decrease in finished goods.
- Other current assets increased by Baht 62 million mainly due to the increase in prepaid expenses and VAT receivable.
- These were partly offset by decrease in trade accounts receivable by Baht 163 million due to the advance collection from related party in the current quarter.

Consolidated non-current assets increased by Baht 204 million mainly due to:

- Net increase in property, plant and equipment by Baht 182 million (after depreciation deduction by Baht 110 million).
- Increase in fair value of other long-term investment in GJ Steel by Baht 24 million.

Cash and cash equivalents

As at 31 March 2026, the consolidated cash and cash equivalents balance was Baht 558 million, which increased by Baht 161 million or 80% from year ended 2025.

Consolidated cash flow

- Net cash flows provided by operating activities is Baht 537 million.
- Net cash flows used in investing activities stood at Baht 334 million.
- Net cash flows used in financing activities is Baht 43 million.

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

- **Total liabilities**

Total liabilities in the consolidated financial statements as at 31 March 2026 amounted to Baht 12,553 million, which increased by Baht 471 million or 4% from year ended 2025 mainly due to the increase in trade account payables by Baht 466 million from normal business operations.

- **Shareholders' equity**

As of 31 March 2026, the consolidated financial statements recorded shareholders' equity of Baht -1,633 million, which decreased by Baht 180 million from year ended 2025 due to net loss of Baht 204 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.