Management Discussion and Analysis

Management Discussion and Analysis for the period ended 30 September 2026

1. Highlights

	Unit : million Baht	Q3/2026	Q3/2025
Performance	Total Revenues	2,279	2,001
	Total Gross Profit (Loss)	(377)	(342)
	Total Net Profit (Loss)	(454)	(464)
	Unit : million Baht	**30-Sep-26**	**31-Dec-25**
Financial Status	Total Assets	11,319	10,629
	Total Liabilities	13,809	12,082
	Equity Arributable to Owners of the Parent	(2,489)	(1,453)

2. Performance of the Company

- **Revenue from sales**

The Company reported revenue from sales of Baht 2,279 million, which increased by Baht 278 million due to the increase in both sales volume and selling prices compared to Q3-25.

- **Operating results**

The gross loss of the Company at Baht 377 million increased by Baht 35 million mainly due to the decrease in inventories valuation in Q3-26, due to reducing price trend, which is partly offset by the increase in selling price and ongoing cost savings efforts.

3. Statement of financial positions

- **Total assets**

As of 30 September 2026, the consolidated total assets amounted to Baht 11,319 million, which increased by Baht 690 million or 6% from year ended 2025.

Consolidated current assets increased by Baht 419 million mainly due to:

- Cash and cash equivalents increased by Baht 78 million.
- Inventories increased by Baht 464 million mainly due to the increase in raw materials, consumables, spare parts, partly offset by the decrease in finished goods.
- Other current assets increased by Baht 56 million mainly due to the increase in VAT receivable, partly offset by the decrease in prepaid expenses and others.
- Trade accounts receivable decreased by Baht 174 million due to advance collection from related party in this year.

Consolidated non-current assets increased by Baht 271 million mainly due to:

- Net increase in property, plant and equipment by Baht 350 million (after depreciation deduction by Baht 339 million).
- Decrease in fair value of other long-term investment in GJ Steel by Baht 72 million.

Cash and cash equivalents

As at 30 September 2026, the consolidated cash and cash equivalents balance was Baht 476 million, which increased by Baht 78 million from year ended 2025.

Consolidated cash flow

- Net cash flows used in operating activities is Baht 977 million.
- Net cash flows used in investing activities stood at Baht 731 million.
- Net cash flows provided by financing activities is Baht 1,786 million.

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

- **Total liabilities**

Total liabilities in the consolidated financial statements as at 30 September 2026 amounted to Baht 13,809 million, which increased by Baht 1,726 million from year ended 2025.

Consolidated current liabilities increased by Baht 1,726 million mainly due to:

- Short-term borrowings from financial institutions and related party increased by Baht 1,810 million due to additional borrowings.
- Trade account payables and other payables increased by totalling amount of Baht 426 million from normal business operations.
- These were partly offset by the decrease in advances received from customers by Baht 560 million.

- **Shareholders' equity**

As of 30 September 2026, the consolidated financial statements recorded shareholders' equity of Baht -2,489 million, which decreased by Baht 1,036 million from year ended 2025 due to net loss of Baht 964 million and the loss on change in fair value of equity security designated at fair value through other comprehensive income of Baht 72 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.