

Management Discussion and Analysis (Revised)

Management Discussion and Analysis for the period ended 30 September 2025

1. Highlights

	Unit : million Baht	Q3/2025	Q3/2024
Performance	Total Revenues	2,001	1,571
	Total Gross Profit (Loss)	(342)	(281)
	Total Net Profit (Loss)	(464)	(262)
	Unit : million Baht	30-Sep-25	31-Dec-24
Financial Status	Total Assets	9,830	8,399
	Total Liabilities	11,023	8,218
	Equity Arributable to Owners of the Parent	(1,193)	180

2. Performance of the Company

• Revenue from sales

The Company reported revenue from sales of Baht 2,001 million which increased by Baht 430 million mainly due to the increase in the sales volume by 58% partly offset by reduction in selling prices by 19% compared to Q3-24 due to continued challenging market situation.

• Operating results

The net loss of the Company at Baht 464 million increased by Baht 202 million mainly due to reduction in gain on exchange rate by 141 Mb compared to Q3-24 and one-off loss from development efforts of new grades/customers for export and domestic markets of Baht 109 million recorded in Q3-25.

• Net gain on foreign exchange rate

The Company reported net gain on foreign exchange rate of Baht 11 million in Q3-25 due to the appreciation of Thai Baht versus US dollar from 32.7234 THB/USD on 30 June 2025 to 32.4616 THB/USD on 30 September 2025.

3. Statement of financial positions

• Total assets

As of 30 September 2025, the consolidated total assets amounted to Baht 9,830 million, which increased by Baht 1,431 million or 17% from year ended 2024.

Consolidated current assets increased by Baht 1,120 million mainly due to:

- Inventories increased by Baht 1,018 million mainly due to the increase in finished goods and raw materials.
- Other current assets increased by Baht 56 million mainly due to the increase in VAT receivable by Baht 115 million which was partly offset with the decrease in prepaid expenses and others.

Consolidated non-current assets increased by Baht 311 million mainly due to:

- Net increase in property, plant and equipment by Baht 252 million (after depreciation deduction by Baht 349 million).
- Increase in intangible assets by Baht 99 million due to software development costs.
- These were partly offset with the decrease in fair value of other long-term investment in GJ Steel by Baht 48 million.

Cash and cash equivalents

As at 30 September 2025, the consolidated cash and cash equivalents balance was Baht 225 million, which increased by Baht 25 million from year ended 2024.

Consolidated cash flow

- Net cash flows used in operating activities is Baht 1,557 million.
- Net cash flows used in investing activities stood at Baht 665 million.
- Net cash flows provided by financing activities is Baht 2,247 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 2025 amounted to Baht 11,023 million, which increased by Baht 2,805 million or 34% from year ended 2024 mainly due to the increase in short-term borrowings from financial institutions and related party etc. as under:

Consolidated current liabilities increased by Baht 998 million mainly due to:

- Short-term borrowings from financial institutions and related party increased by Baht 1,220 million due to additional borrowings.
- Trade account payables and advance received from customer increased by Baht 363 million from normal business operations.
- These were partly offset by the repayment of current portion of liabilities from compromise and extension of debts from related party from short term to long term by totalling of Baht 256 million.

Consolidated non-current liabilities increased by Baht 1,807 million mainly due to:

- Long-term borrowings from related party increased by Baht 1,784 million due to additional borrowings and the extension of current portion and debts repayment.
- Other payables increased by Baht 83 million mainly due to the extension of debts from related party from short term to long term by Baht 87 million.
- **Shareholders' equity**

As of 30 September 2025, the consolidated financial statements recorded shareholders' equity of Baht (1,193) million, which decreased by Baht 1,374 million from year ended 2024 due to net loss of Baht 1,326 million and the loss on change in fair value of equity security designated at fair value through other comprehensive income of Baht 48 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.