

Financial Position and Operational Performance Analysis

Summary of Operational Performance for the 3-Month Period ended March 31, 2025

Under the global economic slowdown, growing uncertainties from trade wars, and the tariff policies of the United States, the Company has continued to maintain its business resilience. This is due to effective cost management, allowing the Company to sustain its competitiveness despite the ongoing international trade tensions. Since February 2025, the United States has imposed a 25% import tariff on steel and aluminum, applicable uniformly to all exporting countries. While this tariff measure has directly affected importers in the U.S., demand for the Company's products from U.S. customers has remained stable, primarily due to the continued demand for gas cylinders to replace deteriorated cylinders. Consequently, the Company has been able to consistently maintain its orders from U.S. customers. To enhance business sustainability and reduce dependence on major trade partners, the Company has pursued a market diversification strategy across various regions. This approach helps mitigate the risk associated with customer concentration, as product demand varies by region and time. If any sales region encounter difficulties, revenues from other areas can offset the shortfall, contributing to consistent and ongoing income.

Moreover, compared to Q1/2024, the Company benefited from a 12% decreased in the cost of primary raw material (steel) in Q1/2025. This decline stemmed from a global steel supply surplus, driven by China's economic slowdown, allowing the Company to improve its production cost control.

Shipping freight rates also declined in Q1/2025 due to an oversupply of shipping capacity, which resulted from trade policy uncertainties in the United States. Additionally, the proportion of customers opting for Free-On-Board (FOB) sales terms increased during the quarter. In terms of risk management, the Company adjusted part of its sales strategy by offering product prices exclusive of transportation costs, with freight rates quoted closer to the delivery date. This approach minimizes exposure to the volatility of fluctuating shipping costs.

Furthermore, the Company has focused on expanding its product mix by increasing the sales of other cylinders such as cylinders for different gas types, custom-sized large cylinders, and cylinders made from alternative materials such as aluminum. These products offer higher profit margins and help reinforce the Company's market leadership while maintaining a satisfactory and appropriate level of profitability.

Performance highlights

Major attributes to the Company's operating performance variations between Q1/2025 and Q1/2024 are:

1. Total sale revenues decreased Baht 117.12 million (10.2%) from Baht 1,143.63 million to Baht 1,026.51 million, due to a decrease in sales volume by 3.9% because a recession affected customers in Africa and Asia delayed orders. Moreover, the price of raw materials (steel) decreased by 12% , and selling price decrease from the Baht currency was stronger by 5%.
2. Cost of sales decreased Baht 92.08 million (10.0%) from Baht 916.96 million to Baht 824.88 million in concurrent with a decrease in total sale revenues. Moreover, compared to Q1/2024 raw material (steel) price of Q1/2025 decreased by 12%.
3. Gross profit decreased by 25.04 million baht (11.0%), from Baht 226.67 million to Baht 201.63 million while the gross profit margin remains similar to that of Q1/2024 (from 19.8% to 19.6%). This was a result of a 12% decrease in raw material prices and an increase in sales proportion of tanks such as three-part tanks and other types, which have better profitability. Additionally, higher production volume led to lower production cost per unit, net with the Thai baht appreciating by 5%.
4. Selling and distribution expenses decreased by Baht 17.39 million (26.2%), from Baht 66.28 million to Baht 48.89 million. This was due to a reduction in promotional expenses, as most sales in this period were direct sales, bypassing foreign agents. Freight costs also declined in concurrent with the decrease in sales volume.
5. Finance costs decreased by Baht 3.55 million (45.2%), from Baht 7.86 million to Baht 4.31 million in concurrent with an decrease in liabilities from imported raw materials and an decrease in market interest rate
6. Income tax decreased by Baht 13.87 million (57.1%), from Baht 24.29 million to Baht 10.42 million in concurrent with a decrease in operating profit. However, the use of tax benefits under investment promotion programs for community and social development, granted by the Board of Investment, increased. Moreover, the tax rate remains the same at 20%.
7. Net profit for the period decreased by Baht 8.84 million (5.7%), from Baht 154.29 million to Baht 145.45 million due to decreased sales, while the profit margin remained nearly the same.

Major attributes to the Company's operating performance variations between Q1/2025 and Q4/2024 are:

1. There are no significant changes in Sale revenues and Cost of sales from prior period.
2. Gross profit decreased Baht 50.97 million (20.2%) from Baht 252.60 million to Baht 201.63 million. The gross profit margin decreased by 2.7%, from 22.3% to 19.6%, due to a decrease in the proportion of sales of cylinders to some customers. Also, sale proportion of other cylinders which have a high margin decreased. Offset with cost of steel declined by 4%, compared to the prior period.
3. Other income increased by Baht 9.19 million (13.6%), from Baht 67.41 million to Baht 76.60 million, due to higher scrap sales revenue in concurrent with increased production volume. However, the selling price of

scrap declined slightly following overall steel market trends. In addition, gain on exchange rate increased modestly.

4. Selling and distribution expenses decreased by Baht 34.05 million (41.1%), from Baht 82.94 million to Baht 48.89 million. This reduction was due to promotional expenses mainly related to direct foreign sales not through agents. Transportation costs decreased in concurrent with a decrease in sales and FOB selling conditions increased, and freight charges decreased, compared to the prior period.

5. Income taxes increased by Baht 2.33 million (28.8%), from Baht 8.09 million to Baht 10.42 million, in concurrent with better operating results. The tax rate remained constant at 20%.

6. Net profit for the period remains similar to that of prior period

Financial Position

Assets

As of 31 March 2025, Company's Total Assets increased from the end of 2024 by Baht 303.53 million (7.7%) from Baht 3,918.06 million to Baht 4,221.59 million. The changes in assets were as follows:

- Cash and cash equivalents and other current financial assets increased Baht 381.08 million (58.2%), from Baht 655.01 million to Baht 1,036.09 million, due to cash reserves for trade account payable payments, short-term loan repayments (due in April 2025), dividends payment at the end of April 2025, and corporate income tax payments in May 2025.
- Account receivables decreased by Baht 104.72 million (16.4%), from Baht 639.16 million to Baht 534.44 million, due to receipt during the period.
- Refundable Value-added tax increased Baht 17.55 million (48.5%), from Baht 36.17 million to Baht 53.71 million, corresponding to the higher volume of raw material purchases

Liabilities

As of March 31, 2025, the Company's total liabilities increased Baht 302.67 million or 34.3% from Baht 881.97 million at the end of 2024 to Baht 1,184.64 million. The changes in liabilities are as follows:

- Short-term loans from bank and trade and other payables increased Baht 85.52 million (13.7%) from Baht 624.22 million to Baht 709.75 million, due to raw material stocking in accordance with the production plan.
- Advance received from customers increased by Baht 69.94 million (149.9%), from Baht 46.65 million to Baht 116.59 million, because of an increase in sales under advance payment terms, whereas the prior period sales were primarily involved under L/C terms.
- Dividends payable increased Baht 144.56 million (2,363.2%), from Baht 6.12 million to Baht 150.67 million, following the notification of dividend payments from the Company's performance for the period

of July to December 2024. This was approved at the 2025 Annual General Meeting of Shareholders held on March 31, 2025, at the rate of Baht 0.27 per share, for a total of 535.51 million shares, amounting to Baht 144.58 million. The dividend payment will be paid within April 30, 2025.

- Other accrued expenses increased, primarily due to accrued bonuses payable based on performance results.

Shareholders' Equity

As of March 31, 2025, there was a slight net change in shareholders' equity. The changes in shareholders' equity are as follows:

- An increase of Baht 145.45 million from total comprehensive income for the three-month period from January to March 2025.
- Retained Earnings decreased Baht 144.58 million from the declaration of dividend payments based on the Company's performance for the period of July to December 2024.

Cash Flow

As of March 31, 2025, the Company's cash and cash equivalents increased from the end of 2024 by Baht 32.11 million (31.9%) from Baht 100.66 million to Baht 132.77 million. The change was due to the following:

- Net cash provided from operating activities amounted to Baht 260.20 million, primarily due to cash provided from operations during the three-month period from January to March 2025, along with collections from trade receivables during the period, net of payments to trade and other payables.
- Net cash used in investing activities totaled Baht 371.00 million, mainly from working capital management by investing in short-term instruments with higher returns than bank deposits, and from improvements in machinery to increase production efficiency.
- Net cash provided by financing activities amounted to Baht 142.92 million, resulting from an increase in short-term loans from banks for the purchase of raw materials (steel).

Summary of financial status, operating results, and significant financial ratios

Financial statement

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	31 March 2025	31 December 2024	Inc(Dec)	
			Thousand Baht	%
Cash and cash equivalents	132,771	100,657	32,114	31.9%
Trade accounts receivable	534,438	639,157	(104,719)	(16.4%)
Inventories	1,185,793	1,176,401	9,392	0.8%
Advance payments for goods	4,147	3,469	678	19.5%
Refundable value added tax	53,714	36,168	17,546	48.5%
Other current financial assets	903,317	554,350	348,967	63.0%
Other current assets	10,863	12,704	(1,841)	(14.5%)
Total Current Assets	2,825,043	2,522,906	302,137	12.0%
Investment property	61,917	61,917	0	-
Property, plant and equipment	1,318,237	1,317,239	998	0.1%
Deferred tax assets	15,946	15,552	394	2.5%
Other non-current assets	448	448	-	-
Total Non-Current Assets	1,396,548	1,395,156	1,392	0.1%
TOTAL ASSETS	4,221,591	3,918,062	303,529	7.7%
Short-term loans from bank	428,087	284,537	143,550	50.5%
Trade and other payables	281,660	339,687	(58,027)	(17.1%)
Current portion of lease liabilities	2,508	2,580	(72)	(2.8%)
Advances received from customers	116,589	46,646	69,943	149.9%
Dividend payable	150,673	6,117	144,556	2363.2%
Accrued commission expenses	29,365	33,061	(3,696)	(11.2%)
Accrued transportation expenses	19,373	40,395	(21,022)	(52.0%)
Accrued income tax	16,659	5,862	10,797	184.2%
Other accrued expenses	64,977	49,608	15,369	31.0%
Other current liabilities	3,329	3,037	292	9.6%
Total Current Liabilities	1,113,220	811,530	301,690	37.2%
Lease liabilities	1,241	1,869	(628)	(33.6%)
Liabilities under post-employment benefits	70,178	68,573	1,605	2.3%
Total Non-Current Liabilities	71,419	70,442	977	1.4%
TOTAL LIABILITIES	1,184,639	881,972	302,667	34.3%
Issued and fully paid-up 535,506,333 shares	535,506	535,506	-	-
Premium on share capital	55,091	55,091	-	-
Retained earnings - Appropriated for legal reserve	53,641	53,641	-	-
Retained earnings - Unappropriated	2,392,714	2,391,852	862	0.0%
TOTAL SHAREHOLDERS' EQUITY	3,036,952	3,036,090	862	0.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,221,591	3,918,062	303,529	7.7%

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME (Thousand Baht)	Q1/25	Q1/24	Q4/24	Inc(Dec)	
				Q1/25 - Q1/24	Q1/68 - Q4/67
Revenue from sales and services	1,026,512	1,143,634	1,131,697	(10.24%)	(9.29%)
Costs of sales and services	824,887	916,958	879,096	(10.04%)	(6.17%)
Gross profit	201,625	226,676	252,601	(11.05%)	(20.18%)
Other income	76,600	89,157	67,410	(14.08%)	13.63%
Selling and distribution expenses	48,887	66,283	82,943	(26.25%)	(41.06%)
Administrative expenses	69,156	63,110	78,823	9.58%	(12.26%)
Total expenses	118,043	129,393	161,766	(8.77%)	(27.03%)
Finance costs	4,318	7,860	4,478	(45.06%)	(3.57%)
Profit before income tax	155,864	178,580	153,767	(12.72%)	1.36%
Income tax benefit (income tax expenses)	(10,419)	(24,289)	(8,087)	(57.10%)	28.84%
Profit for the period	145,445	154,291	145,680	(5.73%)	(0.16%)
Total comprehensive income for the period	145,445	154,291	145,680	(5.73%)	(0.16%)
Profit (Baht per share)	0.27	0.29	0.27	(5.73%)	(0.16%)

Statement of Cash Flows

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	Q1/25	Q1/24	Inc(Dec)	
			Thousand Baht	%
Net cash provided from (used in) operating activities	260,197	(100,527)	360,724	(358.8%)
Net cash used in investing activities	(370,999)	(632,613)	261,614	(41.4%)
Net cash provided from financing activities	142,916	622,627	(479,711)	(77.0%)
Net increase (decrease) in cash and cash equivalents	32,114	(110,513)	142,627	(129.1%)
Cash and cash equivalents at beginning of period	100,657	232,483	(131,826)	(56.7%)
Cash and cash equivalents at end of period	132,771	121,970	10,801	8.9%

Financial Ratio

Financial Ratio	Q1/25	Q1/24	Q4/24
PROFITABILITY RATIO			
Gross Profit Margin	19.6%	19.8%	22.3%
Net Profit Margin	13.2%	12.5%	12.1%
Return On Equity : ROE	20.1%	17.8%	20.6%
EFFICIENCY RATIO			
Return On Assets : ROA	14.4%	14.4%	16.9%
LIQUIDITY RATIO			
Current Ratio	2.5	1.9	3.1
Quick Ratio	1.4	1.1	1.6
FINANCIAL POLICY RATIO			
Debt to Equity Ratio : D/E	0.4	0.6	0.3
Interest Coverage Ratio	42.4	26.4	40.6
Debt-Service Coverage Ratio	0.2	0.1	0.2

Note:

1. Gross profit margin = Gross profit / Revenue from sales x 100
2. Net profit margin = Profit for the period / Total Income x 100
3. Return on equity = Profit for the period / Total Shareholders' Equity(average) x 100
4. Return on assets = Earnings Before Interest and Taxes (EBIT) / Total assets(average) x 100
5. Current Ratio = Current assets / Current liabilities
6. Quick Ratio = (Cash and cash equivalent + restricted cash + temporary investment + account receivable) / Current liabilities
7. Debt to Equity Ratio = Total Liabilities / Total Shareholders' Equity
8. Interest Coverage Ratio = Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) / Finance costs
9. Debt-Service Coverage Ratio = (Net profit + Depreciation) / Total Liabilities

Factors Impacting Future Operations and Growth

Although the global and Thai economies in 2025 continue to face uncertainties from various factors, the Company has been able to maintain its competitive advantage through prudent risk management strategies and a strong revenue structure driven by exports, which account for over 90% of total revenue. In addition, the Company manages foreign exchange risk through a natural hedge strategy by retaining foreign currencies received—such as U.S. dollars—for use in payments for raw materials purchased in the same currency, such as steel. The Company also considers the use of financial instruments such as forward contracts, depending on market conditions, to mitigate the impact of foreign exchange volatility arising from multiple factors.

Another positive factor is the continued decline in the price of main raw materials, particularly steel, from the prior year. This trend is largely attributed to the economic slowdown in China, especially in the real estate sector, which has led to a global oversupply of steel. However, the decline in raw material prices has had a favorable impact on the Company's cost structure, improved production efficiency, and better the Company's profitability.

Despite these positive factors mentioned above, the Company remains vigilant regarding the potential short-term increase in transportation costs. This is due to the pending implementation of new U.S. tariff policies (Reciprocal Tariffs), which have caused exporters worldwide to accelerate shipments to the U.S. market. To mitigate this risk, the Company has proactively adjusted its sales and delivery strategies; for example, by increasing the proportion of sales under FOB (Free-On-Board) terms to reduce exposure to freight cost volatility.

Furthermore, the Company closely monitors developments in international trade policies, particularly the relationship between the United States and China, which has a significant influence on the direction of the global economy. Recently, progress toward a provisional trade agreement between the two countries has helped ease investor concerns over an economic slowdown and led to a strengthening of the U.S. dollar. As a result, the Thai baht has depreciated, which benefits the Company as an exporter. Meanwhile, the United States is also in ongoing trade negotiations with other trading partners, including Thailand. These negotiations may affect future export conditions, including tariff rates and trade regulations.

Sustainability Development

In line with the company's vision, "To be a global leader in the gas cylinder industry with environmental responsibility for sustainable growth," the company has incorporated key sustainability issues into its strategic plan and sustainability operations, with significant progress and achievements in the Quarter 1/2025 as follows:

General Sustainability Operations	In December 2024, the Company received an AA rating in the SET ESG Ratings from the Stock Exchange of Thailand for the second consecutive year.
Environmental Operations	The Carbon Footprint Management Team has developed an action plan and implemented measures to reduce greenhouse gas emissions, along with setting clear targets. Progress is reported to the management on a quarterly basis, and performance to date remains in line with the established plan. Furthermore, on March 19, 2025, the Company was awarded the Carbon Footprint for Organization (CFO) certification by the Thailand Greenhouse Gas Management Organization (Public Organization).
Social Operations	The Company has continued to implement its ongoing project to support public hospitals nationwide by providing medical equipment, including the Dinsow Robot and Dinsow Mini Robot along with related medical devices. The initiative aims to assist medical personnel in patient registration processes, in-room patient care, and centralized patient monitoring systems. In quarter 1/2025, the Company donated Dinsow Robots to three hospitals: University of Phayao Hospital, Phayao Hospital, and Khun Chueang Thammikarat Camp Hospital.
Governance and Good Corporate Governance Operations	The company has received a 5-star "Excellent" rating in good corporate governance for the fifth consecutive year from the Corporate Governance Report of Thai Listed Companies (CGR) in 2024. Additionally, the company ranked within the top 25% of all listed companies participating in the assessment for the second consecutive years