

Management Discussion and Analysis: MD&A

Financial Position and Operational Performance Analysis

Summary of Operational Performance for the 6-Month Period ended June 30, 2025

Amid signs of a global economic slowdown and continued uncertainty driven by trade tensions together with the U.S. tariff policies, the Company successfully sustained its business strength by implementing effective cost management strategies. These efforts have enabled the Company to maintain its competitive position despite the imposition of U.S. import tariffs on steel and aluminum products, which took effect at a rate of 25% from March 2025 and were later increased to 50% since June 2025, applying to all countries equally.

Despite this pressure, customer demand from the United States remained robust, particularly for cylinder replacements and market expansion by local business partners. This sustained demand allowed the Company to maintain a consistent volume of orders from U.S. customers.

To reinforce business sustainability, the Company has pursued a global market diversification strategy aimed at reducing dependency on major markets. By broadening its regional customer base with varied demand cycles, the Company has effectively mitigated revenue volatility and promoted steady growth momentum.

During the six-month period ended 30 June 2025, although the Thai Baht appreciated, exerting a negative impact on export revenue, the Company experienced only a slight decrease in sales—down 4.1% year-over-year. This was primarily due to a product portfolio restructuring, which increased the proportion of higher-margin products such as oversized cylinders and aluminum cylinders, thereby offsetting the revenue decline. As a result, the Company was able to maintain a higher gross profit margin compared to the prior period.

In addition, the Company benefited from a 15% reduction in steel costs, driven by a global oversupply as a result of China's economic slowdown, particularly in the real estate sector. This contributed to more effective cost control in production operations.

The Company also benefited from declining freight costs, which began to ease in Q4/2024 and continued through the current period. In response, the Company adjusted its sales policies by offering ex-freight (non-inclusive) pricing, and quoting shipping rates closer to the delivery schedule, thereby minimizing exposure to logistics cost volatility.

The Company remains confident that its strategy—focused on cost efficiency, market diversification, and value-added product offerings—will continue to support its long-term competitiveness and sustainable growth, even under conditions of global economic uncertainty

Performance highlights

Major attributes to the Company's operating performance variations between Q2/2025 and Q2/2024 are:

1. Total sale revenues slightly increased, amounting to Baht 22.86 million (2%), from Baht 1,135.02 million to Baht 1,157.88 million. Although compare to prior period, the steel price decreased by 18% and Bant value is stronger by 9%, total sales increased slightly as sales volume rose by 7%. Additionally, the sales proportion of other types of cylinders, which are higher-value products, also increased.

2. Cost of sales decreased Baht 7.81 million (0.9%), from Baht 853.46 million to Baht 845.65 million, despite higher sales volume. This was primarily due to the 18% decline in raw material (steel) prices compared to the same period last year.

3. Gross profit increased Baht 30.67 million (10.9%), from Baht 281.56 million to Baht 312.23 million, and the gross profit margin increased from 24.8% to 27.0%. This improvement was driven by the decline in raw material prices and the increased in high-margin products, high-value cylinders, offset by the impact of the 9% appreciation of the Thai Baht.

4. Other income decreased Baht 32.29 million (36.4%), from Baht 88.65 million to Baht 56.36 million, due to lower income from scrap sales in concurrent with falling steel market prices, and lower gains from exchange rate differences as a result of the stronger Baht.

5. Finance costs decreased Baht 9.52 million (77.5%), from Baht 12.28 million to Baht 2.76 million. This was in concurrent with the Company's reduced debt obligations, achieved through the accelerated use of surplus cash to repay debts and slightly lower market interest rates.

6. Income tax benefit decreased Baht 0.21 million (66.8%), from Baht 0.33 million to Baht 0.12 million, despite higher operating profit. This was due to the increased use of tax incentives under the community and social development promotion program granted by the Board of Investment (BOI), while maintaining the corporate tax rate at 20%.

7. Net profit for the period increased Baht 10.26 million (5.2%), from Baht 197.35 million to Baht 207.61 million. This was due to the increase in sales revenue, reduction in cost of sales, higher gross profit margin, and lower finance costs, offset by the decline in other income.

Major attributes to the Company's operating performance variations between Q2/2025 and Q1/2025 are:

1. Total sale revenues increased Baht 131.37 million (12.8%), from Baht 1,026.51 million to Baht 1,157.88 million, while sales volume increased slightly. This was due to a higher proportion of sales of other types of cylinders and three-piece cylinders, which are higher-priced products. This was offset by a 4% decline in raw material (steel) prices and a 1.4% appreciation of the Thai Baht.

2. Cost of sales increased Baht 20.77 million (2.5%), from Baht 824.88 million to Baht 845.65 million, in concurrent with the increase in sales volume. The cost of raw materials (steel) decreased 4% compared to the prior quarter.

3. Gross profit increased Baht 110.60 million (54.9%), from Baht 201.63 million to Baht 312.23 million, and the gross profit margin improved by 7.3%, from 19.6% to 27.0%. This improvement was mainly due to the increased

sales proportion of other types of cylinders and three-piece cylinders, which have higher profit margins, along with a 4% decrease in steel prices. This was partially offset by the slight appreciation of the Thai Baht.

4. Other income decreased Baht 20.24 million (26.4%), from Baht 76.60 million to Baht 56.36 million. This decline was due to a decrease in scrap sale revenue in concurrent with steel market prices dropping, and lower foreign exchange gains caused by the stronger Baht.

5. Selling and distribution expenses increased Baht 21.97 million (44.9%), from Baht 48.89 million to Baht 70.86 million. This was due to increased promotional expenses, as most sales during this period were made through foreign agents. In addition, freight costs rose in concurrent with an increased proportion of sales under CIF (Cost, Insurance, and Freight) terms.

6. Administrative expenses increased Baht 18.31 million (26.5%), from Baht 69.16 million to Baht 87.47 million. This was mainly due to charitable contributions under the community and social development promotion program supported by the Board of Investment (BOI), which are eligible for a 200% tax deduction.

7. Finance costs decreased Baht 1.55 million (36.0%), from Baht 4.31 million to Baht 2.76 million. This was consistent with reduced debt obligations, achieved through the use of surplus cash to accelerate debt repayment and thereby reduce finance costs.

8. Income tax expense decreased Baht 10.54 million (101.1%), from an income tax expense of Baht 10.42 million to an income tax benefit of Baht 0.12 million. This was due to increased utilization of tax incentives under the community and social development promotion program supported by the BOI, while maintaining the corporate tax rate at 20%.

9. Net profit for the period increased by Baht 62.16 million (42.7%), from Baht 145.45 million to Baht 207.61 million. This was primarily due to higher sales and improved profitability, which contributed to the overall increase in net profit. In addition, income tax expense decreased as a result of utilizing tax privileges. These positive factors offset the increase in selling and distribution expenses and administrative expenses during the period.

Major attributes to the Company's operating performance variations for the six-month period ended June 30, 2025, compared to the same period in 2024 are:

1. Sales revenue, cost of sales, gross profit, and gross profit margin remained relatively unchanged compared to the same period of the prior year.

2. Other income decreased Baht 44.85 million (25.2%), from Baht 177.81 million to Baht 132.96 million. This was due to lower income from scrap steel sales, in concurrent with a 15% drop in global steel prices, and lower foreign exchange gains resulting from the Thai Baht appreciating by 7%.

3. Selling and distribution expenses decreased Baht 26.33 million (18.0%), from Baht 146.08 million to Baht 119.75 million. This decrease was driven by a higher proportion of sales under FOB terms and a reduction in freight rates compared to the prior year. Last year, freight rates had spiked sharply due to geopolitical tensions across multiple regions before beginning to ease in Q4/2024.

4. Finance costs decreased Baht 13.06 million (64.8%), from Baht 20.14 million to Baht 7.08 million. This corresponded with a reduction in debt obligations related to raw material purchases as steel prices declined, along with proactive debt repayments to reduce financial costs.

5. Income tax expense decreased Baht 13.65 million (57.0%), from Baht 23.95 million to Baht 10.30 million, due to increased utilization of tax privileges under the Board of Investment (BOI)'s promotional program supporting local public health initiatives. The statutory corporate tax rate remained unchanged at 20%.

6. Net profit for the period increased slightly by Baht 1.41 million (0.4%), from Baht 351.65 million to Baht 353.06 million, remaining close to prior period.

Financial Position

Assets

As of 30 June 2025, the Company's total assets slightly decreased from the end of 2024 by Baht 0.58 million (0.01%), from Baht 3,918.06 million to Baht 3,917.48 million. The changes in assets were as follows:

- Cash and cash equivalents and other current financial assets increased Baht 190.86 million (29.1%), from Baht 655.01 million to Baht 845.87 million, primarily due to cash reserves allocated for trade account payable payments, corporate income tax payments in August 2025, and interim dividend payments in September 2025.
- Trade receivables decreased Baht 150.80 million (23.6%), from Baht 639.16 million to Baht 488.36 million, due to collections received during the period.
- Advance payments for goods increased Baht 7.57 million (218.3%), from Baht 3.47 million to Baht 11.04 million, due to advance purchases of raw materials in preparation for the production plan in Q3/2025.
- Refundable value-added tax increased Baht 12.50 million (34.6%), from Baht 36.17 million to Baht 48.67 million, corresponding to two months of accumulated VAT refund receivables.

Liabilities

As of 30 June 2025, the Company's total liabilities decreased from the end of 2024 by Baht 209.05 million (23.7%), from Baht 881.97 million to Baht 672.92 million. The changes in liabilities were as follows:

- Net of Short-term loans from banks and trade and other payables decreased Baht 223.94 million (35.9%), from Baht 624.22 million to Baht 400.28 million, primarily due to accelerated repayments during the period to reduce finance costs.
- Advance received from customers increased Baht 42.13 million (90.3%), from Baht 46.65 million to Baht 88.78 million, as sales under advance deposit terms increased during the period.
- Accrued commission expenses decreased Baht 10.62 million (32.1%), from Baht 33.06 million to Baht 22.44 million, due to payments made during the period.
- Accrued freight expenses decreased Baht 19.37 million (47.9%), from Baht 40.40 million to Baht 21.03 million, as most sales in Q2/2025 were under FOB terms.

- Accrued corporate income tax decreased Baht 1.44 million (24.7%), from Baht 5.86 million to Baht 4.42 million, due to the increased utilization of corporate income tax privileges under the Board of Investment (BOI)'s promotional program supporting local public health organizations.

Shareholders' Equity

As of 30 June 2025, the Company's shareholders' equity increased by Baht 208.47 million (6.9%), from Baht 3,036.09 million to Baht 3,244.56 million. The changes in shareholders' equity were as follows:

- An increase of Baht 353.05 million from net profit for the six-month period from January to June 2025.
- Offset by a decrease of Baht 144.58 million in retained earnings following the declaration of dividend payments based on the Company's performance for the period from July to December 2024.

Cash Flow

As of 30 June 2025, the Company's cash and cash equivalents decreased by Baht 47.24 million (46.9%) from Baht 100.66 million at the end of 2024 to Baht 53.42 million. The changes were due to the following:

- Net cash provided by operating activities amounted to Baht 563.21 million, primarily from operating results for the six-month period from January to June 2025, collections from trade receivables during the period, and a decrease in raw material inventory value in concurrent with declining global steel prices, offset by payments to trade and other payables.
- Net cash used in investing activities totaled Baht 276.33 million, mainly from working capital management through investments in short-term instruments with higher yields than bank deposits, as well as investments in machinery upgrades to improve production efficiency.
- Net cash used in financing activities amounted to Baht 334.13 million, resulting from repayments of short-term loans from banks used to purchase raw materials (steel), and dividend payments based on the Company's performance for the period from July to December 2024.

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

Financial statement

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	30 June 2025	31 December 2024	Inc(Dec)	
			Thousand Baht	%
Cash and cash equivalents	53,415	100,657	(47,242)	(46.9%)
Trade accounts receivable	488,361	639,157	(150,796)	(23.6%)
Inventories	1,121,084	1,176,401	(55,317)	(4.7%)
Advance payments for goods	11,041	3,469	7,572	218.3%
Refundable value added tax	48,668	36,168	12,500	34.6%
Other current financial assets	792,454	554,350	238,104	43.0%
Other current assets	11,198	12,704	(1,506)	(11.9%)
Total Current Assets	2,526,221	2,522,906	3,315	0.1%
Investment property	61,917	61,917	0	-
Property, plant and equipment	1,312,616	1,317,239	(4,623)	(0.4%)
Deferred tax assets	16,282	15,552	730	4.7%
Other non-current assets	447	448	1.00	(0.2%)
Total Non-Current Assets	1,391,262	1,395,156	(3,894)	(0.3%)
TOTAL ASSETS	3,917,483	3,918,062	(579)	(0.0%)
Short-term loans from bank	96,647	284,537	(187,890)	(66.0%)
Trade and other payables	303,628	339,687	(36,059)	(10.6%)
Current portion of lease liabilities	2,507	2,580	(73)	(2.8%)
Advances received from customers	88,784	46,646	42,138	90.3%
Dividend payable	6,316	6,117	199	3.3%
Accrued commission expenses	22,443	33,061	(10,618)	(32.1%)
Accrued transportation expenses	21,033	40,395	(19,362)	(47.9%)
Accrued income tax	4,415	5,862	(1,447)	(24.7%)
Other accrued expenses	52,077	49,608	2,469	5.0%
Other current liabilities	3,037	3,037	0	-
Total Current Liabilities	600,887	811,530	(210,643)	(26.0%)
Lease liabilities	615	1,869	(1,254)	(67.1%)
Liabilities under post-employment benefits	71,417	68,573	2,844	4.1%
Total Non-Current Liabilities	72,032	70,442	1,590	2.3%
TOTAL LIABILITIES	672,919	881,972	(209,053)	(23.7%)
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	2,600,326	2,391,852	208,474	8.7%
TOTAL SHAREHOLDERS' EQUITY	3,244,564	3,036,090	208,474	6.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,917,483	3,918,062	(579)	(0.0%)

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME (Thousand Baht)	Q2/25	Q2/24	Q1/25	Inc(Dec)	
				Q2/25 - Q2/24	Q2/25 - Q1/25
Revenue from sales and services	1,157,878	1,135,018	1,026,512	2.01%	12.80%
Costs of sales and services	845,653	853,461	824,887	(0.91%)	2.52%
Gross profit	312,225	281,557	201,625	10.89%	54.85%
Other income	56,361	88,650	76,600	(36.42%)	(26.42%)
Selling and distribution expenses	70,861	79,796	48,887	(11.20%)	44.95%
Administrative expenses	87,468	81,112	69,156	7.84%	26.48%
Total expenses	158,329	160,908	118,043	(1.60%)	34.13%
Finance costs	2,762	12,277	4,318	(77.50%)	(36.04%)
Profit before income tax	207,495	197,022	155,864	5.32%	33.13%
Income tax benefit (income tax expenses)	117	332	(10,419)	(64.76%)	(101.12%)
Profit for the period	207,612	197,354	145,445	5.20%	42.74%
Total comprehensive income for the period	207,612	197,354	145,445	5.20%	42.74%
Profit (Baht per share)	0.39	0.37	0.27	5.20%	42.74%

Statement of Cash Flows

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	Jan-Jun 2025	Jan-Jun 2024	Inc(Dec)	
			Thousand Baht	%
Net cash provided from (used in) operating activities	563,214	93,458	469,756	502.6%
Net cash used in investing activities	(276,328)	(389,690)	113,362	(29.1%)
Net cash provided from financing activities	-334,128	174,978	(509,106)	(291.0%)
Net increase (decrease) in cash and cash equivalents	-47,242	(121,254)	74,012	(61.0%)
Cash and cash equivalents at beginning of period	100,657	232,483	(131,826)	(56.7%)
Cash and cash equivalents at end of period	53,415	111,229	(57,814)	(52.0%)

Financial Ratio

Financial Ratio	Q2/25	Q2/24	Q1/25
PROFITABILITY RATIO			
Gross Profit Margin	27.0%	24.8%	19.6%
Net Profit Margin	17.1%	16.1%	13.2%
Return On Equity : ROE	19.2%	18.9%	20.1%
EFFICIENCY RATIO			
Return On Assets : ROA	15.1%	15.6%	14.4%
LIQUIDITY RATIO			
Current Ratio	4.2	2.2	2.5
Quick Ratio	2.2	1.2	1.4
FINANCIAL POLICY RATIO			
Debt to Equity Ratio : D/E	0.2	0.5	0.4
Interest Coverage Ratio	84.5	18.8	42.4
Debt-Service Coverage Ratio	0.4	0.2	0.2

Note:

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

Factors Impacting Future Operations and Growth

Despite the global and Thai economies continuing to face uncertainties from multiple factors in 2025, the Company has maintained its competitive advantage through prudent risk management strategies and a strong revenue structure, with exports accounting for more than 90% of total revenue. Additionally, the Company has implemented effective foreign exchange risk mitigation strategies through a natural hedge by retaining foreign currencies received—such as U.S. dollars—for direct use in payments for imported raw materials priced in the same currency, such as steel. The Company also considers using other financial instruments, such as forward contracts, as appropriate, depending on market conditions, to hedge against volatile exchange rate fluctuations.

A key positive factor is the continued downward trend in raw material costs, particularly steel, which has persisted since last year due to the slowdown in China’s economy—especially in the real estate sector—resulting in a global steel oversupply. This decline in raw material prices has been favorable to the Company’s cost structure, enhancing production efficiency and supporting overall profitability.

Nevertheless, the Company remains vigilant regarding the potential short-term rise in freight costs, driven by possible adjustments in U.S. tariff policies. To mitigate such risks, the Company has proactively adjusted its sales and delivery strategies, including increasing the proportion of sales under FOB terms, in order to minimize exposure to volatile shipping expenses.

Furthermore, the Company continues to closely monitor developments in international trade policy, particularly the evolving trade relations between the United States and various trading partners under the Reciprocal Tariff framework, which may significantly influence global economic direction. Notably, U.S. import tariffs on goods from China are expected to be finalized in August 2025. For Thailand, the final import tariff rate stands at 19%, down from the prior of 36%. This reduced rate allows the Company to remain competitive against domestic U.S. manufacturers and maintain its global competitiveness, while reinforcing investor confidence.

Sustainability Development

In concurrent 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 first six months of 2025 as follows:

General Sustainability Operations	For the year 2025, the Company continues to implement plans to ensure consistent performance in sustainability practices. The Company has already submitted the required documentation for the 2025 ESG Rating assessment, and the results are expected to be announced in December 2025.
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 concurrent 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. During the past six months, the Company donated Dinsaw Robots to several hospitals, including: University of Phayao Hospital, Phayao Hospital, Fort Khunchueangthammikkarat 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. In June 2025, the Company submitted its documentation for the 2025 CGR assessment, with the evaluation results expected to be announced in October 2025.