Management Discussion and Analysis: MD&A

Financial Position and Operational Performance Analysis

Summary of Operational Performance for the 6-Month Period ended June 30, 2026

Amid the continued uncertainty in the global economy resulting from the tensions involving the United States and Israel with Iran, which caused volatility in energy prices and broader economic impacts worldwide, together with the appreciation of the Thai Baht, the Company's sales performance for the first six-month period of 2026 remained unaffected and continued to grow steadily.

Demand from the Company's major customers in the United States remained strong, while purchase orders from customers in other regions also increased, particularly in Asia, the Middle East, and South America. In terms of sales volume, this increased by 5.9% compared to the first six-month period of the prior year; however, revenue from sales decreased by 1.7% compared to the prior year, as the average selling price declined in line with an 11% decrease in steel prices and a 5% appreciation of the Thai Baht. Nevertheless, favorable market conditions during the period allowed the Company to maintain its pricing capability, resulting in an increase in gross profit margin by 2.7%, from 22.8% to 25.5%.

Regarding the energy and logistics situation, the tensions in the Middle East and the closure of the Strait of Hormuz since late February 2026 caused increased volatility in oil prices and international freight costs. As the Strait of Hormuz is one of the world's major oil transportation routes, this resulted in a significant increase in crude oil prices in early 2026. For the Company, as this is not a core sales region, the impact arose mainly through freight costs, energy costs, and delivery lead-time risk. Nevertheless, the Company reviewed and adjusted its sales policy in accordance with market conditions by offering product prices excluding freight costs or notifying freight charges closer to the delivery schedule in order to mitigate risks arising from logistics cost volatility.

For 2026, the Company changed its accounting policy for determining the cost of inventories for raw materials and other inventories from the specific method and the first-in, first-out (FIFO) method to the weighted average method, effective from January 1, 2026, applying retrospectively. The Company has restated the financial statements and financial information for all periods presented for comparative purposes. The impact of this accounting policy change has been disclosed in the financial statements for the six-month period ended June 30, 2026.

Overall, for the six-month period ended June 30, 2026, the Company reported net profit for the period of Baht 397.49 million, representing an increase of 18.0% compared to the same period of the prior year (Restated). This was primarily due to improved profitability from sales in markets where the Company was able to maintain favorable pricing, together with lower main raw material costs, resulting in an improved gross profit margin and effective financial cost management, despite continued risks from the appreciation of the Thai Baht, volatile energy prices, and geopolitical tensions which may affect international freight costs.

Performance highlights

The reasons for changes in operating results for this period (Q2/2026) compared to the same period of the prior year (Q2/2025 – Restated) were as follows:

1. Revenue from sales and services decreased by Baht 62.93 million (5.4%) from Baht 1,157.88 million to Baht 1,094.95 million, while sales volume increased by 4.1%, driven by continued demand from customers in the United States, Asia, and domestic customers. However, raw material (steel) prices decreased by 7% compared to the same period of the prior year, together with a 3% appreciation of the Thai Baht, resulting in a lower average selling price.

2. Cost of sales decreased by Baht 67.22 million (7.9%) from Baht 852.20 million to Baht 784.98 million, consistent with lower sales and a 7% decline in raw material costs.

3. Gross profit increased by Baht 4.29 million (1.4%) from Baht 305.68 million to Baht 309.97 million, while gross profit margin increased by 1.9% from 26.4% to 28.3%, primarily due to the 7% decline in raw material prices and favorable market conditions in this quarter which allowed the Company to maintain pricing capability, net with the 3% appreciation of the Thai Baht.

4. Other income increased by Baht 8.50 million (15.1%) from Baht 56.36 million to Baht 64.86 million, mainly due to an increase in scrap sales in line with higher production volume, together with an increased in gain on exchange rate.

5. Finance costs decreased by Baht 0.74 million (26.9%) from Baht 2.76 million to Baht 2.02 million, due to working capital management to reduce financial costs, together with a slight decline in market interest rates.

6. Income tax expenses increased by Baht 10.79 million (>100%) from income tax income of Baht 0.12 million to income tax expenses of Baht 10.67 million, due to improved operating results resulting in higher income tax, net with increased utilization of tax privileges under the Board of Investment's investment promotion program for community and social development projects, while the income tax rate remained unchanged at 20%.

7. Profit for the period increased by Baht 25.20 million (12.5%) from Baht 201.07 million to Baht 226.27 million, due to better profitability, despite a 5.4% decrease in revenue from sales.

Major attributes to the Company's operating performance variations between Q2/2026 and Q1/2026 are:

1. Revenue from sales and services increased by Baht 41.63 million (4.0%) from Baht 1,053.32 million to Baht 1,094.95 million, while sales volume slightly decreased by 2.7%, with continued demand from major customers in the United States and increased purchase orders from customers in other regions, such as Asia, Africa, Europe, and domestic customers.

2. Cost of sales decreased by Baht 30.05 million (3.7%) from Baht 815.03 million to Baht 784.98 million, consistent with the decrease in sales volume.

3. Gross profit increased by Baht 71.68 million (30.1%) from Baht 238.29 million to Baht 309.97 million, while gross profit margin increased by 5.7% from 22.6% to 28.3%, due to favorable market conditions in this quarter which allowed the Company to maintain pricing capability, and a 3% depreciation of the Thai Baht.

4. Selling and distribution expenses increased by Baht 11.74 million (24.4%) from Baht 48.06 million to Baht 59.80 million, consistent with higher sales volume and a higher proportion of sales under freight-inclusive terms during the period.

5. Administrative expenses increased by Baht 11.30 million (17.4%) from Baht 64.77 million to Baht 76.07 million, mainly due to expenses under the Board of Investment's investment promotion program for community and social development projects, which are eligible for a 200% tax deduction.

6. Income tax expenses decreased by Baht 3.42 million (24.3%) from Baht 14.09 million to Baht 10.67 million, due to increased utilization of tax privileges under the Board of Investment's investment promotion program for community and social development projects, net with higher income tax resulting from improved operating results, while the income tax rate remained unchanged at 20%.

7. Profit for the period increased by Baht 55.04 million (32.1%) from Baht 171.23 million to Baht 226.27 million, due to higher sales and improved profitability, net with increased expenses and income tax expenses.

Major attributes to the Company's operating performance variations for the six-month period ended June 30, 2026, compared to the same period in 2025 are:

1. Revenue from sales and services decreased by Baht 36.13 million (1.7%) from Baht 2,184.39 million to Baht 2,148.26 million, while sales volume increased by 5.9%, driven by continued demand from major customers in the United States and increased purchase orders from customers in other regions, particularly Asia, the Middle East, and South America. The average selling price declined in line with an 11% decrease in raw material (steel) prices compared to the same period of the prior year, together with a 5% appreciation of the Thai Baht.

2. Cost of sales decreased by Baht 86.61 million (5.1%) from Baht 1,686.62 million to Baht 1,600.01 million, consistent with lower sales and an 11% decline in raw material (steel) costs.

3. Gross profit increased by Baht 50.48 million (10.1%) from Baht 497.77 million to Baht 548.25 million, while gross profit margin increased from 22.8% to 25.5%, primarily due to the 11% decline in raw material prices and favorable market conditions during the period which allowed the Company to maintain pricing capability, net with the 5% appreciation of the Thai Baht.

4. Finance costs decreased by Baht 2.77 million (39.2%) from Baht 7.08 million to Baht 4.31 million, consistent with lower debt from raw material purchases in line with lower steel market prices, together with working capital management to reduce financial costs, including a slight decline in market interest rates.

5. Income tax expenses increased by Baht 14.46 million (>100%) from Baht 10.30 million to Baht 24.76 million, due to improved operating results, net with increased utilization of tax privileges under the Board of Investment's investment promotion program (BOI), while the income tax rate remained unchanged at 20%.

6. Profit for the period increased by Baht 60.51 million (18.0%) from Baht 336.98 million to Baht 397.49 million, due to improved profitability and lower expenses and finance costs, net with higher income tax expenses.

Financial Position

Assets

As of 30 June 2026, the Company's total assets increased by Baht 550.56 million (14.6%) from the end of 2025 (Restated), increasing from Baht 3,774.06 million to Baht 4,324.62 million. The significant changes in assets were as follows:

- Cash and cash equivalents and other current financial assets, net, increased by Baht 131.45 million (12.2%) from Baht 1,074.91 million to Baht 1,206.36 million, primarily due to better operating results, and cash reserved by the Company for payment of trade payables and the first-half income tax due in August 2026.
- Trade accounts receivable increased by Baht 335.21 million (111.7%) from Baht 300.04 million to Baht 635.25 million, in line with higher sales at the end of the period.
- Inventories increased by Baht 44.69 million (4.7%) from Baht 959.89 million to Baht 1,004.58 million, due to raw materials reserved in line with orders received and scheduled for delivery in the next quarter.
- Value-added tax receivable increased by Baht 35.75 million (117.2%) from Baht 30.52 million to Baht 66.27 million, in line with raw material (steel) reserved for increased production in accordance with orders received.

Liabilities

As of 30 June 2026, the Company's total liabilities increased by Baht 318.29 million (64.2%) from the end of 2025 (Restated), increasing from Baht 496.10 million to Baht 814.39 million. The significant changes in liabilities were as follows:

- Net of Short-term loans from banks and trade and other payables increased by Baht 237.17 million (77.0%) from Baht 308.05 million to Baht 545.23 million, in line with increased reserves of raw materials.
- Advances received from customers increased by Baht 44.61 million (110.7%) from Baht 40.30 million to Baht 84.91 million, due to increased sales transactions with advance payment terms.
- Income tax payable increased by Baht 20.19 million (378.4%) from Baht 5.34 million to Baht 25.52 million, due to higher income tax in line with improved operating results, at the unchanged tax rate of 20%, net with tax privileges under the Board of Investment's investment promotion program (BOI) for local public health support.

Shareholders' Equity

As of 30 June 2026, the Company’s shareholders’ equity increased by Baht 232.26 million (7.1%) from the end of 2025 (Restated), increasing from Baht 3,277.97 million to Baht 3,510.23 million. The significant changes in shareholders' equity were as follows:

- Increased from total comprehensive income for the six-month period of 2026 amounting to Baht 392.91 million.
- Offset with a decrease in retained earnings from the declaration of dividend payment from the Company's operating results for the period from July to December 2025 amounting to Baht 160.65 million.

Cash Flow

As of 30 June 2026, the Company's cash and cash equivalents decreased by Baht 27.54 million (53.4%) from the end of 2025 (Restated), decreasing from Baht 51.55 million to Baht 24.01 million, The changes were due to the following:

- Net cash provided by operating activities amounted to Baht 108.92 million, primarily from operating results for the six-month period from January to June 2026 and advances received from customers of Baht 44.61 million, net with an increase in trade accounts receivable of Baht 322.67 million and higher raw materials reserved for production in the next quarter.
- Net cash used in investing activities amounted to Baht 193.67 million, mainly resulting from working capital management through short-term investments which generated higher returns than bank deposits, together with cash paid for the purchase of land, buildings, and equipment to enhance production efficiency.
- Net cash provided by financing activities amounted to Baht 57.21 million, primarily from an increase in short-term loans from banks to purchase raw materials (steel), net with dividend payments for operating results for the period from July to December 2025.

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

Financial statement

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	30 June 2026	31 December 2025 (Restated)	Inc(Dec)	
			Thousand Baht	%
Cash and cash equivalents	24,008	51,549	(27,541)	(53.4%)
Trade accounts receivable	635,246	300,039	335,207	111.7%
Inventories	1,004,577	959,892	44,685	4.7%
Advance payments for goods	5,523	2,814	2,709	96.3%
Refundable value added tax	66,271	30,517	35,754	117.2%
Other current financial assets	1,182,353	1,023,361	158,992	15.5%
Other current assets	29,346	23,603	5,743	24.3%
Total Current Assets	2,947,324	2,391,775	555,549	23.2%
Investment property	61,917	61,917	-	-
Property, plant and equipment	1,296,329	1,303,260	(6,931)	(0.5%)
Deferred tax assets	18,602	16,664	1,938	11.6%
Other non-current assets	448	448	-	-
Total Non-Current Assets	1,377,296	1,382,289	(4,993)	(0.4%)
TOTAL ASSETS	4,324,620	3,774,064	550,556	14.6%
Short-term loans from bank	325,577	100,000	225,577	225.6%
Trade and other payables	219,648	208,052	11,596	5.6%
Current portion of lease liabilities	615	1,869	(1,254)	(67.1%)
Advances received from customers	84,907	40,297	44,610	110.7%
Dividend payable	6,837	6,622	215	3.2%
Accrued commission expenses	12,112	13,555	(1,443)	(10.6%)
Accrued transportation expenses	20,596	9,302	11,294	121.4%
Accrued income tax	25,521	5,335	20,186	378.4%
Other accrued expenses	34,404	35,594	(1,190)	(3.3%)
Other current liabilities	2,933	3,037	(104)	(3.4%)
Total Current Liabilities	733,150	423,663	309,487	73.1%
Lease liabilities	-	-	-	-
Liabilities under post-employment benefits	81,240	72,434	8,806	12.2%
Total Non-Current Liabilities	81,240	72,434	8,806	12.2%
TOTAL LIABILITIES	814,390	496,097	318,293	64.2%
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	2,865,992	2,633,729	232,263	8.8%
TOTAL SHAREHOLDERS' EQUITY	3,510,230	3,277,967	232,263	7.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,324,620	3,774,064	550,556	14.6%

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME (Thousand Baht)	Q2/26	Q2/25 (Restated)	Q1/26	Inc(Dec)	
				Q2/26 - Q2/25	Q2/26 - Q1/26
Revenue from sales and services	1,094,944	1,157,878	1,053,319	(5.44%)	3.95%
Costs of sales and services	784,977	852,201	815,029	(7.89%)	(3.69%)
Gross profit	309,967	305,677	238,290	1.40%	30.08%
Other income	64,860	56,361	62,148	15.08%	4.36%
Selling and distribution expenses	59,803	70,861	48,060	(15.61%)	24.43%
Administrative expenses	76,070	87,468	64,770	(13.03%)	17.45%
Total expenses	135,873	158,329	112,830	(14.18%)	20.42%
Finance costs	2,019	2,762	2,287	(26.90%)	(11.72%)
Profit before income tax	236,935	200,947	185,321	17.91%	27.85%
Income tax benefit (income tax expenses)	(10,667)	117	(14,090)	(9217.09%)	(24.29%)
Profit for the period	226,268	201,064	171,231	12.54%	32.14%
Item not to be reclassified subsequently to profit or loss	-	-	(4,588)	-	(100.00%)
Total comprehensive income for the period	226,268	201,064	166,643	12.54%	35.78%
Profit (Baht per share)	0.42	0.38	0.31	12.54%	35.78%

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME (Thousand Baht)	1H26	1H25 (Restated)	Inc(Dec) 1H26-1H25
Revenue from sales and services	2,148,263	2,184,390	(1.65%)
Costs of sales and services	1,600,006	1,686,619	(5.14%)
Gross profit	548,257	497,771	10.14%
Other income	127,008	132,962	(4.48%)
Selling and distribution expenses	107,863	119,748	(9.93%)
Administrative expenses	140,840	156,624	(10.08%)
Total expenses	248,703	276,372	(10.01%)
Finance costs	4,306	7,080	(39.18%)
Profit before income tax	422,256	347,281	21.59%
Income tax benefit (income tax expenses)	(24,757)	(10,302)	140.31%
Profit for the period	397,499	336,979	17.96%
Item not to be reclassified subsequently to profit or loss	(4,588)	-	100.00%
Total comprehensive income for the period	392,911	336,979	16.60%
Profit (Baht per share)	0.73	0.63	16.60%

Statement of Cash Flows

STATEMENT OF FINANCIAL POSITION (Thousand Baht)	Jan-Jun 26	Jan-Jun 25 (Restated)	Inc(Dec)	
			Thousand Baht	%
Net cash provided from (used in) operating activities	108,919	563,214	(454,295)	(80.7%)
Net cash used in investing activities	(193,673)	(276,328)	82,655	(29.9%)
Net cash provided from financing activities	57,213	(334,128)	391,341	(117.1%)
Net increase (decrease) in cash and cash equivalents	(27,541)	(47,242)	19,701	(41.7%)
Cash and cash equivalents at beginning of period	51,549	100,657	(49,108)	(48.8%)
Cash and cash equivalents at end of period	24,008	53,415	(29,407)	(55.1%)

Financial Ratio

Financial Ratio	Q2/26	Q2/25 (Restated)	Q1/26
PROFITABILITY RATIO			
Gross Profit Margin	28.3%	26.4%	22.6%
Net Profit Margin	19.5%	16.6%	15.4%
Return On Equity : ROE	18.8%	18.6%	19.3%
EFFICIENCY RATIO			
Return On Assets : ROA	16.4%	14.7%	15.6%
LIQUIDITY RATIO			
Current Ratio	4.0	4.2	4.2
Quick Ratio	2.5	2.2	2.9
FINANCIAL POLICY RATIO			
Debt to Equity Ratio : D/E	0.2	0.2	0.2
Interest Coverage Ratio	130.1	82.2	92.0
Debt-Service Coverage Ratio	0.3	0.3	0.3

Financial Ratio

Financial Ratio	1H26	1H25 (Restated)
PROFITABILITY RATIO		
Gross Profit Margin	25.5%	22.8%
Net Profit Margin	17.5%	14.5%
Return On Equity : ROE	18.8%	18.6%
EFFICIENCY RATIO		
Return On Assets : ROA	16.4%	14.7%
LIQUIDITY RATIO		
Current Ratio	4.0	4.2
Quick Ratio	0.9	0.9
FINANCIAL POLICY RATIO		
Debt to Equity Ratio : D/E	0.2	0.2
Interest Coverage Ratio	109.9	56.6
Debt-Service Coverage Ratio	0.5	0.6

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 in 2026, both the global and Thai economies continued to face uncertainties from various factors, including the conflict involving the United States and Israel with Iran, which caused volatility in energy prices, as well as trade wars, exchange rate fluctuations, and geopolitical tensions, the Company was able to maintain its competitive advantage through prudent risk management strategies and a strong revenue structure derived primarily from exports, which accounted for more than 92% of total revenue. The Company also managed foreign exchange risk through a Natural Hedge strategy by retaining foreign currencies received, such as U.S. dollars, to directly pay for raw materials purchased in the same currency, such as steel. In addition, the Company considered the use of other financial instruments, such as forward currency contracts, depending on market conditions, to mitigate risks arising from exchange rate volatility driven by various current factors.

Nevertheless, the Company continued to closely monitor the risks associated with raw material costs, freight expenses, and energy prices, which tended to remain volatile due to the tensions in the Middle East, particularly the closure of the Strait of Hormuz, one of the world's major oil transportation routes. Such circumstances resulted in short-term increases in global oil prices and international freight rates, which may affect logistics costs and delivery lead times on certain shipping routes. However, the Company has prepared mitigation measures by increasing flexibility in its sales and delivery plans, including increasing the proportion of sales under FOB (Free on Board) terms and managing product deliveries in accordance with market conditions, in order to minimize the impacts from potential fluctuations in freight and energy costs.

In addition, the Company continued to closely monitor developments in U.S. trade policies, particularly the Section 232 measures, which continued to impose import tariffs on steel and aluminum products, including derivative products, resulting in higher import costs in the United States. At the same time, the United States also implemented other temporary tariff measures, which may affect the direction of global trade in the future. Nevertheless, the Company assessed that the impacts from such measures remained manageable due to its long-term business relationships with customers, trusted product quality and delivery capabilities, as well as its diversified market presence across multiple regions worldwide, which helped reduce the risk of overreliance on any single market.

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 2026 as follows:

General Sustainability Operations	For 2026, the Company continues to plan its operations to maintain consistent sustainability performance. The Company has submitted documentation to participate in the ESG Scores assessment of the Stock Exchange of Thailand, in collaboration with FTSE Russell, with results expected to be announced in December 2026.
Environmental Operations	The Carbon Footprint Management Team has developed action plans and established measures to reduce greenhouse gas emissions, together with setting clear targets. Progress has been regularly reported to management on a quarterly basis, and performance to date remains on track with the plan.
Social Operations	The Company continued to implement its project to support public hospitals nationwide by providing medical equipment, including the Dinsaw Robot and Dinsaw Mini Robot, together with related medical devices, in order to enhance healthcare services through the application of robotic and AI technologies to support medical personnel, reduce workloads, and improve service efficiency for the public. During the first half of 2026, the Company donated Dinsaw Robots to eleven Sub-District Health Promoting Hospitals in Phayao Province, namely Khuan, Ban Dong Inta, Ban Tun, Ban Rong Kham Luang, Ban Sang, Ban Huai Khian, Ban Huai Charoen Rat, Pa Faek, Mae Ka, Mae Na Ruea, and Sawang Arom.
Governance and Good Corporate Governance Operations	The Company was awarded a 5-star "Excellent" rating in good corporate governance for the sixth consecutive year from the Corporate Governance Report of Thai Listed Companies (CGR) 2025. The Company was also ranked within the top 25% (Top Quartile) of all listed companies participating in the assessment for the third consecutive year. In May 2026, the Company submitted documentation to participate in the CGR assessment for 2026, with results expected to be announced in October 2026.