No. SAM-021/2026

July 3, 2026

Re : Management Discussion and Analysis for the Annual Financial Statements for the Year Ended December 31, 2025.(Revise)

To : Managing Director
The Stock Exchange of Thailand

Samchai Steel Industries Public Company Limited (the "Company") would like to clarify the reasons for the changes in its operating results for the year ended December 31, 2025, compared with the corresponding period of 2024 (Revised), as follows:

1. The Company reported sales revenue of THB 5,649.43 million, representing a decrease of THB 1,362.79 million, or 19.43%, compared with the previous year. The decrease was primarily attributable to fluctuations in steel prices in the market and the current economic conditions, which led to a slowdown in customer demand. In addition, the continued closure of the Thailand–Cambodia border checkpoints adversely affected the Company's sales. As a result of these factors, the Company's sales revenue declined compared with the previous year.

2. Cost of sales amounted to THB 5,490.45 million, representing a decrease of THB 1,383.60 million, or 20.13%, compared with the previous year. The decrease was in line with the decline in sales revenue.

3. As a result of the factors described in Item 2, the Company reported a gross profit of THB 141.67 million, representing a decrease of THB 104.08 million compared with the previous year, in line with the decline in sales revenue. Selling and administrative expenses amounted to THB 154.44 million, an increase of THB 17.46 million from the previous year. The increase was mainly attributable to expenses incurred for a special audit and a higher allowance for expected credit losses, as certain trade receivables experienced delays in payment.

4. Finance costs amounted to THB 85.41 million, an increase of THB 18.38 million, or 27.42%, compared with the previous year. The increase was primarily due to higher utilization of bank credit facilities to support the Company's sales activities.

5. The Company reported a net loss of THB 262.11 million for 2025, representing an increase in net loss of THB 272.81 million compared with the previous year. The increase was mainly attributable to the recognition of losses from litigation, the recognition of an expected credit loss allowance for trade receivables amounting to THB 38.42 million (with a 100% allowance provided for problematic receivables, although partial collections have subsequently been made), the recognition of an allowance for doubtful accounts for receivables from related parties amounting to THB 90.25 million, the recognition of deferred income tax expense, and a decline in sales revenue, all of which contributed to the higher net loss for 2025.

6. Based on the auditor's qualified opinion:

6.1 The auditor was unable to verify the existence and carrying value of the assets of the Company's subsidiary in Cambodia, as the assets are located in an area affected by the Thailand–Cambodia border dispute. The subsidiary has currently ceased its operations and is in the process of evaluating the assets for sale to a joint venture. Nevertheless, should there be any significant developments regarding this matter, the Company will keep investors informed accordingly.

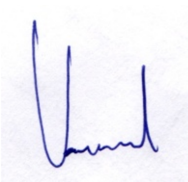
6.2 The auditor continued to express observations regarding the adjustments to inventories and cost of sales in the 2024 financial statements. Although the Company had restated the financial statements based on the findings of the special audit, the auditor was still unable to conclude on the appropriateness of such adjustments. Nevertheless, these matters did not affect the Company's profit or loss for 2025, but they may affect the comparability of the 2025 financial statements with those of 2024.

7. The Company's debt-to-equity (D/E) ratio exceeded the financial covenant required by its lending institutions (2025: 2.02 times, compared with the required maximum of 1.50 times). The Company is currently in discussions with the lending institutions to obtain a waiver of such covenant. Although the Company had never previously defaulted on its revolving credit facilities, during the first quarter of 2025, after repaying THB 107 million under its revolving credit facilities, the three lending institutions did not allow the Company to redraw the repaid facilities due to the Company's non-compliance with the D/E ratio covenant. As a result, the Company experienced liquidity constraints and subsequently defaulted on its debt obligations to the lending institutions.

As of the reporting date, the outstanding defaulted debt amounted to approximately THB 1,393.19 million. The Company is currently negotiating with the lending institutions to restructure its debt and to restore access to its revolving credit facilities under terms and conditions acceptable to both parties. The Company will keep investors informed of any further material developments as they arise.

8. With respect to the impact of the Thailand–Cambodia border situation, the Company has mitigated the impact by carrying out the final production process (finishing) at its manufacturing facility in Thailand, as it is currently unable to transport products across the border checkpoint. Should there be any further material developments, the Company will keep investors informed accordingly.

Yours sincerely,



(Mr.Varoonchai Leekanchanakorn)
Managing Director