THE 25th ANNUAL GENERAL MEETING OF SHAREHOLDERS
Questions for the Company during June 15 – July 15, 2026
And a live Q&A session

1. I would like to commend TSTH's management for achieving a profit of THB 0.23 per share. Based on this level of profitability, I believe the company should consider paying a dividend of around THB 0.10 per share to its shareholders. However, TSTH has announced a dividend of only THB 0.03 per share, which is quite low. I would respectfully ask the management to reconsider its dividend resolution and review the possibility of increasing the dividend to THB 0.10 per share for the benefit of shareholders.
[Mrs. Surattana Luechaiprasit (35,850,000 shares ; 0.43%)]

   Answer:

   Thank you very much for your kind appreciation and your suggestion regarding the dividend payment.

   The Board of Directors has carefully considered the proposed dividend by taking into account a number of factors, including the Company's operating performance, cash flow, financial position, future investment plans, working capital requirements, as well as the uncertainties surrounding the economic environment and the steel industry.

   Although the Company achieved earnings per share of approximately THB 0.23, accounting profits cannot be distributed entirely as dividends. The Company needs to maintain a strong financial position to support its ongoing operations, fund future business growth, and ensure long-term sustainability. After carefully balancing these considerations, the Board has resolved to propose a dividend of THB 0.03 per share, which it considers to be appropriate and strikes a prudent balance between providing returns to shareholders and preserving the Company's financial strength and future growth potential. The Board respectfully recommends that the shareholders approve the proposed dividend as set out in the Notice of the Annual General Meeting.

2. Will TSTH be able to remain competitive and sustainable over the next 3–5 years? Can the company effectively compete with Chinese steel producers? What strategies and plans do management have in place to strengthen TSTH's business and ensure its long-term growth and resilience?
[Miss Apisara Luechaiprasit (7,000,000 shares ; 0.08%)]

   Answer:

   Thank you for your question.

   Management remains confident in the Company's ability to remain competitive and sustainable over the next 3–5 years despite the challenges facing the global and domestic steel industries.

   With respect to competition from Chinese steel producers, we recognise that Chinese imports continue to exert pressure on pricing and margins across the industry. However, the Company focuses on serving specific market segments that value product quality, reliable delivery, technical support, and long-term customer relationships. These factors help differentiate our products and services beyond price competition alone.

   To strengthen the Company's competitiveness and ensure long-term resilience, management is pursuing several strategic initiatives: Operational Excellence, increasing Value-Added Products. Customer-Centric Approach, Cost and Risk Management, Sustainability and ESG Initiatives, and Technology and Digital Transformation. While market conditions remain uncertain, management continuously monitors industry developments, competitive dynamics, and economic trends. We believe that through disciplined execution of these strategies, the Company is well-positioned to maintain its competitiveness and create sustainable value for shareholders over the long term.

3. What is the outlook for scrap steel prices and product spreads in Thailand? How does management expect these factors to impact the company's performance and profitability in the near to medium term? [Mr. Supamit Konklaw (100,000 shares)]

   Answer:
   Scrap is the Company's primary raw material and a key production cost. Scrap prices are driven by domestic and global market supply-demand fundamentals. In the near to medium term, the Company expects scrap prices to fluctuate within a relatively narrow range, reflecting steel demand and overall economic conditions.

   As one of Thailand's largest scrap consumers, TSTH benefits from a strong nationwide procurement network and the flexibility to supplement requirements through imported billets and other metallics when appropriate, helping ensure supply security and manage cost volatility.

   For product spreads, the Company focuses on reflecting raw material cost movements through selling prices, while improving product mix, increasing value-added products, and enhancing operational efficiency to support profitability.

   Management believes that TSTH's strong raw material sourcing capability, operational excellence, and focus on value-added products will help mitigate market volatility and support sustainable competitiveness and profitability in the near to medium term.

4. With AI playing an increasingly important role in business operations, has the company conducted an assessment of the risks associated with AI adoption and usage? If so, what measures and controls have been implemented to mitigate these risks and ensure the responsible and secure use of AI technologies? [Mrs.Panadda Maprasop (7,000 shares)]

   Answer:

   Thank you for your question.
   The Company is currently in the process of implementing an AI Policy along with the Parent, Tata Steel. The Company has identified risks associated with AI adoption and monitor the same through its enterprise risk management framework. However, as the AI adoption progresses further, the Company will assess other associated risks and implement appropriate controls under its enterprise risk management framework. We will continue to monitor developments in AI technologies and regulatory requirements to ensure the responsible, secure, and effective use of AI across our operations.

5. How does the company plan to navigate the challenges posed by a global economic slowdown? What strategies has management put in place to mitigate potential impacts on the company's operations, profitability, and growth prospects? [Mr. Amnuay Muangmai (100,000 shares)]

   Answer:

   Thank you for your question.
   The Company is closely monitoring the current economic environment and has implemented several measures to mitigate its impact. These include expanding exports, particularly to India, to reduce pressure from the domestic market, while continuing to drive our Cost Transformation and Operational Excellence initiatives to improve efficiency, strengthen competitiveness, and enhance long-term profitability.

After responding to the questions submitted in advance, the Company opened the floor for a live Q&A session. There were 3 questions from Mr. Vinai Rungtiwasuwan;

1. The Company has a strong financial position, with cash and cash equivalents of THB 4,871 million and no interest-bearing debt. Why did the Board approve a dividend with a payout ratio of only 13%? Furthermore, what major investment or expansion projects does the Company plan to undertake over the next one to two years, and what level of capital expenditure has been budgeted for these projects?

   Answer:

   The Company will be investing in making plants healthier and in our downstream capability to supply more value-added products with capital expenditure approximately 1,200-1,500 million Baht over next 2 to 3 years.

2. At present, TSTH's dividend policy is not clearly defined and differs from those of many other companies listed on the Stock Exchange of Thailand, as it does not specify a target dividend payout ratio based on net profit. As a result, investors find it difficult to estimate the potential return on their investment in TSTH shares. I would therefore like to propose that the Board of Directors, particularly the Independent Directors, consider reviewing and enhancing the Company's dividend policy by clearly specifying a target dividend payout ratio for both TSTH and its subsidiaries.

   Answer:

   The Company has a policy for the dividend payment to the shareholders from net profit after tax and after appropriation of profit to legal reserve by considering the relevant factors which shall not cause significant effects to the Company’s business operation. Such factors include operational performance, financial status, Company’s solvency, business expansion needs, obligations to complete the debts service according to the Company’s loan agreements including any other factors relevant to the business operation of the Company. The consideration is consistent with the concept of maximizing long-term benefit for the shareholders.

   The Board of Directors has carefully considered the proposed dividend in light of the Company's financial performance, financial position, cash flow, future investment plans, and the uncertainties in the economic environment and steel industry. Accordingly, the Board has proposed a dividend of THB 0.03 per share, which it believes appropriately balances shareholder returns with maintaining the Company's financial strength, supporting future growth, and ensuring long-term sustainability.

   The Company has taken note of the above question, and it may be noted that the Independent Directors would review the current dividend policy of the Company and propose any amendment in the same if required.

3. What are the key risks and concerns that management believes could adversely affect the Company's financial performance in FY27 compared with the previous financial year?

   Answer:

   Geopolitical tensions in the Middle East primarily affect the global steel market through increased volatility in energy prices, freight costs, and raw material markets, which may indirectly influence steel prices worldwide.

   If the conflict persists, higher energy and logistics costs could place upward pressure on steel production costs and raw material prices, while supply chain disruptions may increase overall market volatility.

   However, longer-term steel price trends continue to be driven by underlying supply-demand fundamentals. The Company closely monitors developments and actively manages its raw material sourcing and cost structure to mitigate potential impacts.