NO: CHO 022/2026

9 July 2026

**Subject:** Management Discussion and Analysis Quarter 4 of 2025 Ending December, 31 2025

**To:** The President

The Stock Exchange of Thailand

Cho Thavee Public Company Limited (“The Company” or “CHO”) and its subsidiaries would like to clarify Performance of the Quarter 4 of 2025 (October to December) as well as the full-year comparison for 2024 and 2025 (January to December), with the details as follows:

**1. Business overview**

In the quarter 4 of 2025 and the full year of 2025, the Company and its subsidiaries continued to face financial challenges arising from accumulated losses, liabilities exceeding assets, and uncertainties surrounding negotiations with creditors to extend debt repayment terms.

| ITEM (Unit: Million Baht) | Y2024 | | Y2025 | | Increase (decrease) Compared to the same period | | Q4/2024 | | Q4/2025 | | Increase (decrease) Compared to the same period | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | amount | % | amount | % | amount | % | amount | % | amount | % | amount | % |
| Total Income | 265.09 | 100.00 | 179.62 | 100.00 | (85.47) | (32.24) | 19.67 | 100.00 | 38.28 | 100.00 | 18.62 | 94.66 |
| Total costs | 363.49 | 137.12 | 589.66 | 328.28 | 226.17 | 62.22 | 94.87 | 482.45 | 269.88 | 705.01 | 175.00 | 184.46 |
| Total operating expenses | 462.03 | 174.29 | 182.60 | 101.66 | (279.43) | (60.48) | 45.88 | 233.31 | (372.49) | (973.06) | (418.37) | (911.87) |
| Financial costs | 219.90 | 82.95 | 174.55 | 97.18 | (45.35) | (20.62) | 126.95 | 645.54 | 83.51 | 218.16 | (43.43) | (34.21) |
| Impairment losses and credit losses | 34.17 | 12.89 | 199.90 | 111.29 | 165.73) | 485.03 | 34.17 | 173.76 | 199.90 | 522.22 | 165.73 | 485.03 |
| Share of losses from investments in associated companies | 4.24 | 1.60 | 142.90 | 79.56 | 138.67 | 3,273.56 | (4.16) | (21.15) | 0.02 | 0.04 | 4.18 | 100.38 |
| Profit (loss) before income tax expense | (818.74) | (308.85) | (1,110.00) | (617.97) | (291.26) | (3,743.71) | (278.04) | (1,413.90) | (142.54) | (372.37) | 135.50 | (334.85) |
| Corporate income tax deduction | 42.80 | 16.15 | (0.01) | (0.00) | (42.81) | (100.02) | 27.85 | 141.62 | (0.01) | (0.02) | (27.86) | (100.03) |
| Profit (loss) for the period | (861.54) | (325.00) | (1,109.99) | (617.97) | (248.45) | (28.84) | (305.89) | (1,555.52 ) | (142.54) | (372.35) | 163.36 | 53.40 |

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| | 31 Dec 2024 | | 31 Dec 2025 | | Increase (decrease) from 2024 | |
|---|---|---|---|---|---|---|
| Total Assets | 2,415.93 | 100.00 | 1,459.29 | 100.00 | (956.64) | (39.60) |
| Total Liabilities | 2,455.52 | 101.64 | 2,600.89 | 178.23 | 145.38 | 5.92 |
| Total shareholders' equity | (39.59) | (1.64) | (1,141.60) | (78.23) | (1,102.01) | (2,783.84) |

**Revenue:**

**In Q4/2025**, The Company and its subsidiaries reported a net loss of THB 142.54 million for the period, representing an improvement of THB 163.36 million, or 53.40%, compared with the corresponding period of the previous year. The improvement in net loss was primarily attributable to lower impairment losses recognized during the period compared with the prior year, despite additional provisions for inventory write-downs to net realizable value (NRV), impairment losses on investments, and impairment losses on loans to an associate. Revenue from contracts with customers amounted to THB 113.26 million, a decrease of THB 88.34 million, or 43.82%, from the corresponding period of the previous year.

**For the year 2025**, the Company and its subsidiaries reported total revenue of THB 179.62 million, representing a decrease of 32.24% compared with the previous year. Revenue from contracts with customers amounted to THB 113.26 million, decreasing by THB 88.34 million, or 43.82% year-on-year, primarily due to lower orders for aircraft catering trucks from overseas customers. Revenue from sales and services amounted to THB 55.90 million, an increase of 18.85% from the previous year, mainly driven by higher spare parts sales. However, the Group recognized various impairment losses during the year and continued to incur fixed operating costs in accordance with applicable financial reporting standards, resulting in a net loss for the period.

**Cost and Expense:**

**Q4/2025**

- Total cost of sales and services: amounted to THB 269.88 million, an increase of THB 175.00 million, or 184.46%, compared with the same period of the previous year. The increase was primarily attributable to the disposal of long-aged inventories at selling prices below cost in order to clear obsolete inventory. This action was undertaken in accordance with the Company's inventory management policy to improve inventory quality and reduce the risk of future inventory impairment.
- Selling expenses: amounted to THB 1.39 million, representing a 62.36% decrease from the same period of the previous year, primarily due to lower selling expenses in line with the decrease in sales.

**Year 2025**

- **Total cost of sales and services:** amounted to **THB 589.66 million**, representing an increase of **62.22%** compared with the previous year. The increase was generally in line with the sales volume. However, the cost-to-sales ratio increased due to fixed manufacturing costs, including labor and depreciation expenses, as well as

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losses incurred from the disposal of long-aged inventories with high carrying costs at selling prices below cost to clear obsolete inventory.

- **Selling expenses:** amounted to **THB 10.24 million**, representing a **15.93% decrease** from the previous year, primarily due to lower sales commission expenses, which are calculated based on sales performance.
- **Administrative expenses:** amounted to **THB 172.36 million**, representing a **19.87% decrease** from the previous year, mainly attributable to the Company's cost control measures implemented since 2024.

Financial Cost:

Finance costs amounted to THB 83.51 million for the fourth quarter of 2025 and THB 174.55 million for the year ended 31 December 2025, representing decreases of 34.21% and 20.62%, respectively, compared with the corresponding periods of the previous year. Finance costs primarily comprised interest expenses on borrowings from financial institutions and debentures.

Expected Credit Losses and Asset Impairment

The Group recognized **expected credit losses and impairment losses** totaling **THB 199.90 million** in the consolidated financial statements and **THB 256.09 million** in the separate financial statements. These losses arose from the assessment of the recoverability of trade receivables, loans, and other financial assets in accordance with **Thai Financial Reporting Standard No. 9 (TFRS 9): Financial Instruments**.

Share of Loss from an Associate

The Group recognized a **share of loss from an associate** of **THB 142.90 million**, reflecting the associate's operating performance, which continued to be adversely affected by challenging economic conditions and business conditions during the year.

Financial Position:

As of **31 December 2025**, the Company and its subsidiaries reported **total assets of THB 1,459.29 million**, representing a decrease of **39.60%** compared with **31 December 2024**. The decrease was mainly attributable to reductions in other receivables, loans to an associate, inventories, and investments in an associate.

**Total liabilities** amounted to **THB 2,600.89 million**, an increase of **5.92%** from the previous year, primarily due to higher trade payables and borrowings. As a result, the Group reported **negative shareholders' equity of THB 1,141.60 million**.

Current assets totaled **THB 331.88 million**, while current liabilities amounted to **THB 2,210.06 million**, resulting in current liabilities exceeding current assets by approximately **THB 1.88 billion**. Cash and cash equivalents totaled **THB 8.34 million** as of 31 December 2025.

For the year ended **31 December 2025**, the Group and the Company reported **net losses of THB 1,109 million and THB 1,391 million**, respectively. As of the same date, accumulated losses amounted to **THB 3,992 million** for the Group and

THB **3,989 million** for the Company. In addition, current liabilities exceeded current assets by **THB 2,210.06 million** for the Group and **THB 2,173.71 million** for the Company.

These conditions indicate that the Company continues to face liquidity constraints and therefore needs to continue implementing measures to strengthen its financial position.

## 2. Going Concern

The auditor **disclaimed an opinion** on the financial statements due to the existence of **material uncertainties related to the Company's ability to continue as a going concern**. These uncertainties primarily arise from accumulated losses, negative shareholders' equity, and liquidity constraints.

The principal matters underlying the auditor's **Disclaimer of Opinion** include:

- Negative shareholders' equity as of 31 December 2025;
- Defaults on certain debt obligations;
- Legal proceedings initiated by financial institutions and debenture holders; and
- The restatement of previously issued financial statements.

Management fully recognizes these matters and has developed financial, operational, and risk management improvement plans to support the Company's ability to continue as a going concern. However, the successful implementation of these plans remains subject to the execution of the proposed measures and various external factors.

## 3. Debt Position and Debt Restructuring

The Company is currently negotiating with financial institutions, trade creditors, and debenture holders to restructure its debt in line with its projected cash flows. The restructuring discussions include:

- extending debt repayment terms;
- revising repayment conditions;
- reducing interest obligations; and
- establishing revised repayment schedules.

Management believes that the successful completion of the debt restructuring will alleviate liquidity pressure and support the Company's long-term business sustainability.

## 4. Business Rehabilitation and Operational Improvement Plan

### 4.1 Debt Restructuring

The Company continues to negotiate with all creditor groups to reduce its financial obligations and restructure its debt in line with its debt servicing capacity.

### 4.2 Strengthening the Capital Base

Subsequent to the reporting period, the Board of Directors approved the proposal to be submitted to the shareholders for consideration of:

- a reduction of the Company's registered capital;

- an increase in the registered capital;
- the issuance and allocation of newly issued ordinary shares through a Private Placement; and
- the acquisition of the **Advanced Commercial AI Platform for EV (ACAPE)** software asset.

These proposed transactions are intended to strengthen the Company's financial position and enhance its long-term business capabilities. The transactions remain subject to shareholders' approval and the satisfaction of the relevant conditions and regulatory requirements.

Upon successful completion, management expects these transactions to eliminate the Company's negative shareholders' equity as reported as of **31 December 2025**, strengthen its capital base, improve working capital, and facilitate the Company's ongoing debt restructuring negotiations.

**4.3 Revenue Enhancement**

The Company will continue to focus on projects offering appropriate profit margins, low working capital requirements, and the ability to generate operating cash flows within a relatively short period.

**4.4 Cost Optimization**

The Company continues to review its overall cost structure and reduce non-essential operating expenses to align its cost base with current business activity.

**4.5 Strengthening Internal Control**

The Company has continuously enhanced its accounting system, internal control framework, and risk management processes to improve the quality of financial reporting and strengthen the monitoring of receivables, inventories, investments, and other significant accounts. These initiatives are intended to reduce the risk of future reporting errors while taking into consideration the Company's available human resources and financial position.

However, there can be no assurance that the Company's rehabilitation plan will be successfully implemented, as it remains subject to various uncertainties, including the successful outcome of negotiations with creditors, the approval of the proposed transactions, the availability of additional financing, and the Company's ability to generate sufficient operating cash flows in the future. Management will continue to closely monitor the progress of these initiatives and will provide timely disclosure of any material developments to shareholders and investors in compliance with the requirements of the Stock Exchange of Thailand.

Please be informed accordingly,

Yours Sincerely,

Cho Thavee Public Company Limited

-Mr.Suradech Taweesaengsakulthai-

President and Chief Executive Officer