NO: CHO 023/2026

9 July 2026

Subject: Management Discussion and Analysis Quarter 1 of 2026 Ending March, 31 2026

To: The President

The Stock Exchange of Thailand

Cho Thavee Public Company Limited ("The Company" or "CHO") and its subsidiaries would like to clarify operating results for the three-month period ended 31 March 2026 with those of the corresponding period in 2025. Details are summarized below:

1. Business overview

During the first quarter of 2026 and the corresponding period 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)	Q1/2025		Q2/2026		Increase (decrease) Compared to the same period	
	amount	%	amount	%	amount	%
Total Income	52.71	100.00	22.63	100.00	(30.08)	(57.06)
Total costs	63.43	120.34	32.28	142.62	(31.15)	(49.11)
Total operating expenses	76.26	144.68	30.14	133.17	(46.12)	(60.48)
Financial costs	34.02	64.55	36.54	161.44	2.52	7.39
Share of losses from investments in associated companies	5.99	11.36	0.02	0.07	(5.97)	(99.73)
Profit (loss) for the period	(126.99)	(240.93)	(76.33)	(337.30)	50.65	39.89
	31 Dec 2025		31 Mar. 2026		Increase (decrease) from 31 Dec. 2025	
Total Assets	1,459.29	100.00	1,456.97	100.00	(2.32)	(0.16)
Total Liabilities	2,600.89	178.23	2,674.91	183.59	74.02	2.85
Total shareholders' equity	(1,141.60)	(78.23)	(1,217.94)	(83.59)	(76.34)	(6.69)

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Summary of Operating Results

First Quarter of 2026

The Company and its subsidiaries reported a **net loss of THB 76.33 million** for the first quarter of 2026, representing an improvement of **THB 50.65 million**, or **39.89%**, compared with the corresponding period of the previous year. The improvement was primarily attributable to higher administrative expenses recognized in the first quarter of 2025, mainly from provisions for doubtful accounts and allowances for obsolete inventories.

Revenue from contracts with customers amounted to **THB 7.75 million**, a decrease of **THB 32.15 million**, or **80.57%**, compared with the corresponding period of the previous year, mainly due to lower project revenue. Revenue from sales and services amounted to **THB 11.68 million**, an increase of **THB 1.07 million**, or **10.08%**, primarily driven by higher sales of spare parts and slow-moving inventories.

Cost and Expenses

First Quarter of 2026

• **Total cost of sales and services** amounted to **THB 32.28 million**, representing a decrease of **THB 31.15 million**, or **49.11%**, compared with the corresponding period of the previous year. The decrease was broadly in line with the decline in revenue. However, the Group continued to incur fixed manufacturing costs in accordance with applicable financial reporting standards.

• **Selling expenses** amounted to **THB 1.82 million**, representing a **31.86% decrease** from the corresponding period of the previous year, primarily due to lower selling expenses in line with lower sales.

• **Administrative expenses** amounted to **THB 28.32 million**, representing a **78.06% decrease** compared with the corresponding period of the previous year. The decrease was mainly attributable to inventory obsolescence provisions recognized during the first quarter of 2025 in accordance with applicable accounting standards.

Finance Costs

Finance costs amounted to **THB 36.54 million** for the first quarter of 2026, representing an increase of **7.39%** compared with the corresponding period of the previous year. Finance costs primarily comprised interest expenses on borrowings from financial institutions and debentures.

Share of Loss from an Associate

The Group recognized a **share of loss from an associate** amounting to **THB 16.00 million**, reflecting the associate's operating performance, which continued to be adversely affected by economic conditions and the business environment during the past year.

Financial Position

As of **31 March 2026**, the Company and its subsidiaries reported **total assets of THB 1,456.97 million**, representing a decrease of **0.16%** compared with **31 December 2025**, mainly due to reductions in trade receivables and other current receivables.

Total liabilities amounted to **THB 2,674.91 million**, representing an increase of **2.85%**, primarily attributable to higher trade payables and other payables.

For the three-month period ended **31 March 2026**, the Group and the Company reported **net losses of THB 76 million** each. As of the same date, accumulated losses amounted to **THB 4,069 million** for the Group and **THB 4,066 million** for the Company. Negative shareholders' equity totaled **THB 1,218 million** for both the Group and the Company. In addition, current liabilities exceeded current assets by **THB 1,945 million** for the Group and **THB 1,921 million** for the Company.

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**, primarily resulting 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 March 2026**;
- Defaults on certain debt obligations; and
- Legal proceedings initiated by financial institutions and debenture holders.

Management fully recognizes these matters and has implemented 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 resolved to propose to the shareholders the reduction of the Company's registered capital, an increase in its 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.

Upon successful completion, management expects these transactions to eliminate the Company's negative shareholders' equity as reported as of **31 March 2026**, strengthen its capital base, improve working capital, and facilitate the Company's ongoing debt restructuring negotiations.

4.3 Revenue Enhancement

The Company continues to focus on projects with 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 Controls

The Company has continuously enhanced its accounting systems, 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, the successful implementation of the Company's rehabilitation plan remains subject to various uncertainties, including the successful completion of negotiations with creditors, the approval of the proposed transactions, the availability of additional funding, 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 disclose any material developments to shareholders and investors on a timely basis in accordance with the rules and regulations 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