Ref No: AH 02082026

August 11th, 2026

Subject: Management Discussion & Analysis (MD&A) for the financial statements of the 2nd Quarter of Fiscal Year 2026 Ended as of June 30, 2026

To: The President
The Stock Exchange of Thailand

Aapico Hitech Public Company Limited ("the Company") would like to explain the consolidated financial statements of the Company for the 2nd Quarter of fiscal year 2026 ended as of June 30, 2026, which can be summarized as follows:

1) Profit & Loss Analysis: Q2 2026 (3 Months)

(Unit : Million Baht unless otherwise stated)	Q2 2025	Q2 2026	Change	
			Amount	% Change
Total Revenues	6,629.5	**6,744.7**	115.2	1.7%
Sales and service income	6,522.1	**6,635.6**	113.5	1.7%
Other income	107.4	**109.0**	1.6	1.5%
Cost of sales and services	6,041.1	**6,070.7**	29.6	0.5%
Gross Profit	481.0	**564.9**	83.9	17.4%
Gross Profit Margin (%)	7.4%	**8.5%**	1.1%	
SG&A expenses	426.3	**470.2**	43.9	10.3%
Loss on exchange rate	5.2	**6.3**	1.1	21.0%
EBIT before share of profit from investment in associates and joint ventures	156.8	**197.4**	40.6	25.9%
Share of profit from investment in associates and joint ventures	64.6	**101.8**	37.2	57.6%
EBIT	221.4	**299.2**	77.8	35.1%
Finance income	14.4	**18.2**	3.8	26.4%
Finance cost	81.9	**68.1**	-13.8	-16.8%
Income tax expenses	46.0	**28.5**	-17.5	-38.0%
Net profit attributable to equity holders	108.1	**195.4**	87.3	80.8%
Net profit attributable to equity holders Margin (%)	1.6%	**2.9%**	1.3%	
Net profit attributable to equity holders (exclude Gain (Loss) on exchange rate)	113.3	**201.7**	88.4	78.0%
Net profit attributable to equity holders Margin (%) (exclude Gain (Loss) on exchange rate)	1.7%	**3.0%**	1.3%	

Total revenues increased by 1.7% year-on-year. Sales and service income increased by 1.7%, with a 4.7% decrease in automotive parts businesses and a 16.8% increase in dealership businesses respectively.

1) Automotive Parts Business: Revenue from this segment decreased by 4.7% in Q2 2026, primarily due to lower sales from Thailand and China operations. Revenue in Thailand decreased as a result of lower steel prices which reduced average selling prices, lower production volumes in line with Thailand's automotive production trend, and the completion of production orders for VinFast EV models. Revenue from China declined slightly, reflecting ongoing pricing pressure and competitive market conditions. On the other hand, the Portugal and Malaysia operations delivered strong growth, supported by increased customer order and business expansion. Overall, the Company's geographically diversified operations helped mitigate country-specific risks, with growth in Portugal and Malaysia partially offsetting the decline in Thailand and China.

2) Car Dealerships Business: Revenue from the dealership business increased by 16.8% in Q2 2026, mainly driven by a significant increase in revenue from the Malaysia operations. Sales of Proton vehicles continued to grow strongly, supported by the successful launch of the Proton e.MAS EV series and new model introductions. Meanwhile, Honda sales declined slightly amid intensifying competition from Chinese automotive brands and Proton's strengthening position in the domestic market. In Q2 2026, Malaysia's EV market continued to expand rapidly, with Proton becoming the country's leading EV brand. In Thailand, dealership revenue increased marginally. The increase was driven by continued growth in MG vehicle sales, supported by higher demand for EV and HEV models due to rising fuel prices and more competitive vehicle pricing. This growth partly offset lower Mitsubishi sales, which remain concentrated in internal combustion engine (ICE) vehicles, resulting in a slight overall increase in dealership revenue in Thailand.

Cost of sales and services increased in line with higher sales. Gross profit increased by 17.4% from Baht 481.0 million in Q2 2025 to Baht 564.9 million in Q2 2026. Gross profit margin increased from 7.4% to 8.5%, due to the improvement in gross profit margin of the Portugal operation. In addition, the Portugal operation faced an electricity blackout in Q2 2025, which caused one of our plants to operate at only half of its normal capacity for a period of three weeks. This resulted in higher cost of sales and led to significantly lower gross profit in Q2 2025.

Selling and administrative expenses increased by 10.3% from Baht 426.3 million in Q2 2025 to Baht 470.2 million in Q2 2026.

Loss on foreign currency exchange rate was Baht 6.3 million in Q2 2026, compared to a loss on foreign currency exchange of Baht 5.2 million in Q2 2025. This loss on foreign currency exchange was related to trade in foreign currency.

Share of profit from investment in associates and joint ventures was Baht 101.8 million in Q2 2026, compared to Baht 64.6 million in Q2 2025. The increase was mainly driven by higher profit contributions from joint venture companies.

Finance income and Finance cost were Baht 18.2 million and Baht 68.1 million in Q2 2026, compared to Baht 14.4 million and Baht 81.9 million in Q2 2025 respectively. Finance income is mainly from interest income from proceeds from sales of Sakthi Auto Component Limited (SACL: India operation) at the end of 2023. Net finance cost reduced to Baht 49.9 million, compared to Baht 67.5 million in Q2 2025.

Net profit attributable to equity holders was Baht 195.4 million in Q2 2026, compared to net profit of Baht 108.1 million in Q2 2025. Net profit margin improved from 1.6% to 2.9% in Q2 2026.

Net profit attributable to equity holders (exclude Gain (Loss) on exchange rate) was Baht 201.7 million in Q2 2026, compared to Baht 113.3 million in Q2 2025. Core profit margin increased from 1.7% in Q2 2025 to

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3.0% in Q2 2026, mainly due to improve overall gross profit margin, an increase in profit sharing from associates and joint ventures, as well as lower net interest expenses and tax expenses.

2) Profit & Loss Analysis: 1H 2026 (6 Months)

(Unit : Million Baht unless otherwise stated)	January - June		Change	
	2025	2026	Amount	% Change
Total Revenues	13,458.6	**13,158.2**	-300.4	-2.2%
Sales and service income	13,268.4	**12,968.9**	-299.5	-2.3%
Other income	190.2	**189.3**	-0.9	-0.5%
Cost of sales and services	12,121.7	**11,744.6**	-377.1	-3.1%
Gross Profit	1,146.6	**1,224.3**	77.7	6.8%
Gross Profit Margin (%)	8.6%	**9.4%**	0.8%	
SG&A expenses	825.3	**894.5**	69.2	8.4%
Loss on exchange rate	3.7	**0.7**	-3.0	-81.1%
EBIT before share of profit from investment in associates and joint ventures	507.8	**518.3**	10.5	2.1%
Share of profit from investment in associates and joint ventures	125.5	**182.2**	56.7	45.2%
EBIT	633.2	**700.5**	67.3	10.6%
Finance income	30.1	**33.1**	3.0	10.0%
Finance cost	159.4	**141.2**	-18.2	-11.4%
Income tax expenses	88.6	**55.7**	-32.9	-37.1%
Net profit attributable to equity holders	414.3	**509.7**	95.4	23.0%
Net profit attributable to equity holders Margin (%)	3.1%	**3.9%**	0.8%	
Net profit attributable to equity holders (exclude Gain (Loss) on exchange rate)	418.0	**510.4**	92.4	22.1%
Net profit attributable to equity holders Margin (%) (exclude Gain (Loss) on exchange rate)	3.1%	**3.9%**	0.8%	

Total revenues decreased by 2.2% year-on-year. Sales and service income also decreased by 2.3%. Revenue from the automotive parts business decreased by 5.2%, mainly due to lower revenue from the Thailand and China operations. This was partially offset by strong growth in the Portugal and Malaysia operations, demonstrating the benefits of the Company's geographically diversified business portfolio. Meanwhile, revenue from the dealership business increased by 4.9%, primarily driven by growth in the Malaysia dealership operations, supported by strong growth in Proton vehicle sales. In Thailand, dealership revenue increased, mainly driven by increased MG vehicle sales.

Cost of sales and services decreased in line with lower sales. Gross profit increased by 6.8% from Baht 1,146.6 million in 1H 2025 to Baht 1,224.3 million in 1H 2026. Gross profit margin increased from 8.6% in 1H 2025 to 9.4% in 1H 2026 respectively. The increase in gross profit and gross profit margin was due to an improvement in the performance of our Portugal operations.

Selling and administrative expenses increased by 8.4% from Baht 825.3 million in 1H 2025 to Baht 894.5 million in 1H 2026.

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Loss on foreign currency exchange rate was Baht 0.7 million in 1H 2026, compared to a loss on foreign currency exchange of Baht 3.7 million in 1H 2025. This loss on foreign currency exchange was related to trade in foreign currency.

Share of profit from investment in associates and joint ventures was Baht 182.2 million in 1H 2026, compared to Baht 125.5 million in 1H 2025. The increase was mainly driven by higher profit contributions from joint venture companies.

Finance income and Finance cost was Baht 33.1 million and Baht 141.2 million in 1H 2026, compared to Baht 30.1 million and Baht 159.4 million in 1H 2025 respectively. Finance income is mainly from interest income from proceeds from sales of Sakthi Auto Component Limited (SACL: India operation) at the end of 2023. Net finance cost reduced to Baht 108.1 million, compared to Baht 129.3 million in 1H 2025.

Net profit attributable to equity holders was Baht 509.7 million in 1H 2026, compared to net profit of Baht 414.3 million in 1H 2025. Net profit margin increased from 3.1% in 1H 2025 to 3.9% in 1H 2026.

Net profit attributable to equity holders (exclude Gain (Loss) on exchange rate) was Baht 510.4 million in 1H 2026, compared to Baht 418.0 million in 1H 2025. Core profit margin increased from 3.1% in 1H 2025 to 3.9% in 1H 2026.

3) Financial Position Analysis

(Unit : Million Baht)	December 2025	June 2026	Change	
			Amount	% Change
Total Assets	23,240.5	**24,465.3**	1,224.8	5.3%
Total Liabilities	11,819.0	**12,357.9**	538.9	4.6%
Total Equities	11,421.5	**12,107.4**	685.9	6.0%

Total assets as of 30 June 2026 increased by Baht 1,224.8 million from 31 December 2025, mainly driven by increases in inventories, property, plant and equipment, and investments properties.

Total liabilities increased by Baht 538.9 million; largely from an increase in short-term loans. Total shareholders' equity increased by Baht 685.9 million, mainly attributable to profit generated during the period.

4) Key Financial Performance

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Return on equity (ROE)	6.7%	7.0%	6.8%	6.6%	**7.4%**
Return on asset (ROA)	3.2%	3.3%	3.2%	3.1%	**3.6%**
Interest bearing Debt / Equity (IBD/Equity)	0.5	0.5	0.5	0.5	**0.5**

Return on equity (ROE) and Return on assets (ROA) as of Q2 2026 were at 7.4% and 3.6% respectively. Interest bearing debts to equity (IBD/Equity) ratio was 0.5 times as at Q2 2026.

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5) Thailand Automotive Industry

(Unit: Cars)	Quarter 2			January – June		
	2025	2026	% Change	2025	2026	% Change
Production	373,659	**347,461**	-7.0%	724,721	**717,212**	-1.0%
Domestic	149,501	**164,883**	10.3%	302,694	**346,966**	14.6%
Export	234,886	**201,150**	-14.4%	459,444	**421,144**	-8.3%

In Q2 2026, Thailand's automotive production decreased by 7.0% year-on-year to 347,461 units, compared to 373,659 units in Q2 2025, mainly due to lower production for export and weaker pickup truck production. However, domestic car sales increased by 10.3% year-on-year to 164,883 units, supported by strong demand for BEV and HEV passenger cars as higher fuel prices encouraged consumers to shift toward more fuel-efficient vehicles. Exports decreased by 14.4% year-on-year to 201,150 units, mainly due to weaker shipments to key export markets, especially the Middle East.

For the first six months of 2026, total vehicle production decreased slightly by 1.0% year-on-year to 717,212 units, reflecting a slowdown in export market demand. Export volume declined by 8.3% to 421,144 units, mainly due to lower shipments to overseas markets as the Middle East conflict disrupted exports and Chinese EV competition intensified in certain regional markets. In contrast, domestic sales increased significantly by 14.6% to 346,966 units, driven by strong passenger car demand, particularly for BEV and HEV models. The growth was supported by higher fuel prices, wider availability of competitively priced EV models, and government support for energy transition, partly offsetting the decline in export demand. Despite ongoing challenges in global trade conditions, the stronger domestic market helped support the overall automotive industry during the period.

For 2026, the Federation of Thai Industries (FTI) revised Thailand's vehicle production forecast from 1.50 million units to 1.45 million units, divided into 900,000 units for export and 550,000 units for domestic sale. The downward revision was mainly due to lower export demand, the impact of the Middle East conflict on shipping routes, and stronger competition from Chinese EVs in ASEAN, Australia and other export markets.

Although domestic sales showed some recovery, the improvement was mainly driven by passenger cars and electrified vehicles, while pickup trucks remained under pressure from high household debt and strict auto loan approval. As pickup trucks carry higher local content and are important to Thailand's automotive supply chain, the weak pickup market continued to weigh on domestic parts manufacturers.

Amid challenging market conditions, the Company's revenue for the first half of the year decreased slightly by 2.2% year-on-year, primarily due to a decline in sales from operations in Thailand, in line with the decrease in vehicle production volume in the country. However, continued growth in sales from operations in Portugal and Malaysia partially offset the impact of the decline. Net profit improved, mainly driven by a better gross profit margin, lower finance costs, and a higher share of profit from associates and joint ventures. The Company maintained stability and managed market volatility prudently, resulting in a solid overall financial position, with adequate liquidity and a low interest-bearing debt-to-equity ratio of 0.5 times.

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Looking ahead, market conditions are expected to remain challenging, particularly from weaker export demand, pressure on pickup truck sales, and increasing competition in the EV segment. AAPICO will therefore continue to manage costs carefully and improve operational efficiency, while selectively pursuing opportunities in EV-related components, automation, and strategic collaborations. Although the Federation of Thai Industries (FTI) revised Thailand's 2026 vehicle production forecast down to 1.45 million units, the Group remains cautiously focused on maintaining profitability and strengthening its position for medium- to long-term growth.

6) Sustainability Developments

During the past quarter, the Company participated in the EcoVadis sustainability assessment, an internationally recognized platform widely used by the Company's customers to evaluate the sustainability performance and capabilities of their suppliers. The assessment covers four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. The assessment results show that the Company achieved an overall score of 53, placing it in the 34th percentile. These results reflect the Company's ongoing commitment to continuously improving its sustainability performance and strengthening its responsible business practices.

The Company conducts verification of its organizational greenhouse gas (GHG) emissions from its operations in Thailand in accordance with ISO 14064-1, aligned with the GHG Protocol Corporate Standard. This initiative reflects the Company's commitment to becoming a low-carbon organization and contributing to social and environmental responsibility by reducing its greenhouse gas emissions and mitigating the impacts of climate change.

In addition, the Company has installed Solar Rooftop systems at 8 automotive parts manufacturing and distribution facilities across Thailand. During the past quarter, electricity generated from solar energy accounted for an average of 40% of the total electricity consumption at these facilities. As a result, the Company reduced greenhouse gas emissions associated with electricity consumption by approximately 666 tonnes carbon dioxide equivalent (tCO_2e).

The Company remains committed to expanding the installation of rooftop solar systems across all its automotive parts manufacturing and distribution facilities in Thailand. This initiative aims to increase the share of renewable energy consumption, reduce greenhouse gas (GHG) emissions, and support the Company's long-term goal of achieving Carbon Neutrality.

Yours sincerely,



(Mr. Yeap Swee Chuan)
President and CEO

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