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13 August 2026

Subject: Explanation and Analysis by Management Regarding the Operating Results for the Six-months Ended (January 1, 2026 – June 30, 2026)

To: The Board of Directors and the President, The Stock Exchange of Thailand

1. Overview of Business Operations, Economic Conditions, and Industry Outlook Affecting the Company's Operations

During the second quarter of 2026, the Company continued to operate its business of manufacturing and distributing paints and chemical products for industrial, construction, and maintenance applications. The Company focused on enhancing operational excellence together with effective cost management through inventory management, raw material procurement planning, production cost control, and process improvement, in order to maintain competitiveness and accommodate fluctuations in costs.

The Company continued to expand its business into construction contracting, renovation and decoration services, and integrated solutions, including the development of customized solutions tailored to customers' specific requirements, with the aim of increasing value and expanding its revenue base. In addition, the Company continued to develop specialty chemicals and innovation coatings, such as waterproofing coatings, fire-resistant coatings, anti-corrosion products, and chemicals for maintenance applications, alongside research and development of environmentally friendly products, conducting business in accordance with ESG principles, and exploring new business opportunities to support stable and sustainable long-term growth.

During the second quarter of 2026, the Thai economy continued to recover at a slower pace amid global economic uncertainties, geopolitical conflicts, uncertainties surrounding trade policies and tariffs of major economies, as well as fluctuations in exchange rates and energy prices. These factors affected supply chains, transportation costs, and raw material prices across the industrial sector.

Domestically, although tourism and consumption remained key drivers of economic activity, the manufacturing sector and private investment continued to face constraints from high household debt, limited access to credit, and consumer and business confidence that had not yet fully recovered. As a result, spending on construction, repairs, and residential renovation slowed compared with the beginning of the year. The real estate sector also remained under pressure due to a decline in new project launches and persistently high rejection rates for housing loans, resulting in slower demand for paint products used in new construction projects. Nevertheless, the renovation and maintenance market continued to demonstrate sustained demand, although customers generally took longer to make decisions and complete projects.

The paints and chemicals industry continued to face pressure from fluctuations in the prices of key raw materials, including resins, solvents, pigments, and additives, as well as energy costs, transportation expenses, and exchange rates. These factors required industry operators to exercise greater discipline in cost management and raw material procurement planning.

At the same time, price competition remained intense, as many operators adopted pricing strategies and promotional campaigns to maintain market share amid slowing demand. Consequently, the Company continued to focus on improving operational efficiency, developing value-added products, providing solutions that address customers' needs, and expanding into products and services with growth potential in order to maintain competitiveness and achieve sustainable long-term growth.

2. Summary of Significant Events and Developments

Based on the financial information for the second quarter of 2026, the Company and its subsidiaries recorded revenue from sales and services of Baht 81.88 million, an increase from approximately Baht 60.97 million in the same period of the previous year, representing an increase of approximately 34.29%. The increase was mainly attributable to the increasing in sales of paint products and revenue from painting contracting services, as well as related services, amid the gradual pace of economic recovery and continued economic uncertainties both domestically and internationally.

During the second quarter of 2026, the industrial sector continued to face pressure from several external factors, including geopolitical tensions in various regions, volatility in energy and raw material prices, continued uncertainty in exchange rates, and cautious private-sector investment. These factors affected business confidence and investment decisions, particularly in construction projects.

Meanwhile, Thailand's real estate sector continued to experience a slowdown due to weakened purchasing power resulting from high household debt, constraints on access to credit, and a decline in new residential project launches. This resulted in slower demand for paint products used in new construction projects, as well as residential renovation and decoration, compared with the previous period. In addition, customers in the contractor, distributor, and industrial sectors continued to manage their inventories cautiously and postponed purchases in line with prevailing market conditions, affecting the Company's sales volume.

Analysis of Business Environment Affecting Operations

Macroeconomic Factors

During the second quarter of 2026, the Thai economy continued to expand at a slower pace amid persistent global economic uncertainties and prolonged geopolitical risks. As a result, businesses and consumers remained cautious about investment and spending. Although tourism and domestic consumption continued to be important drivers of economic activity, household purchasing power remained under pressure from high household debt, limited access to credit, and consumer confidence that had not yet fully recovered.

The real estate sector continued to slow down, particularly the new residential segment, which was affected by high rejection rates for housing loan applications, delays in the launch of new projects, and weak purchasing power. This resulted in lower demand for construction materials, architectural coatings, and related products compared with the same period of the previous year. Meanwhile, demand for renovation, repair, and building maintenance services (Renovation & Maintenance) remained relatively stable. However, contractors and project owners became more cautious about spending and increasingly delayed investment decisions, resulting in longer-than-usual project execution timelines and delays in product orders.

In the industrial sector, prices of key raw materials used in paint manufacturing, including petrochemicals, resins, pigments, and specialty chemicals, remained volatile due to fluctuations in global energy prices, exchange rates, and logistics costs. These factors required industry operators to implement effective cost management and raw material procurement planning in order to maintain competitiveness and mitigate the impact on profit margins.

In addition, uncertainties surrounding international trade policies, the implementation of tariffs and trade restrictions in various countries, as well as conflicts in the Middle East and other regions, continued to affect energy prices, freight costs, exchange rate volatility, and supply chain continuity. These factors could potentially affect production costs across the industrial sector as a whole.

Under these circumstances, the Company closely monitored economic conditions and risks that could affect its business operations and continued to implement measures relating to cost management, raw material procurement, inventory management, and operational efficiency. The Company also focused on developing value-added products and services in order to maintain its competitiveness and prepare for the recovery of demand in the period ahead.

Significant Events During Q2/2026

- The Company recorded sales revenue from Suncoat (Thailand) Co., Ltd. of Baht 17.44 million, an increase of Baht 2.28 million, or approximately 15.06%, from Baht 15.16 million in the same period of the previous year.

3. Summary of Operating Results

3.1 Revenue from Sales or Services

For the three-month period ended June 30, 2026, the Company and its subsidiaries recorded a net loss of Baht 3.72 million, a decrease from the net loss of Baht 22.61 million recorded in the same period of the previous year, representing a reduction in net loss of 83.55%. For the six-month period ended June 30, 2026, the Company and its subsidiaries recorded a net loss of Baht 7.58 million, compared with a net loss of Baht 33.60 million in the same period of the previous year, representing a reduction in net loss of 77.43%. The improvement in performance reflected the Company’s enhanced cost management efficiency and increased revenue from its core business.

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Revenue (Baht million) for the period ended June 30, 2026	For the Three-Month Period Ended				Changes	
	2569	**%**	**2568**	**%**	**MB**	**%**
Revenue from Sales and Services	47.65	95.23%	32.22	94.02%	15.42	47.86%
Revenue from Construction Contracting Services	2.25	4.49%	1.78	5.19%	0.47	26.49%
Other Income	0.14	0.28%	0.27	0.79%	-0.13	-49.15%
Total Income	**50.03**	**100.00%**	**34.27**	**100.00%**	**15.76**	**45.99%**

Revenue (Baht million) for the period ended June 30, 2026	For the Six-Month Period Ended				Changes	
	2569	**%**	**2568**	**%**	**MB**	**%**
Revenue from Sales and Services	81.88	94.31%	60.97	96.70%	20.91	34.29%
Revenue from Construction Contracting Services	4.50	5.18%	1.78	2.82%	2.72	153.08%
Other Income	0.44	0.51%	0.31	0.48%	0.14	44.39%
Total Income	**86.82**	**100.00%**	**63.05**	**100.00%**	**23.76**	**37.69%**

The Company and its subsidiaries recorded total revenue of Baht 50.03 million for the three-month period, an increase of Baht 15.76 million, or 45.99%, from the same period of the previous year. For the six-month period, total revenue amounted to Baht 86.82 million, an increase of Baht 23.76 million, or 37.69%, from the same period of the previous year. The main sources of revenue were sales of industrial paints, service income, and construction contracting services, reflecting the expansion of the Company’s service business and the growth of its customer base in the industrial and building renovation segments.

3.2 Cost of Sales and Services and Selling Expenses

Revenue (Baht million) for the Period Ended June 30, 2026	For the Three-Month Period Ended			Changes		
	2569	%	2568	%	ล้านบาท	%
Cost of Sales and Services	39.09	82.05%	26.67	82.77%	12.42	46.58%
Cost of Construction Contracting Services	1.66	73.92%	1.59	89.55%	0.07	4.41%
Distribution Costs	4.82	9.63%	3.98	11.61%	0.84	21.11%
Administrative Expenses	6.53	13.04%	7.07	20.64%	-0.55	-7.73%
Total Expenses	**52.10**	**104.13%**	**39.31**	**114.71%**	**12.79**	**32.52%**
Revenue (Baht million) for the Period Ended June 30, 2026	For the Six-Month Period Ended			Changes		
	2569	%	2568	%	ล้านบาท	%
Cost of Sales and Services	66.77	81.55%	51.95	85.21%	14.81	28.52%
Cost of Construction Contracting Services	3.07	68.14%	1.59	89.55%	1.47	92.57%
Distribution Costs	8.61	9.92%	7.92	12.56%	0.69	8.77%
Administrative Expenses	12.43	14.31%	15.23	24.15%	-2.80	-18.39%
Total Expenses	**90.87**	**104.67%**	**76.69**	**121.63%**	**14.18**	**18.49%**

For the three-month period ended June 30, 2026, the Company and its subsidiaries recorded total expenses of Baht 52.10 million, an increase of Baht 12.79 million, or 32.52%, from the same period of the previous year. For the six-month period ended June 30, 2026, total expenses amounted to Baht 90.87 million, an increase of Baht 14.18 million, or 18.49%, from the same period of the previous year. The major expenses continued to comprise cost of sales and construction contracting services, which increased in line with the higher volume of work and sales.

At the same time, the Company effectively controlled its administrative expenses, resulting in a decrease of Baht 2.80 million, or 18.39%, compared with the same period of six-month period of the previous year. This reduction was attributable to internal cost management, improvements in operational efficiency, and continued expense control.

3.3 Profit

The operating performance for the second quarter of 2026 reflected the Company’s ability to execute its business plan as intended, with a continued reduction in losses. This improvement was driven by enhanced operational efficiency, the expansion of services to meet customer needs, and the offering of differentiated, high-value-added products. The Company also continued to develop high-quality products to strengthen its competitive capabilities and support long-term growth.

4. Financial Position Summary

4.1. Assets

As of June 30, 2026, the Company and its subsidiaries had total assets of Baht 295.16 million, an increase of Baht 21.02 million compared with the previous year, when total assets amounted to Baht 274.14 million.

- Current assets amounted to Baht 86.02 million, representing 29.14% of total assets, an increase of Baht 19.95 million. The increase was mainly attributable to an increase of Baht 15.67 million in trade and other current receivables, in line with the growth in sales and business operations.
- Non-current assets amounted to Baht 209.14 million, representing 70.86% of total assets, a slight increase mainly due to an increase in other non-current financial assets.

4.2 Liabilities

As of June 30, 2026, the Company and its subsidiaries had total liabilities of Baht 158.62 million, an increase of Baht 28.60 million compared with the previous year, when total liabilities amounted to Baht 130.02 million. The liabilities comprised:

- Current liabilities amounted to Baht 81.06 million.
- Non-current liabilities amounted to Baht 77.56 million.

The increase in liabilities was mainly attributable to an increase of Baht 19.94 million in trade and other current payables, primarily to support the higher volume of work and the procurement of raw materials required for business operations.

4.3 Liquidity

The Company continued to place strong emphasis on closely managing liquidity and working capital, with a focus on trade receivables management, inventory level control, and financial cost management to ensure sufficient liquidity to support ongoing business operations and future business expansion.

In addition, the Company appropriately managed intercompany transactions within the Group through short-term lending and borrowing in the form of promissory notes, in order to enhance liquidity and improve the efficiency of capital management within the Group.

4.4 Shareholders' Equity

As of June 30, 2026, the Company and its subsidiaries had total shareholders' equity of Baht 136.54 million, a decrease from Baht 144.12 million in the previous year. The decrease was mainly attributable to the net loss incurred during the period.

5. Factors That May Affect Future Operations or Growth

The Company places strong emphasis on sustainable business operations while strengthening its long-term competitiveness. The Company continues to focus on cost management and operational efficiency, including raw material procurement management, inventory management, production process optimization, and expense control, in order to mitigate cost volatility and maintain profitability. In addition, the Company continues to pursue strategies to diversify its revenue sources and expand its customer base, with a focus on industrial customers, infrastructure projects, renovation and maintenance projects (Renovation & Maintenance), commercial construction projects, and integrated services. The Company also continues to develop innovative products and high-value-added specialty chemicals to enhance its competitiveness and respond to changing market demands.

Despite the continued implementation of these strategies, the Company anticipates that the global and domestic economies will remain subject to uncertainties during the second half of 2026, which may affect its business operations. Key factors include volatility arising from geopolitical developments, conflicts in various regions, uncertainties surrounding international trade policies, tariffs and trade barriers, as well as fluctuations in exchange rates, energy prices, and transportation costs. These factors may affect raw material prices, supply chain continuity, and production costs across the paints and chemicals industry.

About domestic factors, the Company expects that the recovery of the real estate and construction sectors may continue to be gradual due to constraints on consumer purchasing power, high household debt, tighter credit conditions, and cautious private-sector investment. These factors may result in demand for paint products for new construction projects, as well as building renovation and decoration, recovering more slowly than anticipated. Meanwhile, price competition within the industry is expected to remain intense, which may place pressure on industry operators' revenue and profit margins.

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The Company will closely monitor economic conditions, risk factors, and changes in market conditions and will adjust its business strategies accordingly to respond to evolving circumstances. These efforts are aimed at maintaining competitiveness, strengthening the Company's business foundation, and supporting stable and sustainable long-term growth, while creating maximum value for shareholders, customers, business partners, and all stakeholders.

Please be informed accordingly.

Sincerely yours,

-Vasu Khunvasi-

(Mr. Vasu Khunvasi)

Acting Chief Financial Officer and Accounting Officer