CHU KAI

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13 August 2026

Subject Management Discussion for the Second Quarter operating results ended 30 June 2026

To Managing Directors
The Stock of Exchange of Thailand

Management Summary

Overview of Business Operations, Economic Conditions, and Industry Outlook Affecting Operations

The machinery rental business has shown a growth trend, driven by construction potential in Data Centers (Battery Energy Storage Systems), port and logistics projects, industrial plant, and wind renewable energy, with industrial factory construction in the Eastern region and government infrastructure development serving as key drivers. However, the machinery rental business continues to face challenges, including increased competition from a growing number of small crane service providers capacity 10-500 tons, which has led to lower profit margins due to pricing competition, easier access to information for price comparisons, a shortage of skilled workforce in the Thai crane market, as well as economic uncertainty and global geopolitical tensions. The Group has continuously adapted its internal work systems, maintained its customer base, and accelerated the expansion of its backlog, enabling the Company to sustain revenue levels in the second quarter of 2026 comparable to those achieved in the second quarter of 2025.

Summary of Significant Events and Developments

The Company experienced no significant events or developments during the period under review that materially impacted its operating results.

Summary of Operating Results

The operating results of Chu Kai Public Company Limited and its subsidiaries (the "Group") for 3 months period ending June 30, 2026, are summarized below.

Unit : Million Baht	For the 3 months period		Change	
	Q2/2026	Q2/2025	Increase (Decrease)	Percentage
Revenue from sales and services	47.85	50.85	(3.00)	(5.90)
Cost of sales and services	(46.21)	(49.60)	(3.39)	(6.83)
Gross profit (loss)	**1.64**	**1.25**	**0.39**	**31.20**
Gross Profit Margin	*3.43%*	*2.46%*		
Other income	1.63	2.88	(1.25)	(43.40)
Distribution costs	(2.01)	(2.04)	(0.03)	(1.47)
Administrative expenses	(15.70)	(30.48)	(14.78)	(48.49)
Profit (loss) from operating activities	**(14.44)**	**(28.39)**	**(13.95)**	**(49.14)**
Finance costs	(10.64)	(12.38)	(1.74)	(14.05)
Profit (loss) before income tax	**(25.08)**	**(40.77)**	**(15.69)**	**(38.48)**
Tax income	0.08	4.96	(4.88)	(98.39)
Profit (loss) for the period	**(25.00)**	**(35.81)**	**(10.81)**	**(30.19)**
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss) for the period	**(25.00)**	**(35.81)**	**(10.81)**	**(30.19)**
Basic earnings (loss) per share (Baht)	**(0.033)**	**(0.047)**	**(0.014)**	**(29.84)**

The Group's operating loss decreased compared to the same period of the previous year, as summarized as follows:

Revenues
The Group has the revenues from sales and machinery rental business by Baht 47.85 million, decreasing by Baht 3 million or 5.90 percent compared to the same period of the previous year. This was due to the postponement of both government and private sector projects, compounded by economic volatility and geopolitical instability on the global stage, which resulted the customers slowdown the investment decisions and postpone the project commencement date.

Gross profit
The Group has gross profit by Baht 1.64 million, increasing by Baht 0.39 million or 31.20 percent. This improvement was primarily driven by the Group's continuous cost control and cost management measures.

Administrative Expenses
Administrative expenses amounted to Baht 15.70 million, decreasing by Baht 14.78 million or 48.49 percent compared to the same period of the previous year. The decrease was mainly due to improved debt collection efficiency, including the collection of partial advance payments at project commencement, which helped reduce the allowance for doubtful accounts, along with ongoing cost control and management.

Loss for the period
As a consequence of the factors described above, the Group recorded a net loss by Baht 25 million for the second quarter of 2026, reflecting a decrease in loss by Baht 1.81 million, or to 30.19 percent compared to the same period of the previous year.

The operating results of Chu Kai Public Company Limited and its subsidiaries (the "Group") for 6 months period ending June 30, 2026, are summarized below.

Unit : Million Baht	For the 6 months period		Change	
	Q2/2026	Q2/2025	Increase (Decrease)	Percentage
Revenue from sales and services	92.16	124.82	(32.66)	(26.17)
Cost of sales and services	(86.76)	(113.92)	(27.16)	(23.84)
Gross profit (loss)	**5.40**	**10.90**	**(5.50)**	**(50.46)**
Gross Profit Margin	*5.86%*	*8.73%*		
Other income	9.62	5.63	3.99	70.87
Distribution costs	(3.71)	(4.40)	(0.69)	(15.68)
Administrative expenses	(31.40)	(55.75)	(24.35)	(43.68)
Profit (loss) from operating activities	**(20.09)**	**(43.62)**	**(23.53)**	**(53.94)**
Finance costs	(21.38)	(25.32)	(3.94)	(15.56)
Profit (loss) before income tax	**(41.47)**	**(68.94)**	**(27.47)**	**(39.85)**
Tax income (expense)	2.15	4.84	(2.69)	(55.58)
Profit (loss) for the period	**(39.32)**	**(64.10)**	**(24.78)**	**(38.66)**
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss) for the period	**(39.32)**	**(64.10)**	**(24.78)**	**(38.66)**
Basic earnings (loss) per share (Baht)	**(0.052)**	**(0.085)**	**(0.033)**	**(38.99)**

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The Group has the operating losses compared to the same period of the previous year, are summarized below.

Revenues

The Group has the revenues from sales and machinery rental business by Baht 92.16 million, decreasing by Baht 32.66 million or 26.17 percent compared to the same period of the previous year. This was due to the postponement of both government and private sector projects, compounded by economic volatility and geopolitical instability on the global stage, which resulted the customers slowdown the investment decisions and postpone the project commencement date.

Gross profit

The Group has gross profit by Baht 5.40 million, decreasing by Baht 5.5 million. The decrease was mainly due to a significant reduction in machinery rental business, especially project work that slowdowns and investment postponements. Meanwhile, variable costs decreased in proportion to the reduced volume of work.

Other Income

Other income increased by Baht 3.99 million compared to the same period of the previous year, primarily driven by collections of receivables for which allowances for doubtful accounts had been previously established, as well as gains on the disposal of assets at prices above their previously recognized impairment allowances.

Administrative expenses

Administrative expenses amounted to Baht 31.40 million, decreasing by Baht 24.35 million or 43.68 percent compared to the same period of the previous year. The decrease was mainly due to improved debt collection efficiency, including the implementation of progress-based payment terms, coupled with the enforcement of temporary work suspension measures in cases of overdue payments, in order to preserve the Group's liquidity and cash flow stability. These measures also contributed to a reduction in the provision for doubtful accounts, alongside the ongoing control and management of expenses and costs.

Finance Costs

Finance costs amounted to Baht 21.38 million, decreasing by Baht 3.94 million or 15.56 percent compared to the same period of the previous year. The decrease was mainly due to the gradual repayment of debt, combined with a decrease in loan interest rates when compared to the same period of the previous year.

Loss for the period

As a consequence of the factors described above, the Group recorded a net loss by Baht 39.32 million for six months period ended 30 June 2026, reflecting a decrease in loss by Baht 24.78 million, or to 38.66 percent compared to the same period of the previous year.

Statement of Financial Position

Key Financial Information (Unit : Million Baht)	ended 30 June 2026	ended 31 December 2025	Change	
			Million Baht	Percentage
Current assets	106.83	127.70	(20.87)	(16.34)
Non-current assets	1,378.45	1,412.81	(34.36)	(2.43)
Total assets	1,485.28	1,540.51	(55.23)	(3.59)
Current liabilities	752.38	758.70	(6.32)	(0.83)
Non-current liabilities	69.60	79.19	(9.59)	(12.11)
Total liabilities	821.98	837.89	(15.91)	(1.90)
Shareholders' equity	663.30	702.62	(39.32)	(5.60)
Total liabilities and shareholders' equity	1,485.28	1,540.51	(55.23)	(3.59)

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Financial Ratios	ended 30 June 2026	ended 31 December 2025	ended 30 June 2025
Debt to Equity Ratio (times)	1.24	1.19	1.13
Interest Coverage Ratio (times)	1.27	0.29	0.23
Debt Service Coverage Ratio (times)	0.04	0.02	0.01
Current Ratio (times)	0.14	0.17	0.33
Return on Equity (ROE)	(11.51%)	(16.85%)	(16.03%)
Return on Assets (ROA)	(5.20%)	(7.95%)	(7.65%)

Assets

Total assets decreased by 3.59 percent to Baht 1,485.28 million. This decrease was primarily attributable to a reduction in current contract assets, trade receivables, and other receivables of Baht 16.92 million, resulting from continued collection efforts and consistent with the decline in revenue. Additionally, the decrease was driven by normal depreciation charges on investment properties, land, buildings and equipment, and right-of-use assets, as well as the disposal of certain assets during the period.

Liabilities

Total liabilities decreased by 15.91 percent to Baht 821.98 million, as the Group gradually repayment of loans and liabilities in accordance with the scheduled payment terms. This resulted in a reduction in both short-term and long-term liabilities compared to the end of the previous year.

Shareholders' Equity

Total shareholders' equity decreased by 39.32 percent to Baht 663.30 million, primarily due to the net loss for the period of Baht 39.32 million.

Factors That May Affect Future Operations or Growth

The Group continues to closely monitor the economic environment and investment trends of both the government and private sectors. The Group's strategic priorities remain focused on increasing its backlog, optimizing cost management, maximizing machinery utilization, and ongoing debt collection efforts to enhance liquidity and secure long-term profitability. Furthermore, the Company remains committed to managing risks associated with economic volatility that may impact customers' investment decisions.

Please be informed accordingly,

Yours sincerely,

Chu Kai Public Company Limited

Wanida Darachai

Company Secretary

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