No.004/0869

August 14, 2026

Subject Management Discussion and Analysis for the second quarter of 2026 (Change by more than 20%)

TO Directors and Managers
The Stock Exchange of Thailand

Hydrotec Public Company Limited and its subsidiaries ("Group of Companies") would like to clarify the operating results for the second quarter ended June 30, 2026 which have been reviewed by the Certified Public Accountant with the following details:

(Unit : Thousand Baht)

Items (Unit : Thousand Baht)	For the 3-Month Period				For the 6-Month Period			
	2026	2025	Change		2026	2025	Change	
			Amount	%			Amount	%
Revenue from sales	1,900	-	1,900	100.00	1,900.00	-	1,900	100.00
Revenue from construction	18,658	203,613	(184,955)	(90.84)	74,525	247,989	(173,464)	(69.95)
Revenue from services	465	5,103	(4,638)	(90.89)	595	5,103	(4,508)	(88.34)
Other income	48	61	(13)	(21.31)	1,124	198	926	467.68
Total revenue	**21,071**	**208,777**	**(187,706)**	**(89.91)**	**78,144**	**253,290**	**(177,046)**	**(69.90)**
Cost of sales	(1,895)	-	1,895	100.00	(1,895)	-	1,895	100.00
Cost of construction	(14,945)	(183,138)	(168,193)	(91.84)	(57,273)	(212,393)	(155,120)	(73.03)
Cost of services	(334)	(1,125)	(791)	(70.31)	(383)	(1,125)	(742)	(65.96)
Administrative expenses	(13,190)	(11,389)	1,801	15.81	(28,524)	(21,466)	7,058	32.88
Expected credit loss on trade receivables	(22,359)	-	22,359	100.00	(66,911)	-	66,911	100.00
Total expenses	**(52,723)**	**(195,652)**	**(142,929)**	**(73.05)**	**(154,986)**	**(234,984)**	**(79,998)**	**(34.04)**
Operating (loss) from operations	**(31,652)**	**13,125**	**(44,777)**	**(341.16)**	**(76,842)**	**18,306**	**(95,148)**	**(519.76)**
Finance costs	(5,362)	(5,951)	589	(9.90)	(10,677)	(11,034)	357	(3.24)
Share of loss from joint operation	(7)	9	(16)	(177.78)	(9)	(9)	-	-
Other income	(7)	(105)	98	(93.33)	42	(108)	150	(138.89)
Other expenses	(37,028)	7,078	(44,106)	(623.14)	(87,486)	7,155	(94,641)	(1,322.73)
Net loss (loss attributable to the Company)	**(37,028)**	**7,078**	**(44,106)**	**(623.14)**	**(87,486)**	**7,155**	**(94,641)**	**(1,322.73)**

1. Total Revenue Quarter 2/2026 Group Total revenue was 21.07 million baht. This was a decrease of Baht 187.71 million or 89.91% from the same quarter of the previous year. Decreased (177.05) million baht. This is 69.90% compared to the same period of the previous year as follows:

1.1 Revenue from sales The Company had revenue from the sale of products of 1.90 million baht. An increase of 1.90 million baht. This is because the Company sells the remaining materials used in construction that are left over from use and have not been used during this period. Therefore, he offered it to a company and used the money to pay off the factory rent debt for the second year.

1.2 Construction Revenue In the second quarter of 2023, 9 Group companies had construction revenue of Baht 18.66 million. Decreased from the same period of the previous year

(184.96) million baht. Accounting for 90.84% Compared to the second quarter of 2025 and for the six-month period of 2026, the Company had construction cost revenue of 74.53 million baht. Decreased by (173.46) million baht. This was due to the delay of some construction work due to the adjustment of the employer's design, which led to a decrease in the recognition of revenue based on the progress of the work.

1.3 Service Revenue The Group had service revenue of Baht 0.47 million. Decreased by (4.63) million baht. For the six-month period of 2026, the Group had revenue of Baht 0.60 million. decreased by 4.51 million baht. This is 88.34 million baht. Compared to the same period last year, the Group has not yet received revenue from new projects.

2. Expenses Quarter 2/20239 Group Companies Total expenses amounted to Baht 52.72 million, a decrease of Baht 142.93 million or 73.05% from the same quarter of the previous year . (34.04%) as follows:

2.1 Cost of sales The Company had a cost of sale of 1.89 million baht. An increase of 1.89 million baht. This was 100% compared to the same quarter of the previous year and for the 6-month period of the previous year due to the sale of remaining construction materials in stock.

2.2 Construction Costs The Group has construction costs of Baht 14.95 million. Decreased (168.19) million baht. This is because the company delayed the construction of some projects, which reduced the cost.

2.3 Service Costs The Group has a service cost of Baht 0.33 million. Decreased by (0.79) million baht. This is because the Group has no new customers in the field of design services.

2.4 Selling and Administrative Expenses The Group has selling and administrative expenses. 13.19 million baht. An increase of 1.8 million baht. This was due to an increase in expenses related to some liabilities estimates.

2.5 Expected credit losses The Group suffered a credit loss. 22.36 million baht. An increase of 22.36 million baht. This is 100% compared to the same quarter of the previous year, and for the six-month period, the Group has an expected credit loss. 66.91 million baht. Increase 66.91 million baht. This is 100% compared to the same period last year because the Group recorded trade receivables that are overdue for more than 180 days but not more than 365 days, with an estimated loss of 50% of the receivables with a maturity of more than 180 days.

Statement of Financial Position (Unit : Thousand Baht)

Description	As of June 30, 2026 (Unaudited)		As of December 31, 2025 (Audited)		Change	
	Amount	%	Amount	%	Amount	%
Total assets	635,542	100.00	756,830	100.00	(121,288)	(16.03)
Total liabilities	580,521	91.34	619,015	81.79	(38,494)	(6.22)
Total shareholders' equity	55,021	8.66	137,815	18.21	(82,794)	(60.08)

As of June 30, 2025, the Group's total assets decreased by Baht 121.29 million or 16.03 percent, mainly due to material items, including:

1. Transaction receivables and other receivables and other businesses decreased by (69.80) million baht. The material transactions are caused by the recording of expected credit losses. 66.91 million baht.

2. The list of land, plant and equipment and right-of-use assets decreased by a net decrease of (14.29) million baht due to the recording of depreciation of right-of-use assets, equipment depreciation, including the amortization of intangible assets and the disposal of some non-functional assets.

3. Inventory of construction materials decreased by 2.29 million baht due to the withdrawal of production work for construction work and sale of remaining construction materials products.

4. Factory rental security deposit decreased. 27.97 million baht due to the use of factory rental insurance to pay factory rent in the second year. Total liabilities decreased by Baht 38.49 million or 6.22 percent (6.22) due to the payment of factory rent in the second year of Baht 30 million. Total shareholders' equity decreased. Amount (82.79) Million Baht This was due to material transactions that are expected to incur credit losses as mentioned above. However, the Group has an action plan. The management has a plan to improve the Group's operating performance and liquidity, and has made efforts to manage its debt burden. As follows:

1) The Company continuously monitors and collects debts from trade receivables, including negotiating with debtors to create a clear payment plan. Especially debtors from projects in Phuket Province that have been temporarily delayed.

2) The company is in the process of procuring and participating in bidding for new projects from both the government and the private sector. To generate additional revenue and replace the slowdown in revenue from some projects.
3) The Company closely implements cost control measures and cost management. By considering reducing unnecessary expenses, as well as managing the purchase of raw materials and production in accordance with the actual workload.
4) The Company regularly monitors its cash flow status and liquidity estimates by preparing cash estimates to monitor revenues and expenses in advance, as well as rigorously forecasting weekly and monthly cash flows so that it can plan the appropriate use of working capital and support maturing obligations.
5) The Company manages trade payables by appropriately extending the payment period of creditors without losing credit. The Company will consider purchasing in cash instead of purchasing a credit store, which the Company must manage in accordance with the mon ey received from the outstanding trade receivables or cash flows received from operations.
6) The Company plans to negotiate for the use of the factory rental security deposit to pay the rent on behalf of the factory lessor for the rental in the third year as well. For the payment of factory rent in the 3rd year.

The Group is confident that it will have sufficient working capital to operate the business as planned by the Group and will be able to continue its operations. The Group expects the Group to remain able to meet its current and future financial obligations.

Sincerely yours,

(Ms.Pimjai Ariyakeereevarakup)

Chief Executive Officer

Hydrotek Public Company Limited