NO: CHO 028/2026

13 August 2026

Subject: Management Discussion and Analysis Quarter 2 of 2026 Ending June, 30 2026

To: The President
The Stock Exchange of Thailand

Cho Thavee Public Company Limited ("The Company" or "CHO") and its subsidiaries would like to provide clarification on the operating results for the second quarter of 2025 compared with the second quarter of 2026, covering the three-month periods from April to June, with the details as follows:

1. Business overview

In the second quarters of 2026 and 2025, the Company and its subsidiaries continued to face financial challenges arising from accumulated losses, liabilities exceeding assets, and uncertainties in negotiations with creditors to extend debt repayment terms.

ITEM (Unit: Million Baht)	First Half Y2025		First Half Y2026		Increase (decrease) Compared to the same period		Q2/2025		Q2/2026		Increase (decrease) Compared to the same period	
	amount	%	amount	%	amount	%	amount	%	amount	%	amount	%
Total Income	111.46	100.00	50.82	100.00	(60.65)	(54.41)	58.75	100.00	28.18	100.00	(30.57)	(52.03)
Total costs	161.55	144.94	58.80	115.71	(102.75)	(63.60)	98.13	167.02	26.52	94.11	(71.60)	(72.97)
Total operating expenses	267.05	239.59	54.45	107.16	(212.59)	(79.61)	190.79	324.73	24.32	86.27	(166.47)	(87.26)
Financial costs	61.54	55.21	78.99	155.45	17.45	28.36	27.52	46.84	42.46	150.64	14.94	54.28
Share of losses from investments in associated companies	1.82	1.63	0.03	0.06	(1.79)	(98.30)	0.35	0.60	0.02	0.05	(0.34)	(95.71)
Profit (loss) before income tax expense	(380.50)	(341.38)	(1,110.00)	(617.97)	(291.26)	(3,743.71)	(278.04)	(1,413.90)	(142.54)	(372.37)	135.50	(334.85)

	31 Dec 2025		30 June 2026		Increase (decrease) from 2025	
Total Assets	**1,459.29**	**100.00**	**1,439.96**	**100.00**	**(19.33)**	**(1.32)**
Total Liabilities	**2,600.89**	**178.23**	**2,723.03**	**189.10**	**122.14**	**4.70**
Total shareholders' equity	**(1,141.60)**	**(78.23)**	**(1,283.07)**	**(89.10)**	**(141.47)**	**(12.39)**

Summary of Operating Results

For the Second Quarter of 2026

For the second quarter of 2026, the Company and its subsidiaries recorded a loss for the period of Baht 65.13 million, representing a decrease in loss of Baht 192.90 million, or 74.76%, compared with the same period of the previous year. The decrease in loss was mainly attributable to the recognition of a loss from the write-down of inventories in 2025.

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Revenue from contracts amounted to Baht 16.23 million, representing a decrease of Baht 26.65 million, or 62.15%, compared with the same period of the previous year. This was mainly due to the decrease in sales, which resulted in a corresponding decrease in variable costs.

In addition, revenue from sales and services amounted to Baht 7.84 million, representing a decrease of Baht 5.43 million, or 40.91%, compared with the same period of the previous year. The decrease was mainly attributable to lower sales of spare parts and a decline in sales of slow-moving inventories.

For the First Half of 2026

For the first half of 2026, the Company and its subsidiaries recorded total revenue of Baht 50.82 million, representing a decrease of 54.41% compared with the same period of the previous year. This was mainly attributable to revenue from contracts of Baht 23.98 million, which decreased by Baht 58.80 million, or 71.03%. The decrease was primarily due to the revenue recognized in 2025 from orders for aircraft catering trucks received from overseas customers.

Revenue from sales and services for the first half of 2026 amounted to Baht 19.52 million, representing a decrease of 18.27% compared with the same period of the previous year, mainly due to lower sales of spare parts.

Nevertheless, the Company continued to incur fixed costs that were required to be recognized in accordance with applicable accounting standards, resulting in a loss for the period.

Cost and Expenses

For the Second Quarter of 2026

- **Total Costs:** Total costs amounted to Baht 26.52 million, representing a decrease of Baht 71.60 million, or 72.97%, compared with the same quarter of the previous year. The decrease was in line with the decline in revenue and sales volume. The remaining costs mainly comprised fixed costs that continued to be recognized in accordance with applicable accounting standards.
- **Selling Expenses:** Selling expenses amounted to Baht 1.05 million, representing a decrease of 72.31%. The decrease was mainly due to lower selling expenses in line with the decline in sales compared with the previous year.
- **Administrative Expenses:** Administrative expenses amounted to Baht 23.26 million, representing a decrease of 14.34% compared with the same period of the previous year. The decrease was mainly attributable to the recognition of a loss from the write-down of inventories in 2025 in accordance with applicable accounting standards.

For the First Half of 2026

- **Total Costs:** Total costs amounted to Baht 58.80 million, representing a decrease of 63.60% compared with the previous year, in line with the decline in sales. In addition, the proportion of costs to sales decreased compared with the same period of the previous year, mainly due to the Company's efforts to control variable expenses.
- **Selling Expenses:** Selling expenses amounted to Baht 2.87 million, representing a decrease of 55.60%. The decrease was mainly due to lower selling expenses in line with the decline in sales compared with the previous year.
- **Administrative Expenses:** Administrative expenses amounted to Baht 51.58 million, representing a decrease of 113.58% compared with the previous year. The decrease was mainly attributable to the recognition of a loss from the write-down of inventories in 2025 in accordance with applicable accounting standards.

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Finance Costs

For the second quarter and the first half of 2026, finance costs amounted to Baht 42.46 million and Baht 78.99 million, respectively, representing increases of 54.28% and 28.36%, respectively, compared with the same periods of the previous year. The increases were mainly attributable to the recognition of interest expenses on borrowings from financial institutions and interest expenses on bonds.

Share of Loss from Associates

The Group recognized a share of loss from investments in associates of Baht 0.03 million, resulting from the operating performance of the associates, which was adversely affected by economic conditions and business operations during the previous year.

Summary of Financial Position

As of June 30, 2026, the Company and its subsidiaries had total assets of Baht 1,439.96 million, representing a decrease of 1.32% compared with December 31, 2025. The decrease was mainly attributable to a reduction in trade receivables and other current receivables.

Total liabilities amounted to Baht 2,723.03 million, representing an increase of 4.70%, mainly due to an increase in trade payables and other payables.

As disclosed in Note 2 to the financial statements regarding the application of the going concern basis of accounting, the Group and the Company reported net losses for the six-month period ended June 30, 2026 of Baht 141 million and Baht 138 million, respectively. As of June 30, 2026, the Group and the Company had accumulated losses of Baht 4,134 million and Baht 4,128 million, respectively. The accumulated losses exceeded paid-up capital by Baht 1,238 million for the Group and Baht 1,280 million for the Company. In addition, current liabilities exceeded current assets by Baht 1,997 million and Baht 1,971 million, respectively.

2. Going Concern

The auditor issued a disclaimer of conclusion on the interim financial information due to the existence of a material uncertainty related to the Company's ability to continue as a going concern.

The key matters underlying the auditor's report, which resulted in the disclaimer of conclusion on the interim financial information, are summarized as follows:

1. **Auditor's Report:** Disclaimer of conclusion on the interim financial information.
2. **Negative Equity:** The Group had negative shareholders' equity as of the second quarter of 2026.
3. **Multiple Defaults:** The Company was in default on several debt obligations.
4. **Litigation:** The Company was subject to legal proceedings brought by financial institutions, bondholders, and trade creditors.
5. **Unreviewed Investments in Associates:** Direct and indirect investments in associates had not been audited by the auditor, as such associates were not under the control of the Company's management.

The Company fully recognizes the significance of these matters and has formulated a recovery plan covering financial restructuring, operational improvement, and risk management to support the Company's ability to continue its business operations. However, the successful implementation of such plans remains subject to the execution of the relevant measures and other external factors.

3. Debt Status and Debt Restructuring

The Company is currently negotiating with financial institutions, trade creditors, and bondholders to restructure its debt obligations in line with the Company's cash flow position. The negotiations cover:

- Extension of debt repayment periods;
- Revision of debt repayment terms and conditions;
- Reduction of interest burden; and
- Establishment of revised debt repayment plans.

Management believes that successful debt restructuring would help alleviate liquidity pressures and support the Company's long-term business operations.

4. Business Improvement and Operational Plan

4.1 Debt Restructuring

The Company is negotiating with all groups of creditors to reduce its financial burden and restructure its debt obligations to align with the Company's debt repayment capacity.

4.2 Strengthening of the Capital Structure

On July 9, 2026, at the Company's Board of Directors' Meeting No. 7/2026, the Board of Directors resolved to propose to the shareholders' meeting for consideration and approval the reduction of registered capital, increase of registered capital, and allocation of newly issued ordinary shares to specific investors through a Private Placement, as well as the acquisition of software, namely the **Advanced Commercial AI Platform for EV (ACAPE)**. These transactions are intended to strengthen the Company's financial position and enhance its long-term business potential.

The transactions remain subject to approval by the shareholders and the fulfillment of the relevant conditions.

The Company expects that, upon completion of the transactions, the measures will help address the negative shareholders' equity position reported in the financial statements as of June 30, 2026, strengthen the Company's capital base, reduce working capital constraints, and support the Company's negotiations with creditors regarding debt restructuring.

4.3 Revenue Enhancement

The Company is focusing on projects that offer appropriate profit margins, require relatively low working capital, and have the potential to generate cash flow within a relatively short period.

4.4 Cost Reduction

The Company is reviewing its cost structure across the organization and reducing unnecessary expenses to ensure that the cost structure is appropriate for the current level of revenue.

4.5 Enhancement of Internal Control Systems

The Company has continuously reviewed and enhanced its accounting systems, internal controls, and risk management processes to improve the quality of financial reporting and enhance the efficiency of monitoring trade receivables, inventories, investments, and other material transactions. These measures are also intended to reduce the likelihood of errors in the future, taking into consideration the Company's personnel capabilities and financial position.

Nevertheless, the recovery plan remains subject to uncertainties and depends on the successful outcome of negotiations with creditors, approval of the relevant transactions, the ability to secure additional funding, and the Company's ability to generate sufficient cash flow from future operations. Management will closely monitor the progress of the recovery plan and continuously disclose material information to shareholders and investors 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

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