ASEFA PLC.

No. CS69/405

August 13, 2026

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

Attention: The Board of directors

The Stock Exchange of Thailand

At the Board of Directors' Meeting No. 5/2026 of ASEFA Public Company Limited, held on 13 August 2026, the Board of Directors resolved to approve the interim financial statements of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2026. The Company hereby provides explanations and analysis of the significant changes in its operating results as follows:

Operating Results Summary

(Unit: Million Baht)

Consolidated Financial Statement	Q2'2026	Q2'2025	Change Increased / (Decreased)		6-Month 2026	6-Month 2025	Change Increased / (Decreased)	
			Amount	%			Amount	%
Revenue for sale and services	1,456.12	599.38	856.74	142.94	2,787.87	1,313.23	1,474.64	112.29
Cost of sales and services	(1,147.21)	(461.48)	685.74	148.60	(2,191.08)	(1,011.08)	1,180.00	116.71
Gross profit	**308.91**	**137.90**	**171.00**	**124.00**	**596.79**	**302.15**	**294.64**	**97.51**
Gross Profit Margin (%)	**21.21%**	**23.01%**			**21.41%**	**23.01%**		
Other income	21.99	12.59	9.41	74.74	39.28	27.02	12.26	45.41
Profit before expenses	**330.90**	**150.49**	**180.41**	**119.88**	**636.07**	**329.17**	**306.90**	**93.24**
Distribution Costs	(84.02)	(69.23)	14.80	21.37	(170.67)	(134.75)	35.92	26.66
Administrative expenses	(101.60)	(49.23)	52.37	106.38	(170.08)	(98.98)	71.10	71.84
Total Expenses	**(185.62)**	**(118.45)**	**67.16**	**56.70**	**(340.76)**	**(233.73)**	**107.03**	**45.79**
Profit (loss) from operating activities	**145.28**	**32.03**	**113.25**	**353.52**	**295.31**	**95.44**	**199.87**	**209.43**
Finance costs	(8.37)	(5.05)	3.32	65.68	(15.20)	(8.92)	6.28	70.56
Share of profit (loss) of associates accounted for using the equity method	0.08	1.15	(1.07)	(93.42)	0.13	(1.73)	1.86	107.37
Profit (loss) before income tax	**136.99**	**28.13**	**108.86**	**386.95**	**280.24**	**84.79**	**195.45**	**230.50**
Income tax revenues (expenses)	(27.84)	(6.44)	21.41	332.50	(55.80)	(19.11)	36.69	191.90
Profit for the period	**109.15**	**21.69**	**87.45**	**403.10**	**224.44**	**65.68**	**158.76**	**241.73**
Other comprehensive income for the period, net of tax	**-**	**(0.60)**	**0.60**	**100.00**	**-**	**3.94**	**(3.94)**	**(100.00)**
Total comprehensive income for the period	**109.15**	**21.09**	**88.06**	**417.53**	**224.44**	**69.62**	**154.82**	**222.37**
Net profit (loss) attributable to - Equity holders of the Company	**113.58**	**22.09**	**91.49**	**414.13**	**229.73**	**66.46**	**163.26**	**245.64**
Net Profit Margin (%)	**7.68%**	**3.61%**			**8.13%**	**4.96%**		
Earnings per share (Baht)	**0.22**	**0.04**			**0.44**	**0.13**		

1. Operating Performance Overview

In the second quarter of 2026, the Company reported significant growth in revenue and net profit compared with the corresponding period of the previous year, primarily attributable to higher revenue recognition from large-scale projects and revenue growth across all business groups.

For the three-month period ended 30 June 2026, revenue from sales and services amounted to THB 1,456.12 million, an increase of THB 856.74 million or 142.94% from the corresponding period of the previous year. Net profit attributable to owners of the parent amounted to THB 113.58 million, an increase of THB 91.49 million or 414.13%.

For the six-month period ended 30 June 2026, revenue from sales and services amounted to THB 2,787.87 million, an increase of THB 1,474.64 million or 112.29%. Net profit attributable to owners of the parent amounted to THB 229.73 million, an increase of THB 163.26 million or 245.64%.

Net profit grew at a higher rate than revenue, mainly due to higher revenue contribution from large-scale projects, while the overall increase in distribution costs and administrative expenses remained below the growth rate of revenue. This resulted in improved operating leverage, despite a lower gross profit margin compared with the corresponding period of the previous year.

Compared with the first quarter of 2026, revenue from sales and services in the second quarter increased from approximately THB 1,331.75 million to THB 1,456.12 million, or approximately 9.34%. Meanwhile, net profit attributable to owners of the parent decreased slightly from approximately THB 116.15 million to THB 113.58 million, or approximately 2.21%, reflecting pressure from the lower gross profit margin and higher administrative expenses in the second quarter.

2. Analysis of Operating Results

2.1 Revenue from Sales and Services

For the three-month period ended 30 June 2026, revenue from sales and services amounted to THB 1,456.12 million, an increase of THB 856.74 million or 142.94% from the corresponding period of the previous year.

Revenue from products manufactured and sold by the Company increased by THB 439.41 million, revenue from products purchased for resale increased by THB 386.72 million, and service revenue increased by THB 30.61 million. The increase was primarily attributable to higher revenue recognition from large-scale projects compared with the corresponding period of the previous year.

For the six-month period ended 30 June 2026, revenue from sales and services amounted to THB 2,787.87 million, an increase of THB 1,474.64 million or 112.29%.

Revenue from products manufactured and sold by the Company increased by THB 793.62 million, revenue from products purchased for resale increased by THB 522.46 million, and service revenue increased by THB 158.56 million, reflecting revenue growth across all business groups.

2.2 Gross Profit and Gross Profit Margin

For the three-month period, gross profit amounted to THB 308.91 million, compared with THB 137.90 million in the corresponding period of the previous year, representing an increase of THB 171.00 million or 124.00%.

Gross profit margin decreased from 23.01% to 21.21%, or by 1.80 percentage points, mainly due to a lower gross profit margin on products purchased for resale as a result of higher product costs compared with the corresponding period of the previous year.

For the six-month period, gross profit amounted to THB 596.79 million, an increase of THB 294.64 million or 97.51%. Gross profit margin decreased from 23.01% to 21.41%, or by 1.60 percentage points, mainly due to similar cost pressures on products purchased for resale.

The Company continues to focus on cost management, pricing, and product mix to maintain an appropriate level of profitability under prevailing cost and competitive conditions.

2.3 Distribution Costs

Distribution costs for the three-month period amounted to THB 84.02 million, compared with THB 69.23 million in the corresponding period of the previous year, an increase of THB 14.80 million or 21.37%.

For the six-month period, distribution costs amounted to THB 170.67 million, compared with THB 134.75 million, an increase of THB 35.92 million or 26.66%. The increase was mainly attributable to employee-related expenses, depreciation of fixed assets, and the consolidation of expenses of subsidiaries into the consolidated financial statements.

The rate of increase in distribution costs remained lower than the growth rate of revenue from sales and services.

2.4 Administrative Expenses

Administrative expenses for the three-month period amounted to THB 101.60 million, compared with THB 49.23 million in the corresponding period of the previous year, an increase of THB 52.37 million or 106.38%.

For the six-month period, administrative expenses amounted to THB 170.08 million, compared with THB 98.98 million, an increase of THB 71.10 million or 71.84%. The increase was mainly attributable to employee-related expenses, expected credit loss provisions, higher depreciation expenses from the new office building, and the consolidation of expenses of subsidiaries into the consolidated financial statements.

Although administrative expenses increased significantly, the rate of increase for the six-month period remained below the growth rate of revenue.

2.5 Profit from Operating Activities and Net Profit

For the second quarter of 2026, profit from operating activities amounted to THB 145.28 million, an increase of THB 113.25 million or 353.52% from the corresponding period of the previous year.

For the six-month period, profit from operating activities amounted to THB 295.31 million, an increase of THB 199.87 million or 209.43%.

Finance costs for the three-month and six-month periods amounted to THB 8.37 million and THB 15.20 million, respectively, increasing from the corresponding periods of the previous year. The increase was consistent with higher working capital requirements and increased borrowings to support the expansion of operations.

Net profit attributable to owners of the parent for the three-month period amounted to THB 113.58 million, an increase of THB 91.49 million or 414.13%. For the six-month period, net profit attributable to owners of the parent amounted to THB 229.73 million, an increase of THB 163.26 million or 245.64%.

Net profit margin increased from 3.61% to 7.68% for the three-month period and from 4.96% to 8.13% for the six-month period.

Earnings per share for the three-month and six-month periods were THB 0.22 and THB 0.44 per share, respectively, compared with THB 0.04 and THB 0.13 per share in the corresponding periods of the previous year.

3. Analysis of Financial Position

As of 30 June 2026, the Company had total assets of THB 5,136.08 million, an increase of THB 693.41 million or 15.61% from 31 December 2025.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	As at Jun 30, 2026	As at Dec 31, 2025	Change Increased / (Decreased)	
			Amount	%
Current assets	3,033.62	2,362.21	671.41	28.42
Non – current assets	2,102.46	2,080.46	22.00	1.06
Total assets	**5,136.08**	**4,442.67**	**693.41**	**15.61**
Liabilities	3,074.73	2,426.74	647.99	26.70
Shareholders’ equity	2,061.35	2,015.93	45.42	2.25
Total Liabilities and shareholders’ equity	**5,136.08**	**4,442.67**	**693.41**	**15.61**

3.1 Assets and Working Capital

Current assets increased by THB 671.41 million or 28.42%. Significant changes included a decrease in cash and cash equivalents of THB 300.49 million, mainly due to payments for goods and raw materials during the period.

Net trade and other current receivables increased by THB 533.14 million, in line with the growth in revenue from sales and services.

Current contract assets, representing unbilled receivables, increased by THB 266.28 million due to progress on large-scale projects for which revenue had been recognized but billing milestones under the relevant contracts had not yet been reached.

Net inventories increased by THB 60.51 million, mainly due to finished goods and work in progress to support production and project deliveries in subsequent periods.

The increase in trade receivables and contract assets reflected higher working capital requirements in line with revenue and project growth. The Company therefore continues to closely monitor collections, credit terms, and the cash conversion cycle.

3.2 Liabilities

As of 30 June 2026, total liabilities amounted to THB 3,074.73 million, an increase of THB 647.99 million or 26.70% from 31 December 2025.

Bank overdrafts and short-term borrowings increased by THB 192.40 million, while long-term borrowings increased by THB 185.05 million, mainly to support higher working capital requirements arising from the expansion of operations and investments of the Company and its subsidiaries.

Trade and other current payables increased by THB 343.72 million, mainly due to purchases of goods and raw materials to support production and project deliveries. Most of these payables had not yet reached their due dates.

Current contract liabilities decreased by THB 156.94 million following the satisfaction of contractual performance obligations and revenue recognition during the period.

As a result of the increase in liabilities, the debt-to-equity ratio increased from 1.20 times as of 31 December 2025 to 1.49 times as of 30 June 2026.

3.3 Shareholders' Equity

As of 30 June 2026, shareholders' equity amounted to THB 2,061.35 million, an increase of THB 45.42 million or 2.25% from 31 December 2025.

During the period, the Company recorded net profit of THB 224.44 million, disposed of treasury shares amounting to THB 1.90 million, and paid dividends of THB 180.91 million.

4. Significant Events and Developments During the Period

The Company's operating results for the first half of 2026 were primarily affected by higher revenue recognition from large-scale projects, resulting in significant growth in revenue and profit from operating activities.

At the same time, business expansion resulted in higher working capital requirements, particularly in trade receivables, contract assets, inventories, and purchases of goods and raw materials required to support production and project deliveries.

Expenses also increased in line with the expansion of the organization, including employee-related expenses, depreciation from the new office building, expected credit losses, and the consolidation of expenses of subsidiaries into the consolidated financial statements.

5. Factors That May Affect Future Operations

For the second half of 2026, key factors to be monitored include the Company's ability to execute and deliver projects according to plan, revenue recognition based on project progress and contractual terms, management of product costs and product mix to maintain the gross profit margin, and working capital management in light of increases in trade receivables, contract assets, and inventories.

The Company will also continue to monitor finance costs and debt levels to ensure they remain appropriate relative to business growth, while closely managing collections and receivable quality to maintain liquidity and financial strength.

The Company will continue to focus on project execution, cost control, working capital management, and maintaining profitability amid competitive conditions and potential changes in cost factors.

For your information.

Yours sincerely,

Mr. Phaiboon Ungkanakornkul
Chief Executive Officer