BTW 2569/011

Subject **Management Discussion and Analysis for the 2nd quarter as of 30 June 2026**

To **The President**
The Stock Exchange of Thailand

15 August 2026

Management Discussion and Analysis (“MD&A”)

Business Overview

Performance for the 2nd quarter as of 30 June 2026

Unit : THB Million

	For 2nd quarter ended 30 June				For six-month period ended 30 June			
	2026	2025	Change	%	2026	2025	Change	%
		Revised Reclassified	Increase (Decrease)			Revised Reclassified	Increase (Decrease)	
Revenue from Fabrication Work	14.31	143.35	(129.04)	(90.02%)	48.81	251.10	(202.29)	(80.56%)
Cost of Fabrication Work	65.13	144.62	(79.49)	(54.96%)	134.22	260.49	(126.27)	(48.47%)
Gross Profit Margin	**(50.82)**	**(1.27)**	**49.55**	**3,901.57%**	**(85.41)**	**(9.39)**	**76.02**	**809.58%**
% Gross Profit Margin	*(355.14%)*	*(0.89%)*	*(354.25%)*		*(174.98%)*	*(3.74%)*	*(171.25%)*	
Other Income	3.61	1.38	2.23	161.59%	10.20	5.12	5.08	99.22%
Administrative Expenses	17.94	19.15	(1.21)	(6.32%)	31.76	31.94	(0.18)	(0.56%)
Profit (loss) from operation activity	**(65.15)**	**(19.04)**	**46.11**	**242.17%**	**(106.97)**	**(36.21)**	**70.76**	**195.42%**
Finance Cost-net	3.66	3.75	(0.09)	(2.40%)	8.69	6.54	2.15	32.87%
Income Tax income (expense)	(0.01)	0.85	(0.86)	(101.18%)	(0.01)	1.21	(1.22)	(100.83%)
Profit (loss) for the period	**(68.82)**	**(21.94)**	**46.88**	**213.67%**	**(115.67)**	**(41.54)**	**74.13**	**178.45%**
Attributable to non-controlling interest of subsidiaires	(0.14)	(0.05)	0.09	180.00%	(0.26)	(0.08)	0.18	225.00%
Profit (loss) attributable to equity holders of the parent	(68.68)	(21.89)	46.79	213.75%	(115.41)	(41.46)	73.95	178.36%
Gain on asset revaluation - net of income tax	0.00	27.46	(27.46)	(100.00%)	0.00	27.46	(27.46)	(100.00%)
Total comprehensive loss	**(68.82)**	**5.52**	**(74.34)**	**1,346.74%**	**(115.67)**	**(14.08)**	**(101.59)**	**(721.52%)**
EBITDA	**(55.81)**	**(7.71)**	**48.10**	**623.87%**	**(86.49)**	**(10.90)**	**75.59**	**693.49%**

Revenue from Contract Manufacturing and Services: For Q2 2026, revenue was 14.31 million baht, a decrease of 129.04 million baht or 90.02% compared to the same quarter of the previous year. This is because in Q2 2026, the company recognized less revenue from manufacturing, as it received fewer small-value projects.

Cost of Contract Manufacturing and Services: For Q2 2026, revenue was 65.13 million baht, a decrease of 79.49 million baht or 54.96% compared to the same quarter of the previous year. This is because in Q2 2026, the company received fewer small-value projects, thus reducing the costs associated with that revenue.

Gross Loss: For Q2 2026, the gross loss was 50.82 million baht, an increase of 49.55 million baht or 3,901.57% compared to the same quarter of the previous year. This is because in Q2 2026, the company received fewer small-value projects. There has been no revenue from new, large-scale projects, resulting in insufficient revenue from contract manufacturing and services to cover fixed costs such as production overhead, which includes rent, depreciation, maintenance, and employee expenses totaling 18.73 million baht, as well as a provision for inventory devaluation of 3.72 million baht.

Other Income: For the second quarter of 2026, this amounted to 3.61 million baht. In the second quarter of 2026, the company had a profit from the sale of assets of 2.05 million baht and revenue from the sale of scrap materials of 1.63 million baht.

Administrative Expenses: For the second quarter of 2026, this amounted to 17.94 million baht, a decrease of 1.21 million baht or 6.32% compared to the same quarter of the previous year. In Q2 2025, the company recorded a loss of 9.75 million baht from a lawsuit. However, in Q2 2026, the company reversed an expected credit loss of 7.41 million baht. Employee-related expenses decreased by 0.97 million baht, and other administrative expenses decreased by approximately 0.16 million baht.

Net Loss: For Q2 2026, the loss was 68.82 million baht, an increase of 46.88 million baht or 213.67%. This is because in Q2 2026, the company received a few small-scale projects, without any revenue from new, large-scale projects. However, the company still had various costs and expenses to ensure business continuity. These included high-value costs such as fixed costs, manufacturing overheads which consisted of rent, depreciation, repairs and maintenance, and employee-related expenses of 18.73 million baht, financial costs of 3.66 million baht, and a provision for inventory devaluation of 3.72 million baht.

Financial Position

Unit : THB Million

	As at			
	30 June 2026	**31 December 2025**	**Change**	**%**
		Revised Reclassified	**Increase (Decrease)**	
Total Current Assets	97.81	201.21	(103.40)	(51.39%)
Total Non-Current Assets	326.61	389.13	(62.52)	(16.07%)
Total Assets	**424.42**	**590.34**	**(165.92)**	**(28.11%)**
Total Current Liabilities	340.96	389.00	(48.04)	(12.35%)
Total Non-Current Liabilities	52.46	54.66	(2.20)	(4.02%)
Total Liabilities	**393.42**	**443.66**	**(50.24)**	**(11.32%)**
Total Shareholder's Equity	**31.00**	**146.68**	**(115.68)**	**(78.87%)**

Assets: The company had assets of 424.42 million baht, a decrease of 165.92 million baht or 28.11% compared to the previous year. The decrease in assets was mainly due to a decrease in trade receivables and other receivables of 59.62 million baht, a decrease in inventory of 24.63 million baht, a decrease in land, buildings and equipment of 20.86 million baht, and a decrease in assets arising from contracts of 55.96 million baht.

Liabilities: The company had liabilities of 393.42 million baht, a decrease of 50.24 million baht or 11.32% compared to the previous year. The decrease in liabilities was mainly due to a decrease in trade payables and other payables of 16.21 million baht, a decrease in short-term loans of 22.95 million baht, and a decrease in liabilities arising from contracts of 5.73 million baht.

Shareholders' Equity: The company had shareholders' equity of 31 million baht, a decrease of 115.68 million baht or 78.87% compared to the previous year. This resulted from the operating loss of 115.68 million baht for the six-month period ended June 30, 2026, causing a decrease in shareholders' equity.

Restatement of Prior Period Financial Statements

As per Note 6 to the interim financial statements.

The Group has revised its financial statements for the year ended December 31, 2025, and the financial position as of January 1, 2025, to present a new comparative overview. This is due to the Group's discovery that, during 2025, it underrecognized its share of profit (loss) from investments in subsidiaries using the equity method in accordance with its accounting policy in the separate financial statements by 27.39 million baht, and underrecognized its write-off of building improvements on leased land, the lease of which the Group terminated in 2023, in both the consolidated and separate financial statements by 15.06 million baht.

The amounts of the aforementioned adjustments impact the financial statements for the year ended December 31, 2025, the comprehensive income statement for the three-month and six-month periods ended June 30, 2025, and the statement of financial position as of January 1, 2025, as follows:

(Unit: Baht)

	Consolidated			Separate financial statement		
	As at January 1, 2025			As at January 1, 2025		
	As previously reported	Correction of error	Restated	As previously reported	Correction of error	Restated
Property, plants and equipment	348,356,339.38	(15,058,926.05)	333,297,413.33	65,977,075.01	(15,058,926.05)	50,918,148.96
Deficit	(835,162,344.13)	(15,058,926.05)	(850,221,270.18)	(674,942,942.76)	(15,058,926.05)	(690,001,868.81)

(Unit: Baht)

	Consolidated			Separate financial statement		
	As at December 31, 2025			As at December 31, 2025		
	As previously reported	Correction of error	Restated	As previously reported	Correction of error	Restated
Property, plants and equipment	331,605,092.76	(12,025,379.75)	319,579,713.01	49,593,544.59	(12,025,379.75)	37,568,164.84
Investments in subsidiaries	-	-	-	-	20,019,620.05	20,019,620.05
Provision for share of loss from investment	-	-	-	90,257,994.52	(24,715,658.24)	65,542,336.28
Deficit	(937,898,707.25)	(12,025,379.75)	(949,924,087.00)	(795,022,077.07)	5,317,391.44	(789,704,685.63)
Revaluation surplus on land of a subsidiary	-	-	-	-	27,392,507.10	27,392,507.10

Financial Ratio

Liquidity Ratios	**30 June 2026**	**31 December 2025**
Current Ratio (times)	0.29	0.51
Quick Ratio (times)	0.16	0.29
Activity Ratios	**30 June 2026**	**31 December 2025**
Account Receivable Turnover (times)	1.38	10.66
Average Collection Period (days)	263.86	34.24
Account Payable Turnover (times)	0.97	3.53
Average Payment Period (days)	376.39	103.41
Cash Cycle (days)	35.33	(16.68)
Inventory Turnover (times)	2.47	6.95
Inventory Turnover Period (days)	147.87	52.49
Total Assets Turnover (times)	0.11	0.89
Leverage Ratios	**30 June 2026**	**31 December 2025**
Interest Coverage Ratio (times)	(9.86)	(2.17)
Debt / Equity Ratio (times)	11.67	2.75
Profitability Ratios	**30 June 2026**	**31 December 2025**
Gross Profit Margin (%)	(174.98)	0.43
Net Profit Margin (%)	(196.02)	(18.77)
Return on Assets or ROA (%)	(22.53)	(16.65)
Return on Equity or ROE (%)	(121.95)	(38.43)

Liquidity Ratio As of June 30, 2026, it decreased by 0.22 times from the previous year due to increased debt burden from current liabilities and an increase in promissory notes from banks.
Trade Receivables Turnover Ratio: As of June 30, 2026, it decreased by 10.25 times from the previous year due to lower revenue. However, the average trade receivables as of June 30, 2026, are still higher than the average trade receivables as of December 31, 2025, due to uncollected payments, thus reducing the trade receivables turnover ratio.

Account Receivable Turnover Ratio As of June 30, 2026, it decreased by 10.25 times from the previous year due to lower revenue. However, the average trade receivables as of June 30, 2026, are still higher than the average trade receivables as of December 31, 2025, due to uncollected payments, thus reducing the trade receivables turnover ratio.

Average Collection Period As of June 30, 2026, it increased by 866 days from the previous year due to outstanding receivables that have not yet been collected. This resulted in a low trade receivables turnover ratio of 0.47 times, thus increasing the collection period compared to December 31, 2025.

Account Payables Turnover Ratio As of June 30, 2026, it decreased by 3.06 times from the previous year due to continued delays in trade payable payments. This resulted in an average accounts payable balance remaining high at 138 million baht, while costs were at approximately 65 million baht, leading to a lower accounts payable turnover ratio.

Average Payment Period As of June 30, 2026, it increased by 673 days from the previous year due to a high amount of unpaid accounts payable, resulting in a low accounts payable turnover ratio of 0.47 times. Therefore, when calculating the payment period, it appears higher than as of December 31, 2025.

Interest Coverage Ratio As of June 30, 2026, it decreased by 13.09 times from the previous year due to a lack of liquidity, resulting in a lower interest coverage ratio.

Gross Profit Margin As of June 30, 2026, it decreased by 355.49% from the previous year because the company has not yet generated revenue from new projects, but still has fixed costs to pay, such as rent and employee salaries, etc., thus resulting in a decrease in the gross profit margin.

Net Profit Margin As of June 30, 2026, it decreased by 366.29% from the previous year because the company has not yet generated revenue from new projects, but still has production costs and administrative expenses. And the outstanding interest payments resulted in a decrease in the net profit margin.

Project Backlog Value

The project backlog as of June 30, 2026, amounted to 9.94 million baht. The majority of the remaining work is in the structural steel fabrication type. The group expects this remaining work to be completed within 1 year.

Factors effecting the Group's performance in the future

LITIGATION

As per Note 26 to the interim financial statements, the subsidiary was sued by a counterparty in a joint venture ("Counter") for damages of 50.60 million baht and repayment of a security deposit of 20 million baht for breach of the joint venture agreement. The subsidiary has filed a countersuit against the Counter to claim damages of 3.40 million baht for breach of the joint venture agreement.

Currently, the litigation is pending in court. The Group management and legal counsel assess that the litigation is unfounded and that the Group will not suffer any damage from it. Therefore, the Group has not recorded any estimated liability for damages arising from the litigation.

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Dispute

A subsidiary company entered into a dispute with a trade debtor regarding a demand for payment of debts totaling A$0.59 million and US$0.61 million, while the debtor demanded that the company pay damages totaling A$0.82 million and US$2.21 million. The dispute entered into arbitration proceedings, resulting in an award ordering the company to pay damages.

The company's management recorded the liability arising from the dispute in Q2 2025, totaling THB 9.80 million, payable in 24 installments from April 30, 2025, to May 30, 2027.

Yours sincerely,

Mr. Chotic Russamitinakornkul

Chief Executive Officer

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