No. TEKA IR013/2026

August 5, 2026

Subject : Management Discussion and Analysis (MD&A) for Q2 2026

Attention : President

The Stock Exchange of Thailand

Teka Construction Public Company Limited ("the Company") would like to submit the operating results report as per the financial statements for Q2 of 2026, reporting a net profit of 15.68 MB. The key points are summarized as follows:

1. BUSINESS OVERVIEW AND ECONOMIC AND INDUSTRY CONDITIONS

1.1 Business Overview

The Company operates as an integrated building construction contractor, providing structural, architectural, and mechanical and electrical (M&E) works. The Company has particular expertise in high-rise and large-scale buildings, including condominiums, office buildings, and shopping malls.

The Company currently focuses on maintaining its core customer base among leading property developers while diversifying its project portfolio into commercial and other non-residential developments in order to reduce reliance on the residential property market. As of the reporting period, the Company maintains a sufficient level of uncompleted contracted work to support its full-year 2026 revenue target of more than Baht 2,000 million.

1.2 Economic and Industry Conditions

- The private residential property and construction-materials sectors remained subdued, declining by approximately 1% year-on-year (YoY). The mass-market residential segment and mid- to lower-end condominium market were materially affected by elevated loan rejection rates among financial institutions and persistently high household debt. These factors have directly prompted property developers to defer the launch of new projects.
- In response, the Company has adjusted its business strategy by expanding its project base toward upper-tier developments, mixed-use projects, retail properties, non-residential buildings, and suburban shopping malls. The Company has successfully secured market share in projects such as LOTUS'S NEW HYPERMARKET BANG PLEE (LNBP).
- Construction-material prices in 2026 continued to be affected by prolonged geopolitical tensions and conflicts in the Middle East, resulting in increases in crude oil prices, transportation costs, and prices of steel, copper, and aluminum.
- Although the construction contracting market contracted, competition intensified. The slowdown in

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private-sector construction activity led to heightened price competition among Thai contractors, while Chinese contractors also increased their participation in both public-sector and large private-sector projects.

1.3 Impact of Current Conditions and the Company's Response

Factors Impacting the Industry in 2026	Impact and the Company's Response Measures
1. Interest-rate and financial-market conditions	Key strength: As of 30 June 2026, the Company had no interest-bearing borrowings from financial institutions and maintained sufficient liquidity to support project execution and the provision of bid-related guarantees.
2 Weakness in the mid-market condominium segment	The Company has redirected its business development efforts toward retail, hotel, and educational-building projects. The Company also emphasizes customer creditworthiness and financial standing, establishes appropriate payment terms, and continuously monitors receivables to mitigate credit risk and project disruption risk.
3. High volatility in construction-material prices	The Company manages material-price risk through procurement planning, timely price-locking negotiations, and the establishment of appropriate pricing terms with suppliers, taking into consideration the characteristics and duration of each project.

2. KEY EVENTS AND SIGNIFICANT DEVELOPMENTS

The Company continues to drive its business under the "Quality & Safety First" policy while pursuing its 2026 revenue target of Baht 2,000 million through the management of large-scale building construction projects for premium customers. The second quarter of 2026 was characterized by a significant improvement in gross profit, resulting in a 234.77% increase in cumulative gross profit for the six-month period compared with the corresponding period of 2025. This improvement was primarily attributable to revenue recognition from WIDEN BY SANSIRI (WDS) and the Lotus's Bang Phli project.

The Company also paid a dividend of Baht 0.15 per share from the 2025 operating results. The Company continued to maintain no interest-bearing debt from financial institutions and pursued portfolio diversification to reduce dependence on condominium projects. As of 30 June 2026, the Company had a strong backlog of more than Baht 2,000 million, providing continued revenue visibility.

3. OPERATING RESULTS

The Company demonstrated strong growth in the second quarter of 2026 compared with the corresponding period of the previous year. The results reflected a recovery in construction revenue and a substantial improvement in gross profit margin, particularly during the first six months of 2026, when both revenue and net profit increased significantly.

The key drivers were progressive revenue recognition from the Company's strong backlog and continued confidence among leading customers, who continued to award construction projects to the Company. Meanwhile, the decline in other income during the first half of the year reflects a greater focus on the Company's core construction operations.

Unit: Million Baht	3M		Increase (Decrease)		6M		Increase (Decrease)	
	2Q26	2Q25	MB.	%	2Q26	2Q25	MB.	%
Revenue from construction	526.55	347.78	178.77	**51.40%**	1,024.35	669.22	355.13	**53.07%**
Cost of construction	-453.42	-308.51	144.91	**46.97%**	-899.05	-631.79	267.26	**42.30%**
Gross profit	**73.13**	**39.27**	**33.86**	**86.22%**	**125.30**	**37.43**	**87.87**	**234.77%**
% to construction revenue	**13.89%**	**11.29%**	**18.94%**		**12.23%**	**5.59%**	**24.74%**	
Other incomes	6.79	45.63	-38.83	**-85.11%**	25.38	70.08	-44.70	**-63.78%**
Administrative expenses	-47.68	-58.53	-10.86	**-18.55%**	-96.51	-74.69	21.82	**29.22%**
Financial cost	-0.92	-0.82	0.10	**11.62%**	-1.69	-1.67	0.02	**1.40%**
Tax expense	-6.55	-5.26	1.28	**24.34%**	-12.01	-6.89	5.12	**74.37%**
Profit for the period	**24.78**	**20.28**	**4.50**	**22.21%**	**40.46**	**24.26**	**16.20**	**66.80%**
% to total revenue	**4.65%**	**5.15%**	**-0.50%**		**3.85%**	**3.28%**	**0.57%**	
Earnings per share (Baht/share)	**0.08**	**0.07**	**0.01**	**14.29%**	**0.13**	**0.08**	**0.05**	**66.82%**

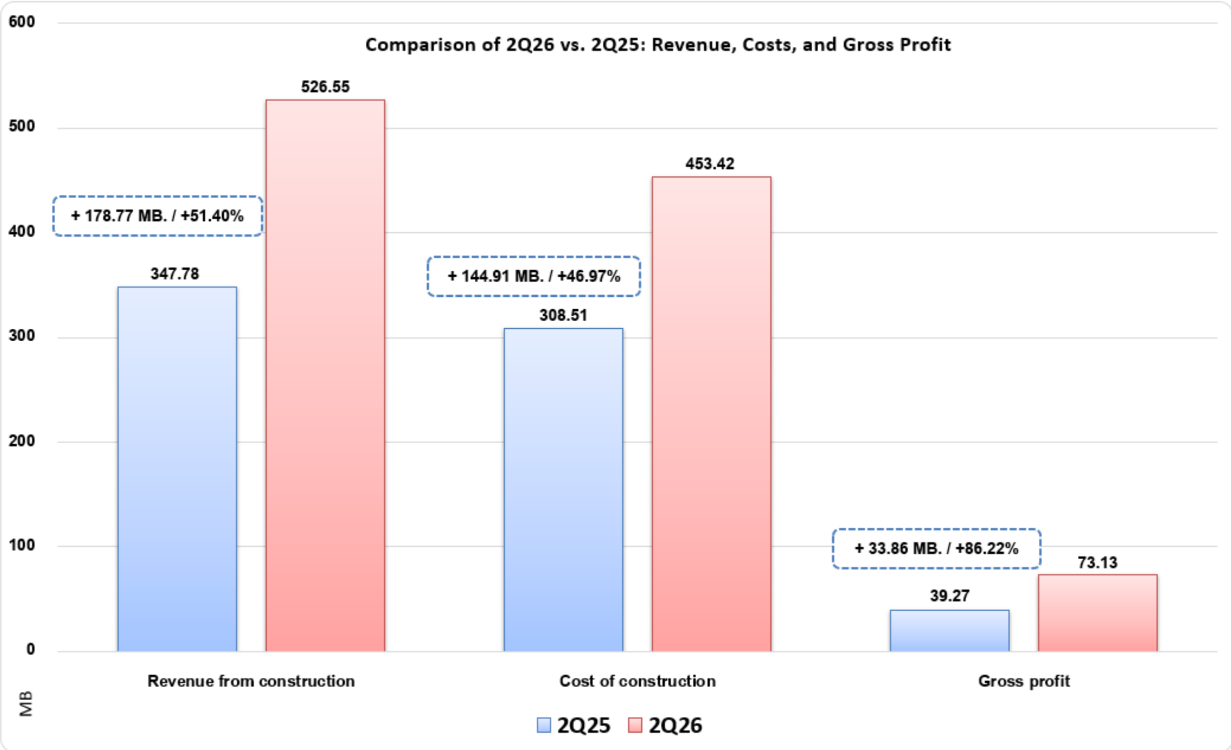
3.1 Analysis of Operating Results: 2Q2026 Compared with 2Q2025

Construction Revenue and Construction Costs

In 2Q2026, construction revenue amounted to Baht 526.55 million, increasing from Baht 347.78 million in 2Q2025, or 51.40%. The increase was consistent with progressive revenue recognition from various projects based on project progress. Construction costs increased to Baht 453.42 million from Baht 308.51 million, representing an increase of 46.97%. As construction costs increased at a lower rate than construction revenue, gross profit improved substantially to Baht 73.13 million, representing an increase of 86.22% year-on-year.

Other Income and Operating Expenses

Other income in 2Q2026 amounted to Baht 6.79 million, a significant decrease of 85.11% from Baht 45.63 million in 2Q2025. The decrease was primarily attributable to the reversal of a provision related to estimated project liabilities in the prior period. Administrative expenses decreased to Baht 47.68 million from Baht 58.53 million, representing a decline of 18.55%, reflecting more effective expense management. Finance costs increased slightly to Baht 0.92 million, while income tax expense increased to Baht 6.55 million in line with the higher level of profitability.



Net Profit and Gross Profit Margin

Net profit in 2Q2026 was Baht 24.78 million, increasing 22.21% from Baht 20.28 million in 2Q2025. Basic earnings per share were Baht 0.08. A key highlight of 2Q2026 was the recovery in gross profit margin to 13.89%, compared with 11.29% in 2Q2025, reflecting improved cost control and operating efficiency.

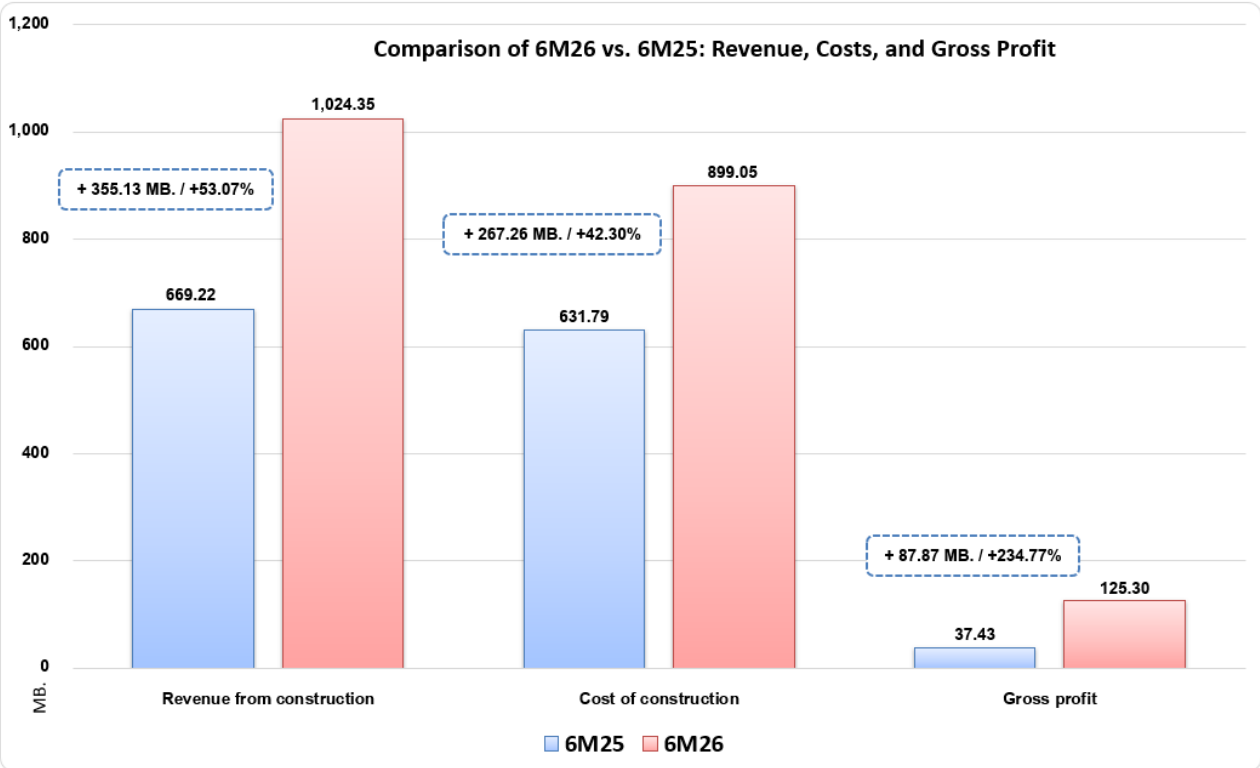
3.2 Analysis of Operating Results: Six Months Ended 30 June 2026 Compared with the Corresponding Period of 2025

Construction Revenue and Construction Costs

For the first six months of 2026, construction revenue totaled Baht 1,024.35 million, representing a significant increase of 53.07% from Baht 669.22 million in the corresponding period of the previous year. Construction costs increased to Baht 899.05 million, or 42.30%, from Baht 631.79 million. Consequently, gross profit increasedsubstantially to Baht 125.30 million, representing an increase of 234.77% from Baht 37.43 million in the prior-year period.

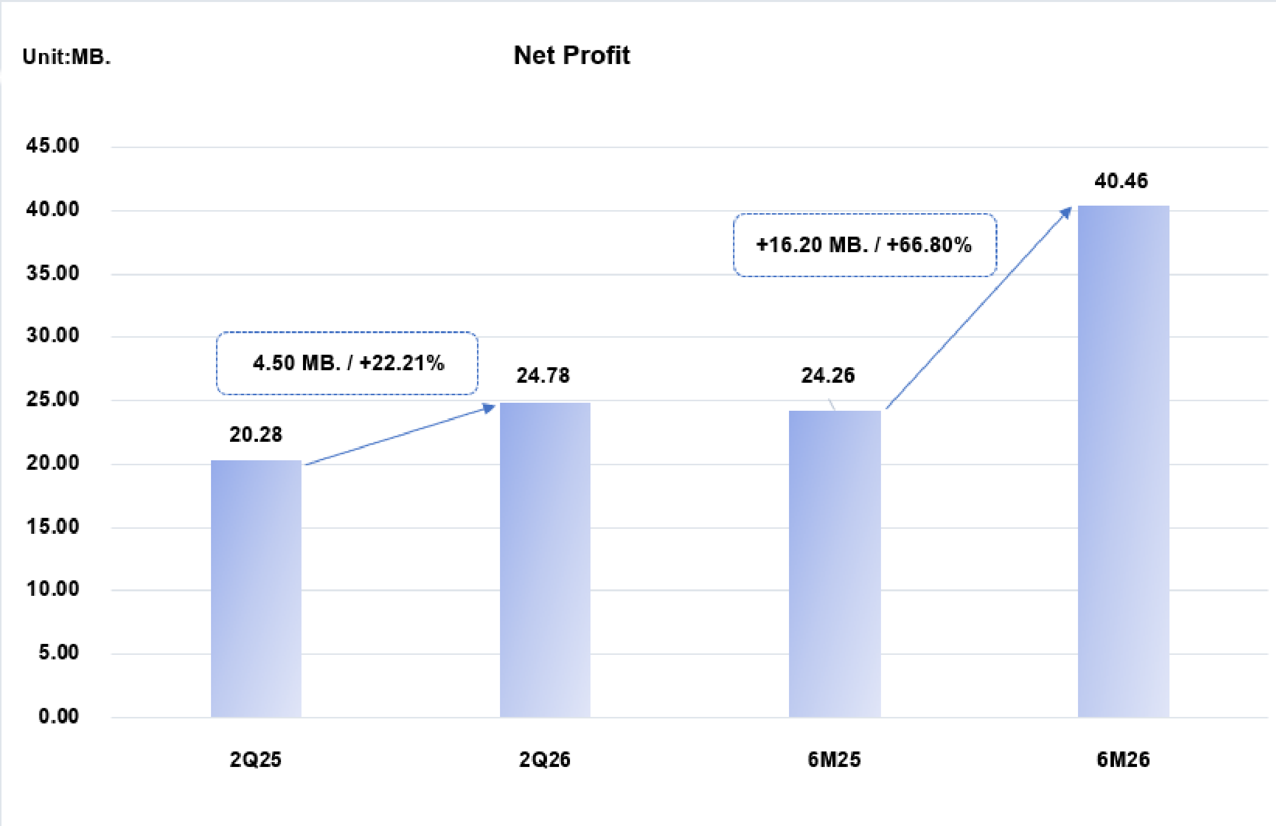
Cost Structure and Other Income

Other income for the first six months of 2026 amounted to Baht 25.38 million, decreasing 63.78% from Baht 70.08 million in the corresponding period of the previous year. Administrative expenses increased to Baht 96.51 million, or 29.22%, from Baht 74.69 million. The increase was mainly attributable to expected credit losses of Baht 7.63 million, an increase in employee expenses of Baht 2.43 million, and an increase in information-system expenses of Baht 0.70 million, reflecting business expansion and higher operating costs associated with the increased scale of operations. Finance costs remained stable at Baht 1.69 million, while income tax expense increased to Baht 12.01 million, representing an increase of 74.37%.



Net Profit and Gross Profit Margin

Net profit for the first six months of 2026 was Baht 40.46 million, increasing 66.80% from Baht 24.26 million. Basic earnings per share were Baht 0.13. Gross profit margin improved significantly to 12.23%, compared with 5.59% in the corresponding period of the previous year. The recovery in gross profit margin during the first half of the year represents a significant positive indicator of operating performance.



Growth and Overall Comparison

Compared with the corresponding period of the previous year, construction revenue, gross profit, and net profit increased, while other income declined. The changes may reflect a shift in the revenue mix and the absence of certain non-recurring income recognized in the prior period. Administrative expenses increased during the six-month period. Nevertheless, gross profit margin improved in both the quarterly and six-month periods.

Notably, gross profit increased by 234.77% in the first six months of 2026, primarily driven by the recovery in the gross profit margin generated from construction operations.

Conclusion and Outlook

The Company demonstrated strong recovery and growth during the first half of 2026. Key supporting factors included progressive revenue recognition from a high level of backlog and continued customer confidence in the Company's capabilities in high-rise and large-scale building construction.

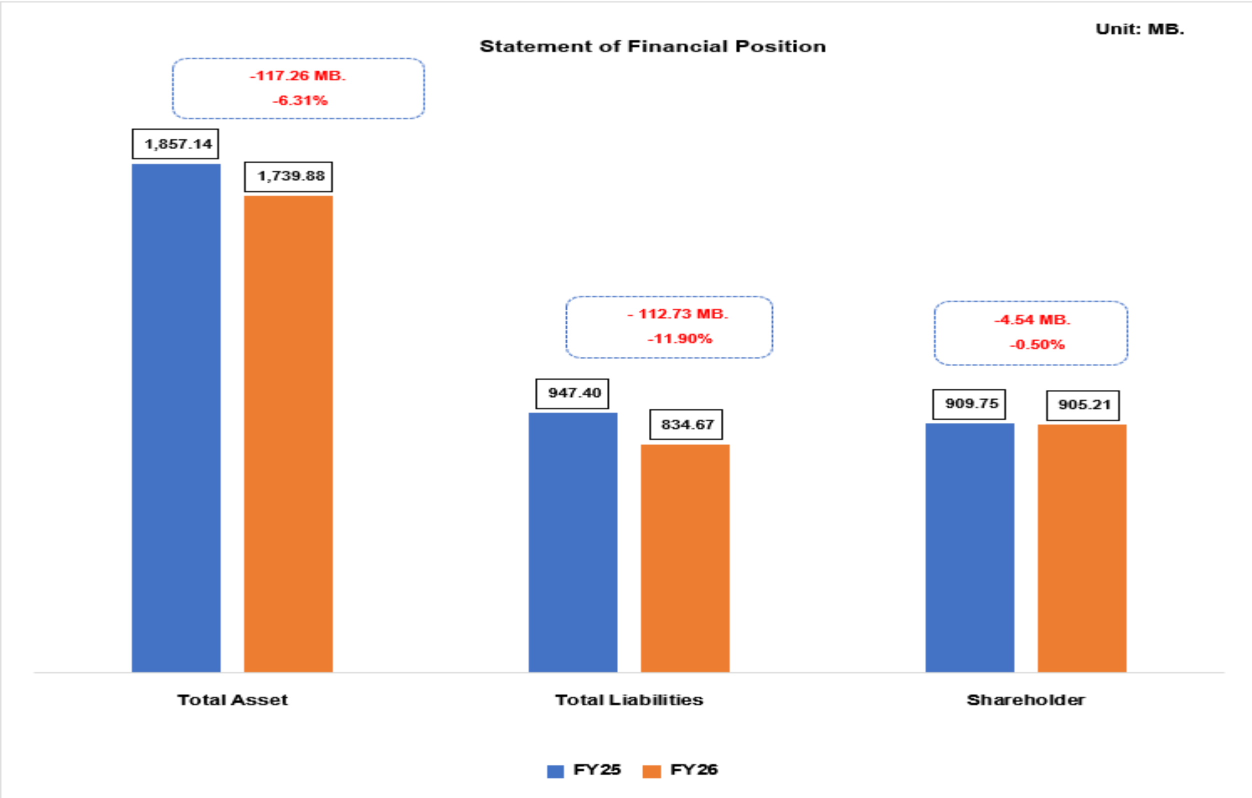
The Company's ability to maintain a gross profit margin of 13.89% in 2Q2026 demonstrates its competitive capability in project cost management. Together with its strong financial position and absence of interest-bearing debt from financial institutions, the Company is well positioned to support future expansion.

The Company's continued focus on turnkey construction projects and expansion of its customer base into additional market segments are expected to remain important drivers of sustainable growth, in line with its full-year revenue target of Baht 2,000 million.

4. FINANCIAL POSITION

Comparison of Financial Position as of 30 June 2026 and 31 December 2025

4.1 Asset Structure



As of 30 June 2026, total assets amounted to Baht 1,739.88 million, a decrease of Baht 117.26 million, or 6.31%, from Baht 1,857.14 million as of 31 December 2025. Key movements included a decrease of Baht 83.94 million in cash and cash equivalents, a decrease of Baht 40.03 million in contract assets (work in progress), and a decrease of Baht 38.49 million in other receivables. These decreases were partly offset by a significant increase in trade receivables of Baht 96.01 million, consistent with higher construction revenue recognized during the period. The Company continued to monitor progress-billing collections and assess expected credit losses in accordance with its accounting policies.

Current assets accounted for 86.16% of total assets, while non-current assets accounted for 13.84%. This asset composition remained broadly consistent with the position as of 31 December 2025, when current and non-current assets represented 86.11% and 13.89%, respectively.

4.2 Liability Structure

Total liabilities decreased materially from Baht 947.40 million as of 31 December 2025 to Baht 834.67 million as of 30 June 2026, representing a decrease of 11.90%. Current liabilities remained the principal component of total liabilities, accounting for approximately 90%, and decreased by 13.6% compared with the prior year-end, reflecting improved flexibility in operations and the Company's ability to settle short-term obligations. In contrast, non-current liabilities increased slightly by 6.4%, mainly due to higher provisions for employee benefits and normal settlement of long-term lease liabilities.

List	*31 Dec 2025 (MB.)*	*31 Dec 2026 (MB.)*	*Changes (increase/decrease)(MB.)*
Total assets	1,857.14	1,739.88	(117.26)
Total liabilities	947.40	834.67	(112.73)
Shareholders' equity	909.75	905.21	(4.54)
D/E Ratio (เท่า)	**1.04 เท่า**	**0.92 เท่า**	**(0.12) เท่า**
Debt Ratio	**51.01%**	**47.97%**	**(3.04%)**

As of 30 June 2026, total assets were Baht 1,739.88 million, total liabilities were Baht 834.67 million, and shareholders' equity was Baht 905.21 million. The debt-to-equity (D/E) ratio decreased from 1.04 times to 0.92 times, while the debt ratio decreased from 51.01% to 47.97%.

Operating liabilities, comprising trade payables and retention payables, decreased by 1.3% and 9.3%, respectively, consistent with the settlement of obligations in accordance with normal operating cycles and reflecting efficient operational management.

Contract liabilities decreased by Baht 116.66 million, or 31.5%, as construction progress advanced and revenue was recognized in accordance with the Company's contractual performance obligations during the period.

The D/E ratio decreased from 1.04 times to 0.92 times as of 30 June 2026, indicating a more conservative capital structure and lower financial leverage. The decrease in total liabilities of approximately Baht 112.70 million during the first half of the year indicates the Company's improved capacity to settle its obligations. Shareholders' equity remained above Baht 900 million, with unappropriated retained earnings of Baht 316.21 million.

5. FACTORS THAT MAY AFFECT FUTURE OPERATIONS AND GROWTH

Construction-material prices have remained elevated and are expected to continue increasing. In 2Q2026, the construction-material price index increased by approximately 5–8% year-on-year. Although construction materials, energy, and transportation costs collectively account for more than 50% of total costs, the Company has continued to manage liquidity effectively while maintaining revenue and profit growth. Accordingly, the Company believes that it remains capable of achieving its established objectives. Nevertheless, future operating performance remains dependent on several factors, including project progress, handover of construction areas, construction-material prices, labor shortages, and overall economic and industry conditions.

Please be informed accordingly.

Your faithfully,

(Mr. Wirasak Wanitwat)

Chief Executive Officer

Teka Construction Public Company Limited

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