No. QTCG 08001/69

13 August 2026

Subject Management's Discussion and Analysis for the six-month period ended 30 June 2026

Dear Directors and Managers,

Stock Exchange of Thailand

QTCG Public Company Limited (the "Company" or "QTCG") and its subsidiary, SAMC (the "Subsidiary" and, together with the Company, the "Group"), hereby submit the Management Discussion and Analysis ("MD&A") as of June 30, 2026, and the operating results for the six-month period ended June 30, 2026, as set forth below:

Economic Overview

During the first half of 2026, the overall construction contracting industry showed signs of gradual recovery, while continuing to face pressure from rising costs and liquidity constraints. The industry was supported by continued government infrastructure investment, whereas the private sector recovered gradually amid fragile economic conditions and subdued purchasing power. In addition, construction operators continued to face pressure from fluctuations in construction material costs driven by global energy prices and geopolitical conditions, particularly for projects under Fixed Price Contracts. These factors resulted in a decline in the Company's gross profit margin compared with the same period of the previous year.

The operating result

QTCG Public Company Limited and its subsidiaries hereby submit the Management Discussion and Analysis as at 30 June 2026 and the operating results for the six-month period ended 30 June 2026 as follows:

Statement of Comprehensive income	30-Jun-26	30-Jun-25	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenue from construction	66.84	157.23	(90.39)	-57.49
Revenue from sale	1.34	-	1.34	100.00
Cost of construction	(73.65)	(143.24)	(69.59)	-48.58
Cost of sale	(1.10)	-	(1.10)	100.00
Gross profit	**(6.57)**	**13.99**	**(20.56)**	**-146.96**
Other income	7.31	10.46	(3.15)	-30.11
Reversal (loss) allowance for expected credit loss	(5.71)	9.61	(15.32)	-159.42
Selling expenses	(0.71)	(1.87)	(1.16)	-62.03
Administrative expenses	(22.37)	(29.98)	(7.61)	-25.38
Finance income	0.01	0.09	(0.08)	-88.89
Finance costs	(4.86)	(3.61)	1.25	34.63
Loss before income taxes	**(32.90)**	**(1.32)**	**(31.58)**	**-2392.42**
Income taxes	1.81	(0.27)	(2.08)	-770.37
Loss for the year	**(31.09)**	**(1.59)**	**(29.50)**	**-1855.35**

<u>Revenue from construction</u>

Construction revenue decreased by THB 90.4 million, or 57%, compared to the same period of the previous year. The decrease was mainly attributable to several projects having been progressively completed and delivered in late 2025, while certain ongoing projects had achieved construction progress of more than 90% and are scheduled for completion within the third quarter of 2026. In addition, new projects awarded in 2026 only commenced operations in mid-March 2026, with project progress of approximately 20% or less, resulting in limited revenue recognition during the quarter.

<u>Cost of Construction</u>

For the six-month period ended 30 June 2026, the Group recorded construction costs of THB 73.6 million, representing a decrease of THB 69.6 million compared to the same period of the previous year, mainly in line with the decrease in construction revenue. However, the fixed portion of construction costs remained at a level close to that of the prior period. In addition, increases in construction material prices and transportation costs resulted in total construction costs declining at a lower rate than the decrease in revenue. As a result, the Group’s gross profit margin declined compared to the same period of the previous year.

Selling Expenses and Administrative Expenses

For the six-month period ended 30 June 2026, the Group's selling and administrative expenses decreased by THB 8.8 million, or 27%, compared to the same period of the previous year. The decrease was mainly attributable to the Group's ongoing efforts to manage and control operating expenses, resulting in reductions in certain expense items, including service fees and annual license fees for computer software, vehicle rental expenses, telephone expenses, and employee-related expenses.

Net Loss

For the six-month period ended 30 June 2026, the Group reported a net loss increase of THB 29.5 million, compared to the same period of the previous year. The increase in net loss was primarily attributable to the decline in construction revenue, resulting in a gross loss in the current period. In addition, the Group recorded a higher allowance for expected credit losses following an increase in overdue trade receivables.

Although selling and administrative expenses decreased as a result of the Company's continued cost control measures, the reduction was insufficient to offset the impact of lower revenue. Consequently, net loss increased compared with the same period of the previous year. The Company continues to focus on closely monitoring and controlling operating expenses to limit unnecessary costs amid the challenging business environment expected to persist in the coming period.

Statement of financial position

Statement of financial position	30-Jun-26	31-Dec-25	Increase (decrease)	
	Million Baht	Million Baht	Million Baht	%
Current assets	330.13	317.80	12.33	3.88
Non-current assets	201.14	183.56	17.58	9.58
Total assets	**531.27**	**501.15**	**30.12**	**6.01**
Current liabilities	403.75	391.75	12.00	3.06
Non-current liabilities	14.82	17.04	(2.22)	-13.03
Total liabilities	**418.57**	**408.79**	**9.78**	**-2.39**
Total equity	112.70	92.36	20.34	22.02
Total liabilities and equity	**531.27**	**501.15**	**30.12**	**6.01**

Assets

As at 30 June 2026, total assets increased by THB 30.1 million compared to the balance as at the end of the previous year. The changes were mainly attributable to the following factors:

Cash and cash equivalents

Cash and cash equivalents increased by THB 25.5 million, primarily due to the receipt of advance payments for shares from the offering of newly issued ordinary shares during 29–30 June 2026. As a result, the Company recorded an increase of THB 25.5 million in share subscriptions received in advance, which was presented as transaction item under shareholders' equity

Trade accounts receivable

Trade receivables decreased by THB 4.3 million during the period, primarily due to the collection of THB 2.2 million from long-outstanding receivables, partially offset by an allowance for expected credit losses of THB 3.7 million, mainly resulting from longer collection periods for construction projects under milestone-based payment terms. In certain cases, although the Company has completed its scope of work, payment cannot be collected until other works under the same milestone have been fully completed.
In addition, the slowdown in the construction industry and delays in project inspection and handover processes by project owners have further extended collection periods, resulting in an increase in the aging of trade receivables compared with the previous period.

Allowance for Expected Credit Losses

The Company has outstanding expected credit losses (ECL) amounting to THB 326.8 million, comprising: (1) contract assets of THB 283.6 million, (2) trade receivables of THB 33.8 million, and (3) other current receivables of THB 9.3 million. Such allowances had already been recognized in the statement of financial position as at 31 December 2024. Details of the allowances are as follows:

<table>
<tr><th>Items</th><th colspan="2">Projects in the public sector</th><th colspan="2">Projects in the private sector</th></tr>
<tr><td>Working scope</td><td colspan="2">To engage in engineering, procurement, and installation of building systems, comprising electrical systems</td><td>To provide installation services for electrical, HVAC, sanitary and plumbing, and fire protection systems.</td><td>To provide installation services for electrical, HVAC, sanitary and plumbing, and fire protection systems.</td></tr>
<tr><td>Owner's project</td><td>Government Agency No. 1</td><td>Government Agency No. 2</td><td>Private Company</td><td>Private Company</td></tr>
<tr><td>Number of projects</td><td>1 project</td><td>1 project</td><td>1 project</td><td>1 project</td></tr>
<tr><td>Main contractor (counterparty)</td><td colspan="2">Private Company</td><td>Private Company</td><td>Private Company</td></tr>
<tr><td>Relationship with the counterparty</td><td colspan="2">N/A</td><td>N/A</td><td>N/A</td></tr>
</table>

Items	Projects in the public sector		Projects in the private sector	
Details of the progress in monitoring and collection of outstanding receivables	The matter is currently under review and subject to procedures related to project completion and handover in accordance with the requirements of the relevant authorities. Progress remains under consideration, and no payment has yet been received.		The project is currently in the final stage of warranty obligations and milestone billing procedures. Progress remains under consideration, and no payment has yet been received.	
Contact assets amount (million Baht)	225.89	40.33	6.20	11.19
ECL amount (million Baht)	225.89	40.33	6.20	11.19
Rationale for the recognition of expected credit loss (ECL) allowance	Outstanding balance more than 1 year			
Process for monitoring and collection of outstanding receivables	At present, the Company is in the process of reviewing supporting documentation to substantiate its contractual rights, as well as determining appropriate collection approaches on a case-by-case basis. The Company places emphasis on negotiation, balance confirmation, and expediting collections. Should collection efforts not proceed as expected or negotiations not yield benefits to the Company, legal actions will be pursued as the next step.		The Company is actively pursuing negotiations and collection efforts to expedite payment and will proceed with legal action should such efforts not yield satisfactory results.	
Past collection efforts / Progress update	The Company has not yet received payment for such item and continues to follow up with the counterparty while evaluating appropriate actions, including negotiation and collection efforts, to safeguard its interests.			

Progress, timing, and the outcomes of actions relating to such outstanding balances remain subject to contractual terms and the consideration processes of the counterparties and relevant authorities.

In addition, during the period, the Company recorded additional expected credit losses of THB 3.8 million arising from trade receivables with longer overdue periods, based on the assessment of debtors' repayment ability at the end of the reporting period.

Other current receivables:

Other current receivables, net decreased by THB 1.3 million from the end of the previous year, primarily due to collections from other receivables and a decrease in compensation deposits during the period. Meanwhile, accrued income from construction contract services increased by THB 5.3 million in line with the progress of construction activities.

In addition, the Company recognized an additional allowance for expected credit losses of THB 1.9 million on certain other current receivables that had been outstanding for more than one year, mainly due to longer collection periods for construction projects. As a result, other current receivables, net, decreased compared with the end of the previous year.

Property, Plant and Equipment

Land and buildings increased by THB 31 million as a result of a change in the accounting policy for the measurement of land and buildings from the cost model to the fair value model. This change resulted in an increase in the carrying value of such assets and allows the financial statements to better reflect the current value of the assets.

Liabilities

As of 30 June 2026, the Group's total liabilities amounted to THB 418.6 million, representing a increase of THB 9.8 million, or 2%, compared to the balance as of 31 December 2025. The increase was primarily due to additional short-term borrowings obtained to support working capital requirements. However, the Company gradually repaid both short-term and long-term borrowings from financial institutions during the period.

Shareholders' Equity

As at 30 June 2026, the Group had total shareholders' equity of THB 112.7 million, an increase of THB 20.3 million compared with 31 December 2025. The increase was primarily attributable to an increase of THB 25.6 million in the revaluation surplus arising from the measurement of land and buildings at fair value, together with the receipt of advance payments for share subscriptions amounting to THB 25.5 million during the period. These increases were partially offset by the net loss from operations during the period, resulting in a net increase in shareholders' equity of THB 20.3 million compared with the end of the previous year.

As of 30 June 2026, the Group's equity accounted for 37% of paid-up capital. The Group and its management have established plans to manage current and future liquidity and debt obligations to ensure the continuity of its operations.

Business Outlook and Trends in 2026

The construction contracting industry is expected to remain in a period of gradual recovery, supported primarily by continued government infrastructure investment. Meanwhile, the private sector is expected to remain relatively subdued amid economic conditions and purchasing power that have not yet fully recovered. In addition, the industry continues to face risks from elevated and volatile construction material costs, rising labor and transportation costs, stringent lending conditions by financial institutions, particularly for private-sector real estate projects, and intense price competition. These factors may affect the Company's ability to manage construction costs and may consequently impact on its operating performance in the coming periods.

Under these circumstances, the Company focuses on undertaking short-term and small-scale construction and MEP projects. The Company has adjusted its project execution model from a full-scope contracting approach to a model that is more appropriate to the size and project management capabilities of the Company. This approach is intended to mitigate risks associated with construction material costs and enhance the efficiency of project liquidity and working capital management.

Meanwhile, the Company continues to undertake long-term projects with existing customers under the existing contractual arrangements to support business continuity. The Company also places continued emphasis on liquidity management and close cost control, particularly through accelerating collections from receivables, improving project cost management, and selectively undertaking projects with appropriate profit margins and payment terms. These measures are intended to support cash flow management and strengthen the Company's long-term financial stability.

The Company believes that its extensive business experience, expertise in MEP and engineering services, and established customer base with ongoing projects will support its competitiveness and enable the Company to gradually improve its operating performance in the coming periods.

Yours sincerely,

-Thitiwat Ngurnnumchokethanarat-

(Mr. Thitiwat Ngurnnumchokethanatat)

Chief Executive Officer