CWTAcc2026/005

12 November 2026

Subject: Management Discussion and Analysis for the Financial Statements of Q3/2026

To: The President

The Stock Exchange of Thailand

Operating Results for the nine-month periods ended 30 September 2026 and 2025

	30 September 2026	30 September 2025	Change	
	Million Baht	Million Baht	Million Baht	%
Sales and services	302.80	327.84	(25.05)	(7.64%)
Gain (loss) on exchange rate	(1.98)	0.31	(2.29)	(749.18%)
Gain (loss) on disposal of fixed assets	(0.20)	0.24	(0.44)	(186.81%)
Other income	4.52	9.66	(5.15)	(53.25%)
Total income	305.13	338.04	(32.92)	(9.74%)
Cost of sales and services	291.68	273.38	18.30	6.69%
Selling expenses	8.98	10.50	(1.52)	(14.47%)
Administrative expenses	40.92	54.48	(13.56)	(24.89%)
Total expenses	341.57	338.36	3.21	0.95%
Finance costs	17.71	20.78	(3.08)	(14.81%)
Income tax benefit (expense)	0.20	1.62	(1.42)	(87.70%)
Net loss for the period	(53.95)	(22.72)	(31.23)	137.47%
Loss attributable to equity holders of the Parent	(53.17)	(22.42)	(30.75)	137.15%
Loss per share basic and diluted loss per share (Baht)	(0.08)	(0.04)		

The Company hereby reports the operating results of the Company and its subsidiaries for the third quarter of 2026, for the accounting period ended September 30, 2026. The Company and its subsidiaries recorded a loss attributable to the parent company of 53.17 million baht, compared to a loss of 22.42 million baht in the same period of the previous year. The primary reasons for this are as follows:

1.The Company recorded total revenue from sales and services of 302.80 million baht, compared to 327.84 million baht in the same period of the previous year. The decrease of 25.05 million baht, or 7.64%. This change reflects varying business conditions across different product segments. The Company continues to generate revenue from its core businesses, the leather segment and the energy segment, which helps diversify its income sources and supports the overall operations of the Group. The leather business segment recorded revenue from sales and services of 158.06 million baht, a decrease from 174.40 million baht in the same period of the previous year. The energy segment generated total revenue of 137.04 million baht, down from 145.65 million baht in the corresponding quarter of the previous year; this was due to a temporary suspension of production for machinery upgrades, in line with the planned machinery maintenance schedule.

2. In the third quarter of 2026, the Company and its subsidiaries recorded a cost of sales and services of 291.68 million baht, an increase of 18.30 million baht or 6.69%. This was primarily driven by the leather business segment, where the costs of certain chemicals rose due to energy-related issues and volatility in the raw material market. Additionally, the segment faced higher expenses related to logistics, chemical procurement, and production overheads including fixed costs that had to be absorbed despite production volumes falling below normal capacity—which resulted in an increase in the unit production cost. The company places great importance on reviewing the cost structures, production processes, and operational efficiency across all its business segments, with the aim of establishing strategies to improve performance.

Selling and administrative expenses decreased compared to the same period last year, with selling expenses amounting to 8.98 million baht and administrative expenses totaling 40.92 million baht. This indicates that the company was able to exercise control over certain operating expenses, even as revenue from sales and services declined.

3. The company incurred financial costs of 17.71 million baht, a decrease from 20.78 million baht in the same period of the previous year, because of the group's management of its financial obligations.

Furthermore, the operating results for the current period were affected by other items: the company incurred a loss of 1.98 million baht from exchange rate fluctuations and a loss of 0.20 million baht from the sale of assets, while other income decreased by 5.15 million baht.

Financial position as of 30 September 2026 and 31 December 2025

	Consolidated (Million Baht)		Change	
	30 September 2026	31 December 2025	Million Baht	%
Total Current Assets	537.11	731.20	(194.08)	(26.54%)
Total Non - Current Assets	3162.81	2,767.59	395.22	14.28%
Total Assets	3,700	3,498.78	201.14	5.75%
Total Current Liabilities	1,053.60	921.78	131.82	14.30%
Total Non - Current Liabilities	861.65	725.97	135.68	18.69%
Total Liabilities	1,915.25	1,647.75	267.50	16.23%
Total Equity	1,784.67	1,851.03	(66.36)	(3.59%)

As of September 30, 2026, the Company had total assets of 3,699.92 million baht, an increase from 3,498.78 million baht as of December 31, 2025. Non-current assets rose due to investments and changes in asset composition during the period, as a subsidiary is currently in the process of constructing a power plant.

The company's total liabilities stand at 1,915.25 million baht, an increase from 1,647.75 million baht, while shareholders' equity is 1,784.67 million baht, a decrease from 1,851.03 million baht—a shift primarily driven by a net loss incurred during the current period.

The company manages its capital structure and debt obligations in alignment with the group's working capital requirements and investment plans. It continuously monitors debt repayment schedules and financial commitments to ensure operational continuity and effectively manage liquidity risk. As of September 30, 2026, and December 31, 2025, the company's financial ratios were as follows: a current ratio of 0.51 and 0.80, respectively, and a debt-to-equity (D/E) ratio of 1.07 and 0.89, respectively.

Please be informed accordingly.

Sincerely yours,

(Mr. Weerapon Chaiteerath)

Managing Director