CHU KAI

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26 February 2026

Subject The Clarification on the 2025 operating result with a change exceeding 20 percent

To Managing Directors
The Stock of Exchange of Thailand

Chu Kai Public Company Limited and its subsidiaries ("The company") would like to clarify the reasons for the Company's operating result for the year 2025 ended December 31st, 2025 on the Company's consolidated statement of financial position compared to the same period of 2024 as follows:

1. The revenue from sales and machinery rental business

In 2025, The company's total revenue was Baht 245.21 million with decreased by Baht 93.63 million or 27.63 percent compared to the same period of the previous year. The composition of revenues was as follows:

- The revenue from sales by Baht 14.05 million, or 79.55 percent.
- The revenue from machinery rental business by Baht 231.16 million, or 14.43 percent.

This was primarily due to the postponement of the government and private sector projects, resulting in the postponement of several projects, including high competition on prices.

2. The cost of sales and machinery rental business and gross profit margin

In 2025, The company's total cost of sales and machinery rental business was Baht 210.53 million with decreased 13.79 percent compared to the same period of the previous year. However, the decrease in costs was not proportional to the decline in revenue due to a cost structure with a high level of fixed costs, such as machinery depreciation, labor, and maintenance expenses. As a result, the gross profit margin decreased from 27.93 percent in 2024 to 14.14 percent in 2025

3. Administrative expenses, allowance for doubtful accounts, and asset impairment

In 2025, The company's total administrative expenses were Baht 120.39 million with increased by Baht 44.53 million or 58.70 percent. The significant increase was mainly attributable to the provision for doubtful debts for two major customers, recognized in compliance with the principle of prudence and financial reporting standards.

The largest debtor is TTCL Public Company Limited, which is currently undergoing a business rehabilitation process. The company has recognized an allowance for doubtful accounts by Baht 38.05 million for this debtor.

The second debtor is in the process of complying with a compromise agreement and is scheduled to complete the installment payments by April 2027. An allowance by Baht 12.14 million has been recognized for this debtor.

Furthermore, in 2025, The company performed an impairment assessment of the machinery in accordance with changes in market conditions and usage rates. Consequently, the Company recorded an impairment loss by Baht 5.00 million.

The allowances for doubtful accounts and asset impairment represent non-cash transactions and do not result in any of the company's cash flows for the current period.

4. Net operating result

As a result of the foregoing factors, the Company has net loss by Baht 129.24 million in 2025, compared to a net profit by Baht 1.57 million of the previous year. The substantial increase in net loss was primarily attributable to the decline in revenue, combined with fixed costs that could not be reduced in proportion to the decreased revenue level, as well as the accounting provisions recognized as described above.

5. Operational Guidelines and Mitigation Measures

Notwithstanding the decline in operating performance in 2025, the company remains committed to prudent liquidity and cash flow management, continuous cost control, and the enhancement of machinery asset management efficiency to achieve optimal utilization rates.

Furthermore, the Company emphasizes rigorous monitoring of accounts receivable and the expansion of its customer base within the industrial sector and private projects, with the objective of strengthening financial stability and capitalizing on prospective business opportunities.

The Group continues to maintain adequate liquidity and has not encountered any events that would materially affect its operations.

Please be informed accordingly,

Yours sincerely,
Chu Kai Public Company Limited

Wanida Darachai
Company Secretary