Overview of the Group's Operating Results for the Second Quarter of 2026

For the second quarter of 2026, Capital Engineering Network Public Company Limited and its subsidiaries (collectively referred to as the "Group") reported a **net loss of THB 14.48 million**, compared with a **net loss of THB 60.50 million** in the corresponding period of the previous year, representing an **80.69% decrease in net loss**. This improvement reflects an overall recovery in the Group's operating performance, despite the Group remaining in the process of restructuring and enhancing operational efficiency across certain business segments.

Key factors supporting the recovery were driven by the Group's **overseas telecommunications business**, which recorded higher revenue, particularly from **Telecom Implementation Services**, following the expansion of its engineering teams to accommodate increased project volumes. In addition, the **Operation & Maintenance (O&M) services** business currently manages more than **1,400 telecommunications sites** and plans to expand its service coverage to other regions of the Philippines in the following year. This expansion is expected to support revenue growth and contribute to a more recurring and sustainable revenue stream going forward.

Furthermore, the Group's performance during the period was supported by **gains from the fair value measurement of financial assets arising from the Group's investments**, which helped mitigate the impact of certain business segments that remain in a period of operational adjustment.

For the second quarter of 2026, the Group recorded **gross profit from operations of THB 21.52 million**, representing an **increase of THB 82.32 million** compared with the same period of the previous year. This improvement reflects the Group's enhanced profitability, primarily driven by revenue growth from project-based operations in certain business segments, together with more effective cost management and improved operational efficiency. As a result, the Group achieved a significant increase in gross profit.

In addition, the Group continues to focus on **rebalancing its business portfolio toward businesses that generate stable recurring income and offer long-term growth potential**, particularly the **Operations and Maintenance (O&M) services** provided by its overseas subsidiary. This business generates **recurring revenue** and offers further opportunities to expand both its customer base and service coverage in the future.

This strategic direction is expected to **increase the proportion of recurring revenue, reduce revenue volatility associated with project-based businesses, and strengthen the stability of the Group's revenue streams and long-term profitability**.

Nevertheless, the Group is preparing for **revenue recognition from new projects in the following quarter**, which is expected to support the recovery of revenue and overall operating performance.

At the same time, the Group continues to focus on expanding businesses that generate **recurring revenue**, particularly the **Operation & Maintenance (O&M) services** provided by its overseas subsidiaries. This business offers opportunities to further expand both its customer base and service coverage, which is expected to **reduce revenue volatility from project-based businesses and enhance the stability and sustainability of the Group's long-term revenue streams**.

For the operating results attributable to owners of the parent, the Group reported a **net loss of THB 14.48 million**, representing a **net loss per share of THB 0.019**. Meanwhile, the Company's separate financial statements recorded a **net loss of THB 2.80 million**, equivalent to a **net loss per share of THB 0.004**.

In summary, although the Group continued to report a net loss in the second quarter of 2026, the **significant**

reduction in net loss compared with the corresponding period of the previous year reflects an improving trend in the Group's overall performance. This improvement was supported by the **recovery of the overseas telecommunications business, the expansion of O&M services, and preparations for revenue recognition from new projects**.

Going forward, the Group will continue to focus on **increasing revenue from high-potential businesses, effectively managing costs and expenses, and optimizing its assets and investments**, with the aim of enhancing profitability and achieving **stable and sustainable long-term growth**.

The details of the Group's operating results are summarized as follows:

1. Revenue from Sales

Revenue from steel wire sales (RWI) increased compared with the corresponding period of the previous year. Sales revenue amounted to **THB 127.66 million**, an increase of **THB 6.98 million, or 5.78%**, compared with **THB 120.68 million** in the same period of the previous year. The increase was primarily attributable to the adjustment of sales strategies in response to current market conditions, the retention of target customers, and improvements in service efficiency and responsiveness to customer needs, which contributed to higher sales volume.

Revenue from the sale of electricity and thermal energy (ENESOL) Revenue increased by **more than 4% compared with the same period of the previous year**, primarily due to higher billing rates for electricity and thermal energy charged to customers. This improvement reflects the Group's effective operational management and its ability to maintain a consistent level of energy consumption among customers.

Revenue from the sale of industrial products (STOWER) amounted to **THB 0.47 million**, representing a decrease compared with the same period of the previous year.

2. Revenue from Project Work and Services

The subsidiary **(STOWER)** recorded total revenue from project work and services of **THB 55.89 million**, comprising **THB 8.61 million** from domestic operations, representing **15.28%** of total project and service revenue, and **THB 47.75 million** from the telecommunications business in the Philippines, representing **84.72%**.

Revenue from project work and services increased by **THB 5.26 million, or 10.30%**, compared with the corresponding quarter of the previous year, primarily driven by a **15.59% increase in revenue from the overseas telecommunications business**.

Revenue from the Domestic Power and Telecommunications Business was primarily derived from **substation projects, galvanizing services, and fabrication work**. The Company continues to maintain readiness in terms of **personnel, machinery, and financial liquidity** to support potential projects and commence operations promptly upon securing contracts in accordance with the government's planned tender schedules.

The increase in revenue from the overseas telecommunications business was primarily attributable to the continued revenue growth of **QROI Network Services Inc. (QNSI)**. This growth was driven by its **Telecom Implementation Services**, supported by the expansion of engineering teams to accommodate increased service demand, as well as its **Operation & Maintenance (O&M) services**, which currently cover more than **1,400 telecommunications sites**.

The number of sites under O&M services is expected to increase further as the Company plans to expand its service coverage into **additional regions of the Philippines in the following year**, which is expected to support continued revenue growth in the future.

However, despite the increase in total revenue, **cost of sales and services increased at a higher rate than revenue growth**, rising by **THB 7.29 million, or 16.64%**. As a result, the Company recorded a **gross profit of THB 5.28 million**, representing a decrease of **THB 2.02 million, or 27.72%**, compared with the corresponding quarter of the previous year, reflecting a **decline in the gross profit margin**.

3. Rental and Service Income

In the second quarter of 2026, the Group recorded **rental and service income of THB 5.21 million**. A subsidiary commenced recognizing **rental and service income of THB 4.55 million** from its real estate business under the **Station One Project**, representing the **first revenue recognition following the Group's investment in this business**.

The Group expects to continue recognizing rental and service income from the Station One Project in subsequent periods, thereby contributing to a **more recurring and sustainable revenue stream**.

4. Other Income

Other income primarily consisted of **income from the sale of scrap materials, interest income, and other miscellaneous income**.

Expenses

For the three-month period ended **June 30, 2026**, the Group recorded **total expenses of THB 262.53 million**, representing a decrease of **THB 63.37 million, or 19.44%**, compared with **THB 325.90 million** in the corresponding period of the previous year.

The overall decrease in expenses reflects the Group's efforts to **effectively manage costs and expenses**, as well as to align its expenditure levels with the Group's business activities. The key details are as follows:

1. Cost of Sales and Project Costs

The Group recorded **cost of sales and services of THB 211.04 million**, representing an increase of **THB 3.14 million, or 1.51%**, compared with **THB 207.90 million** in the corresponding period of the previous year. The increase was primarily attributable to higher sales volume, which resulted in an increase in variable costs in line with the level of revenue and business activities.

In addition, the telecommunications business incurred certain costs that did not generate corresponding revenue during periods of awaiting new projects and tender opportunities, which affected its overall cost structure. Nevertheless, the Group continued to manage costs in alignment with the level of business activities.

Distribution costs also increased in line with higher sales volume, particularly **transportation expenses**, which rose in accordance with the increase in product sales. Overall, the increase in costs was consistent with the expansion in sales volume during the period, while the Group continues to **monitor and improve cost efficiency on an ongoing basis**.

2. Cost of Rental and Services

The Group recorded **cost of rental and services of THB 3.61 million**, primarily attributable to the recognition of costs associated with the Group's investment property projects, namely the **Urbitia Project** and the **Station One Yaowarat Project**, operated by two subsidiaries.

These costs mainly represent expenses directly related to the **management and operation of the properties to generate rental and service income**.

3. Administrative Expenses

Administrative expenses for the second quarter of 2026 increased by **THB 1.92 million** compared with the corresponding period of the previous year. The increase was primarily attributable to expenses recognized by subsidiaries in connection with the **management and assessment of receivables' credit quality**. During the period, the Group recognized an **Expected Credit Loss (ECL) allowance of THB 9.89 million** for trade receivables to reflect collection risk and ensure that receivables were appropriately measured in accordance with the applicable accounting standards.

In addition, administrative expenses increased as a result of the **rental real estate business** following the investment in **Imperial Land Co., Ltd.**, which resulted in the Group commencing recognition of expenses related to the management and operations of this business during the period.

4. Finance Costs

The Group's finance costs primarily consisted of **interest expenses on credit facilities from financial institutions**. The Group continues to focus on the effective management of its **debt structure and finance costs**, with emphasis on maintaining adequate liquidity, optimizing the utilization of credit facilities in line with business requirements, and keeping interest expenses at an appropriate level.

Overall, the Group remains committed to **prudent cost and expense management**, together with enhancing operational efficiency, to ensure that its cost structure remains aligned with revenue levels and to strengthen its ability to achieve **sustainable profitability over the long term**.

Financial Position

Statement of Financial Position	Latest period 30 Jun 2026	%	31 Dec 2025	%	Increase (Decrease)	%
Current assets	1,169.19	49%	1,425.02	57%	(255.83)	(17.95%)
Non-current assets	1,197.23	51%	1,082.41	43%	114.82	10.61%
Total assets	2,366.42	100%	2,507.43	100%	(141.01)	(5.62%)
Current liabilities	159.28	7%	205.59	8%	(46.31)	(22.53%)
Non-current liabilities	230.49	10%	211.51	9%	18.98	8.97%
Total liabilities	389.77	16%	417.10	17%	(27.33)	(6.55%)
Equity attributable to owners of the parent	1,161.90	49%	1,268.70	51%	(106.80)	(8.42%)
Non-controlling interests	814.75	35%	821.63	33%	(6.88)	(0.84%)
Total shareholders' equity	1,976.65	84%	2,090.33	83%	(113.68)	(5.44%)
Total liabilities and shareholders' equity	2,366.42	100%	2,507.43	100%	(141.01)	(5.62%)

➢ Asset

As of June 30, 2026, the Group had total assets of THB 2,366.42 million, representing a decrease of THB 141.01 million, or 5.62%, compared with THB 2,507.43 million as of December 31, 2025.

The decrease in total assets was primarily attributable to a decline in **other current financial assets**, mainly due to a decrease in the market value of the Group's investments in equity securities amid continued volatility in the **capital markets and overall economic conditions**. Consequently, the carrying value of such financial assets decreased in line with prevailing market prices.

- **Liabilities**

As of **June 30, 2026**, the Group had **total liabilities of THB 389.77 million**, representing a **decrease of 6.55%** compared with December 31, 2025. The decrease reflects the Group's **prudent management of its debt structure and working capital**.The decline was primarily attributable to a subsidiary's liquidity management initiatives, including **reduced reliance on credit facilities for raw material purchases**, as well as the **reversal of other current liabilities related to maintenance expenses for key machinery** at another subsidiary.

The reduction in liabilities supports the Group's **financial risk management** and reflects its prudent liquidity management approach, with an emphasis on **maintaining financial obligations at an appropriate and manageable level**.

- **Shareholders' Equity**

As of **June 30, 2026**, **equity attributable to owners of the parent** amounted to **THB 1,161.90 million**, representing a decrease of **THB 106.80 million, or 8.42%**, compared with **THB 1,268.70 million** as of December 31, 2025. The decrease was primarily attributable to the recognition of **operating losses during the period**. Meanwhile, **non-controlling interests (NCI)** decreased by only **THB 6.88 million, or 0.84%**.

Despite the decline, **total equity continued to account for approximately 84% of total assets**, indicating that the Group maintains a **strong equity-based capital structure with relatively low reliance on debt financing**.

Nevertheless, the Group continues to focus on effective capital structure management, cost control, and operational efficiency enhancement in order to strengthen its ability to generate returns and maintain a sound and resilient financial position over the long term.

Overview of Financial Position

In summary, the Group continues to maintain a sound and resilient financial structure, with a decrease in total liabilities and a relatively high level of equity compared with total assets. However, the decline in current assets and increase in non-current assets have heightened the importance of effective liquidity management and efficient asset utilization.

Going forward, the Group will focus on effective liquidity management, together with enhancing asset utilization efficiency, controlling financial obligations, and accelerating the generation of revenue and returns from high-potential assets and businesses. These initiatives are aimed at strengthening the Group's profitability and maintaining long-term financial stability.

Financial Ratio

FINANCIAL RATIO	Q2 2026 (LATEST)	Q1 2026	FY2025	Q3 2025	Q2 2025
CR Current Ratio Liquidity position	7.34	7.76	6.93	6.51	6.96
D/E Debt-to-Equity Ratio Capital structure (D/E)	0.20	0.20	0.20	0.20	0.19
ROA Return on Assets Asset profitability (ROA)	−3.09%	−3.05%	−8.56%	−2.81%	−2.83%
ROE Return on Equity Shareholders' return (ROE)	−6.30%	−6.22%	−16.93%	−5.54%	−5.59%

KEY TAKEAWAY Liquidity remains strong and the D/E ratio is stable, while ROA and ROE have improved from FY2025.

As of the second quarter of 2026, the Company maintained a **strong financial position in terms of liquidity and capital structure**. The **Current Ratio stood at 7.34 times**, slightly decreasing from **7.76 times in the first quarter of 2026**, but remaining higher than **6.96 times in the second quarter of 2025**. This reflects the Company's **strong ability to meet its short-term financial obligations**.

The **Debt-to-Equity (D/E) Ratio stood at 0.20 times**, remaining stable compared with the previous quarter and 2025. This reflects a **low level of leverage and a sound capital structure**, with an adequate equity base to support the Company's operations. As a result, the Company maintains **financial flexibility to support future investments and business expansion**.

In terms of profitability, the **Return on Assets (ROA) stood at -3.09%**, while the **Return on Equity (ROE) was -6.30%**. Although both ratios remained negative, they **improved significantly compared with 2025**, when ROA and ROE were **-8.56% and -16.93%**, respectively.

This improvement indicates a positive trend; however, the Company remains focused on **enhancing operational efficiency and optimizing asset utilization to generate improved returns**.

Overall, the Company maintains a **strong liquidity position and a low level of financial leverage**. Going forward, key priorities will include **enhancing asset utilization, controlling costs and expenses, increasing revenue from core businesses, and accelerating projects with strong revenue and profit potential**. These initiatives are aimed at improving **ROA and ROE toward positive levels** and generating **sustainable and appropriate long-term returns for shareholders**.

Yours sincerely,

-Laphassarin Kraiwongwanitrung-

(Laphassarin Kraiwongwanitrung)

Acting Chief Executive Officer