THAICOM

MANAGEMENT'S DISCUSSION AND ANALYSIS



Thaicom Public Company Limited

Management's Discussion and Analysis for 2025

Thaicom Public Company Limited

1. Economic Overview

In 2025, the Thai economy continued to face pressure from volatility in the global economy, particularly uncertainty surrounding the U.S. trade policies, including the implementation of trade protection measures and import tariffs on trading partners during certain periods. This resulted in heightened volatility in global financial markets. During the early part of the year, the U.S. dollar appreciated amid such uncertainty, before weakening in the later period due to concerns over the U.S. economic outlook and expectations of monetary policy easing. As a result, the Baht appreciated significantly compared with the previous year. In addition, the Baht received further support from external factors, including an increase in global gold prices amid geopolitical tensions, particularly in the Middle East, which influenced capital flows in financial markets. However, going forward, the Baht may depreciate as a result of measures implemented by the Thai government and the Bank of Thailand to manage volatility and mitigate the impact of Baht appreciation.

2. Company's Performance Overview

In 2025, the Company generated a core profit[1] of Baht 401 million, representing a significant increase of Baht 291 million, or 267.6%, from Baht 109 million in the prior year. This improvement was primarily supported by higher revenue, alongside efficient cost and expense management. Focusing solely on the satellite business, the Company generated Baht 432 million in core profit excluding non-satellite business and the share of loss from the telecommunications business, which exceeded the normal core profit by Baht 31 million, underscoring the core business's robust profitability.

In 2025, total revenue from sales of goods and rendering of services, construction services, and other income amounted to Baht 2,737 million. This represents a substantial increase of Baht 316 million, or 13.1%, from Baht 2,420 million in 2024. The increase was primarily driven by revenue from services rendered to a counterparty of Baht 317 million (for further details, please refer to Note 20 to the financial statements). In addition, the Company successfully secured a contract with the Geo-Informatics and Space Technology Development Agency ("GISTDA") to provide antenna and ground systems for receiving signals and controlling the THEOS satellite constellation under the antenna system procurement project, recognizing revenue of Baht 153 million during 2025 based on project progress. This underscores the Company's position as a leader with long-standing expertise in the satellite and space industry, supported by over 30 years of experience, and its role as a comprehensive satellite operator.

[1] *Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.*

In 2025, the Company strengthened its position in India, a large-scale market, through partnerships with Hughes Communications India Private Limited and Nelco Limited, leading satellite service providers in India. The services enhanced broadband connectivity across critical sectors, including financial services, renewable energy, mining, remote education, as well as aviation and maritime communications.

Furthermore, the Company successfully expanded its Geospatial Intelligence ("GEOINT") business, which represents a growth area with positive long-term potential. Progress was reflected through revenue from multiple projects in collaboration with both public and private agencies. These included revenue from a satellite-based Burn Tracking Platform for monitoring and detecting sugarcane burning activities in agricultural areas to address air pollution issues for the Office of the Cane and Sugar Board ("OCSB"), an agricultural technology development project for the Agricultural Research Development Agency ("ARDA"), and a drone-based project for GISTDA. In addition, the Company made progress on the CarbonWatch initiative through collaboration with leading organizations, including Global Green Chemicals Public Company Limited ("GGC"), Concrete Products and Aggregate Company Limited ("CPAC"), a subsidiary of Siam Cement Group Public Company Limited ("SCG"), and Kasetsart University. These developments reflect the Company's continued success in expanding its revenue base and executing its strategic roadmap effectively.

For 2025, the Company reported net profit attributable to the owner of the Company of Baht 40 million, representing a turnaround from a net loss of Baht 23 million in 2024. The Company was able to sustain its profitability despite foreign exchange volatility as the Baht appreciated, resulting in an unrealized loss on exchange rate, which is a non-cash item and does not reflect the Company's core operating performance.

Regarding the telephone business abroad, the Company's share of loss from investment in the joint venture in 2025 remained comparable to 2024, despite a significant increase in revenue and net profit of Lao Telecommunications Public Company ("LTC"). Although the Lao Kip appreciated slightly against the U.S. dollar in 2025, the Company continued to recognize a share of loss from this investment, primarily due to finance costs incurred by Shenington Investments Pte. Ltd. ("SHEN"). However, in the long term, the Company continues to benefit from the ongoing tariff restructuring for telecom services implemented by the Ministry of Telecommunication and Communication of the Lao People's Democratic Republic ("Lao PDR"), which is expected to support the continuous recovery of the share of loss from investments.

3. Business Overview and Key Developments

Secured Contract with GISTDA to Supply Antenna Systems for THEOS Satellite Constellation and Leverage Earth Observation Imagery for Advanced Space Technology Services.

23 January 2025 – The Company successfully secured a contract valued at approximately Baht 234 million with GISTDA. This contract designates the Company as the provider of antenna systems for receiving signals and controlling the THEOS satellite constellation, under the project for the procurement of antenna systems for satellite signal reception and control. The antenna systems will be installed at the THEOS ground receiving and control station (Sriracha). This advanced infrastructure will provide GISTDA with a robust ground operating system capable of efficiently receiving signals from and controlling the THEOS satellite constellation, as well as other Earth observation satellites. Furthermore, the system will facilitate the transmission of imagery data from the satellites back to the ground station, enabling government and private sector entities to fully leverage this valuable information.

LTC, a subsidiary of the Company, launches comprehensive digital financial services super app "Super X" at Lao Digital Week 2025.

3 April 2025 – LTC, a subsidiary of the Company and the leading mobile phone and telecommunications service provider with the largest market share in the Lao PDR, has launched Mmoney X – Super App "Super X", a comprehensive digital financial services application. The launch took place at Lao Digital Week 2025, marking a significant advancement for the Fintech industry in the Lao PDR as the first instance of integrating various applications encompassing both financial and telecommunications services (M-Service and My TPlus). This integration aims to elevate the digital financial user experience comprehensively and reinforces the commitment to developing new technologies and innovations to propel the Lao PDR towards a stable and sustainable digital era.

Secured a significant project from National Telecom Public Company Limited ("NT"), leveraging the Company advanced satellite engineering expertise to provide professional services for THAICOM 4 and THAICOM 6 satellites.

4 April 2025 – The Company was awarded the professional service for THAICOM 4 and THAICOM 6 satellites from NT, valued at over Baht 118 million. These achievements underscore the Company's position as Thailand's leading company with over 30 years of expertise in advanced satellite and space technology.

The Company and GGC signed a Memorandum of Understanding ("MOU") to explore the use of science and technology in monitoring palm plantations and assessing carbon sequestration.

22 May 2025 – The Company signed a collaboration agreement with GGC to explore the application of scientific and technological systems for monitoring palm plantation areas and assessing carbon sequestration. The partnership aims to facilitate knowledge exchange and jointly develop data collection methods for oil palm cultivation, as well as evaluating the amount of carbon stored through such cultivation. Under this collaboration, the Company will play a key role by leveraging its space technology platform, CarbonWatch, to enhance and advance carbon monitoring and assessment in palm plantations. GGC will serve as the domain expert, providing data support and overseeing various project sites for carbon credit development. The primary objective of this initiative is to strengthen competitiveness in the development of low-carbon products derived from oil palm and to establish a systematic, internationally recognized approach to oil palm plantation data collection in Thailand through advanced technological solutions.

The Company, in collaboration with CPAC, a subsidiary of SCG, and Kasetsart University, signed an agreement to assess carbon sequestration in community forests in Lampang Province using the CarbonWatch platform, with plans to expand the initiative to forest areas in the central and northern regions.

27 May 2025 – The Company signed an MOU with CPAC and Kasetsart University to utilize the CarbonWatch space technology platform—certified by the Thailand Greenhouse Gas Management Organization—to assess carbon sequestration in community forests in Lampang Province. The initiative aims to expand nationwide, enhancing the efficiency, accuracy, speed, transparency, and cost-effectiveness of large-scale forest carbon assessments compared to traditional methods. This collaboration marks a significant milestone in the Company's continued success, leveraging its satellite business expertise to advance into the space technology sector. Looking ahead, the initiative will contribute to national development goals, including carbon neutrality and achieving net-zero greenhouse gas emissions.

The Company and Advanced Info Service Public Company Limited ("AIS") jointly support the military's satellite communication mission to safeguard the Thai border.

8 June 2025 – The Company and AIS have jointly supported the mission of Thai authorities in safeguarding the Thai border, particularly during periods of heightened sensitivity and close monitoring by all relevant sectors. This collaboration focuses on enhancing the security and reliability of communications in operational areas. In addition, the Company has provided and installed satellite equipment for the Second Army Region, enabling internet connectivity in remote areas along the border.

The Company, in collaboration with the Ministry of Industry and the OCSB, launched a platform for monitoring and detecting sugarcane burning activities by applying space technology and Artificial Intelligence ("AI") to support the reduction of air pollution and PM2.5 particulate matter.

15 July 2025 – The Company, the Ministry of Industry, and OCSB jointly launched a sugarcane burning monitoring platform utilizing space technology and satellite-based geospatial systems integrated with AI-driven data analytics. The platform aims to extend its application across agricultural sectors associated with air pollution, particularly PM2.5, by reducing emissions to acceptable standards, supporting sustainable growth of the agricultural industry, and strengthening the country's economic development.

Space Tech Innovation Company Limited ("STI"), the Company's subsidiary, secured USD 184 Million Export Credit Agency ("ECA") Backed Financing Agreement with Deutsche Bank and Standard Chartered for THAICOM 10 Satellite Program.

20 August 2025 – The Company entered an ECA backed financing agreement totaling USD 184 million for the THAICOM 10 satellite program. This was executed by its subsidiary, STI, in collaboration with Deutsche Bank and Standard Chartered, under the guarantee of the French ECA, Bpifrance Assurance Export ("BPIAE"). The financing will support the manufacturing of the THAICOM 10 satellite built by Airbus Defense and Space of France. This collaboration reflects the confidence of leading financial institutions and is a significant step in upgrading Thailand's digital infrastructure, supporting internet, security, and communication services in remote areas, both domestically and regionally.

The Company, Pollution Control Department ("PCD"), and Thailand Institute of Scientific and Technological Research ("TISTR") signed an MOU to develop air pollution management platform using satellite technology and AI.

3 September 2025 – The Company, the PCD, and TISTR signed an MOU to develop a PM2.5 prediction model. This model utilizes satellite data combined with AI and Machine Learning ("ML") technologies to enhance the efficiency of area-specific air quality management, providing forecasts up to 7 days in advance. The results are displayed via the PCD website, enabling the public and relevant agencies to plan and respond in a timely manner. This cooperation marks a significant step in applying space technology for sustainable environmental solutions and improving public quality of life in the long run.

Utilization of Thaicom's satellites

As of the end of 2025, the utilization rate for the Company's conventional satellites providing services under telecommunication licenses via THAICOM 7 and THAICOM 8 reached 64%, representing a continuous increase across all quarters throughout 2025. This improvement was primarily driven by higher demand from international customers, underscoring the Company's ability to sustain consistent growth in satellite utilization.

Internet and media services

The revenue from internet and media services mainly derived from Thai Advance Innovation Company Limited ("ThaiAI"), consisting of the income from the sale of set-top-boxes and related equipment, including the sale and rental services for internet platform such as IPTV channels, video streaming, eSport, LOOX TV and GEOINT.

Revenue from internet and media services for 2025 totaled Baht 32 million, representing a decrease of 30.4% compared to Baht 46 million in 2024. The decline was primarily attributable to revenue recognized in 2024 from the digital platform development project for the Department of Learning Promotion ("DLP"), as well as revenue from hotel in-house television system installations. However, in 2025, the Company recorded increased revenue from the GEOINT segment, including the agricultural technology development project for ARDA and the drone project for GISTDA.

Telephone business abroad

LTC, the leading mobile and telecommunications service provider in the Lao PDR, continued to demonstrate improving performance. Revenue and net profit in 2025 increased significantly compared to the previous year, driven by improved operational efficiency and the tariff restructuring policy implemented by the Ministry of Telecommunication and Communication of the Lao PDR, which came into effect in 2024. As of the end of 2025, LTC and TPLUS Digital Company Limited ("TPLUS") had a combined total of 2.4 million mobile subscribers, remaining at a level comparable to the end of 2024.

4. Consolidated Operating Results

Summary of key financial information of Thaicom

Unit: Baht million	Amount		Change
	2025	2024	%YoY
Revenues from sale of goods and rendering of services	2,321	2,413	-3.8%
Revenue from construction services	153	-	N/A
Other income	262	8	3351.2%
Total Revenue	2,737	2,421	13.1%
Cost of sale of goods and rendering of services	(1,451)	(1,543)	-6.0%
Cost of construction services	(144)	-	N/A
Selling and Administrative expenses [1]	(749)	(891)	-15.9%
Net gain (loss) from foreign exchange	(335)	(70)	378.6%
Profit from operating activities	58	(83)	N/A
Profit from operating activities before interest, tax, and depreciation and amortization ("EBITDA") [2]	498	378	31.7%
Financial income	192	282	-31.9%
Financial costs	(71)	(91)	-22.0%
Reversal of loss on impairment based on Thai Financial Reporting Standard No.9	(0)	44	-100.0%
Share of profit (loss) of investment in subsidiaries and joint ventures	(40)	(37)	8.1%
Profit before income tax expense	139	116	20.3%
Income tax expense	(99)	(138)	-28.3%
Profit attributable to the owners of the Company (Net Profit)	40	(22)	N/A
Less: Unrealized gain (loss) on exchange rate of the Company	(353)	(117)	201.7%
Less: Unrealized gain (loss) on exchange rate of joint ventures	8	14	-42.9%
Core Profit	401	109	267.6%
Core profit from satellite business [3]	432	131	229.4%
Basic earnings per share (Baht)	0.04	(0.02)	N/A

(1) SG&A expenses included selling and administrative expenses and directors and management benefit expenses.

(2) Excluded gain (loss) on exchange rate and loss on assets impairment.

(3) Excluding non-satellite business and share of loss from the telecommunications business

Revenue from sales of goods and rendering of services

The consolidated revenue from sales of goods and rendering of services for 2025 totaled Baht 2,475 million, representing an increase of 2.6% compared to Baht 2,413 million in 2024. The increase was primarily driven by higher revenue from satellite and related services from domestic customers.

Revenue from sales of goods and rendering of services Unit: Baht million	2025	2024	%YoY
Satellite and related services	2,453	2,380	3.1%
Internet and media services	32	46	-30.4%
Consolidation eliminations	(10)	(13)	-23.1%
Satellite and related services	2,475	2,413	2.6%

After the expiry of the concession, revenue from satellite and related services was composed of revenue from sales of goods and rendering of services from THAICOM 7 and THAICOM 8, which are operated under licenses to provide telecommunication services. Additionally, there was revenue from satellite services from part of bandwidth purchased on THAICOM 4 and THAICOM 6 satellites from NT, including bandwidth purchased from international satellite service providers in order to continue providing seamless servic e for both broadcast and broadband.

Revenue from satellite and related services in 2025 amounted to Baht 2,453 million, an increase of 3.1% from Baht 2,380 million in 2024. The increase was mainly attributable to the revenue from the services rendered to a counterparty of Baht 317 million (for further details, please refer to Note 20 to the financial statements) . In addition, the Company successfully secured a contract with GISTDA to provide antenna and ground systems for receiving signals and controlling the THEOS satellite constellation under the antenna system procurement project, recognizing revenue of Baht 153 million during 2025 based on project progress , underscoring the Company's specialized satellite expertise and its role as a fully integrated satellite service provider. Furthermore, in 2025, the Company achieved progress in the GEOINT segment, reflected through revenue from various projects, including the Burn Tracking Platform for the OCSB, agricultural technology development project for ARDA and the drone project for GISTDA, as well as progress of the CarbonWatch initiative through collaborations with leading organizations, including CPAC, a subsidiary of SCG, and Kasetsart University. These developments reflect the Company's success in expanding its revenue base continuously and executing its strategic roadmap effectively.

Revenue from internet and media services

Revenue from internet and media services for 2025 totaled Baht 32 million, representing a decrease of 30.4% compared to Baht 46 million in 2024. The decrease was primarily due to the Company recognizing revenue in 2024 from the digital platform development project for the DLP, as well as revenue from the installation of in-house hotel television channel systems. However, in 2025, the Company recorded increased revenue from the GEOINT segment, including the agricultural technology development project for ARDA and the drone project for GISTDA.

Other Income

Other income for 2025 totaled Baht 262 million, representing an increase of Baht 254 million from Baht 8 million in 2024. The increase was primarily due to the recognition of a Baht 235 million gain from the reversal of long-term accounts payable – property and equipment, as it no longer has any obligations to pay under the contract terms (for further details, please refer to Note 21 to the financial statements).

Cost of sales of goods and rendering of services

The Company's cost of sales of goods and rendering of services in 2025 totaled Baht 1,596 million, representing an increase of 3.4% compared to Baht 1,543 million in 2024. The increase was mainly due to higher costs related to satellite and related services in line with higher revenue. However, excluding construction costs, the Company's cost of sales of goods and rendering of services declined, reflecting effective cost management through continuous expense control.

Cost of sales of goods and rendering of services Unit: Baht million	2025	2024	%YoY
Satellite and related services	1,575	1,524	3.3%
Internet and media services	34	29	17.2%
Consolidation eliminations	(13)	(10)	30.0%
Total	1,596	1,543	3.4%

Cost of satellite and related services for 2025 totaled Baht 1,575 million, representing a slight increase of 3.3% compared to Baht 1,524 million in 2024, mainly due to cost of construction services of the Company's projects in 2025.

Cost of internet and media services

Cost of internet and media services for 2025 totaled Baht 34 million, representing an increase of 17.2% compared to Baht 29 million in 2024, mainly due to costs related to project execution within the segment.

Selling, General and Administrative Expenses ("SG&A")

SG&A expenses, including directors' and management's remuneration, in 2025 totaled Baht 749 million, representing a decrease of 15.9% from Baht 891 million in 2024. The decrease was primarily due to improved operational efficiency.

Finance costs

Finance costs for 2025 totaled Baht 91 million, representing a decrease of 28.8% from Baht 127 million in 2024, mainly due to repayment of loans.

Share of profit (loss) of investment in joint ventures

The share of profit (loss) of investment in subsidiaries and joint ventures consisted of those from the telecommunications business in the Lao PDR or LTC, Nation Space and Technology Co.,Ltd. ("NSAT") and ATI Technologies Co.,Ltd. ("ATI").

In 2025, the share of loss from investments in joint ventures amounted to Baht 39 million, mainly due to losses from investments in LTC, remaining at a level comparable to 2024. Although LTC's revenue and net profit in 2025 increased significantly compared to the previous year, the Company continued to recognize a share of loss from this investment primarily due to finance costs incurred by SHEN. In the longer term, the Company will benefit from the positive factors arising from the Ministry of Telecommunication and Communication of the Lao PDR's tariff restructuring policy, which is expected to support the continuous recovery of the share of loss from investments and could potentially return to profitability in the future.

Profit attributable to the owners of the Company (Net profit)

In 2025, the Company reported net profit attributable to the owners of the Company of Baht 40 million, which increased substantially, representing a significant turnaround compared to a net loss of Baht 23 million in 2024. The Company was able to sustain its profitability despite foreign exchange volatility as the Baht appreciated, resulting in an unrealized loss on exchange rate, which is a non-cash item and does not reflect the Company's core operating performance. The significant improvement was primarily driven by higher revenue from domestic projects in 2025. The Company recognized total revenue from key projects of Baht 470 million, consisting of revenue of Baht 317 million from services rendered to a counterparty (for further details, please refer to Note 20 to the financial statements), and revenue of Baht 153 million from the antenna system procurement project for GISTDA, reinforcing the Company's position as a comprehensive satellite service provider. In addition, the Company achieved progress in the GEOINT segment, reflected through revenue from various projects, including the Burn Tracking Platform for OCSB, the agricultural technology development project for ARDA, and the drone project for GISTDA, as well as continued progress of the CarbonWatch initiative through collaborations with CPAC, a subsidiary of SCG, and Kasetsart University. These factors reflect the Company's success in expanding its revenue base continuously and executing its strategic roadmap effectively.

The Company generated a core profit[1] of Baht 401 million for 2025, representing a significant increase of Baht 291 million or 267.6% compared to Baht 109 million in 2024, mainly driven by higher revenue together with effective expense management. Focusing solely on the satellite business, the Company recorded core profit excluding non-satellite business and the share of loss from the telecommunications business of Baht 432 million, which exceeded core profit by Baht 31 million, underscoring the core business's robust profitability.

[1] *Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.*

5. Financial Position

As of the end of 2025, the Company reported total assets of Baht 17,322 million, representing an increase of 14.3% from Baht 15,168 million at the end of 2024. The increase was primarily driven by higher non-current assets from property, plant and equipment, as the Company's subsidiaries continued the construction of THAICOM 9 and THAICOM 10, recorded as assets under construction totaling Baht 3,896 million (for further details, please refer to Note 10 to the financial statements). In addition, cash and cash equivalents increased due to the partial refund of withholding tax from the Indian Revenue Department.

Asset components

Assets Unit: Baht million	31 December 2025 Amount (Baht million)	 % of Total Assets	31 December 2024 Amount (Baht million)	 % of Total Assets
Current assets	5,095	29.4%	4,711	31.1%
Property, plant and equipment	5,979	34.5%	4,559	30.1%
Right-of-use assets*	999	5.8%	1,233	8.1%
Intangible assets	728	4.2%	784	5.2%

* Right-of-use assets including satellite's transponders, land, buildings and vehicles.

Trade and other receivables

As of the end of 2025, the Company had trade and other current receivables of Baht 1,268 million, representing 7.3% of total assets, an increase of 19.0% from Baht 1,065 million at the end of 2024, mainly due to higher accrued income from domestic customers. However, trade receivables (for further details, please refer to Note 7 to the financial statements) decreased significantly by Baht 258 million, primarily due to the successful collection of long-outstanding debts from international customers.

Liquidity

As of the end of 2025, the Company's current ratio was 1.6 times, decreased from 2.3 times at the end of 2024. The decline was primarily due to an increase in current liabilities from short-term borrowings obtained from financial institutions to support the construction of THAICOM 9 and THAICOM 10.

Right-of-use assets

As of the end of 2025, the Company had right-of-use assets of Baht 999 million, accounting for 5.8% of total assets. These assets are primarily related to capacity purchased on THAICOM 4 and THAICOM 6 satellites under post-concession agreements, as well as capacity leased from international satellite operators to serve the Company's customers. Right-of-use assets decreased by 19.0% from Baht 1,233 million at the end of 2024 due to amortization of satellite lease assets.

Borrowings and shareholders' equity

As of the end of 2025, the Company had no long-term loans from financial institutions maturing within one year, as it had fully repaid all long-term loans related to its existing satellite projects. However, the Company had outstanding short-term loans from financial institutions totaling Baht 2,129 million, which were used to finance investments in the new satellite projects. As of the end of 2024, the Company had net borrowings of Baht 927 million.

The Company's shareholders' equity as of the end of 2025 totaled Baht 10,087 million, representing an increase of 0.7% from Baht 10,019 million at the end of 2024, in line with net profit for the year.

The Company's ratio of net borrowings to equity was 0.7 times, representing an increase of 41.2% from the end of 2024, in line with net profit for the year.

Cash Flows

In 2025, the Company generated net cash from operating activities of Baht 853 million, representing a decrease of 22.6% compared to Baht 1,102 million in 2024. This was mainly because during 2024–2025, the Company received withholding tax refunds from the Indian Revenue Department totaling INR 1,697 million, which were recorded under other non-current liabilities in the statement of financial position according to Note 29 to the financial statements.

Net cash used in investing activities for 2025 totaled Baht (1,516) million, representing a decrease of 8.4% compared to Baht (1,655) million in 2024. The main reason was advance payments for equipment related to the new satellite projects.

Net cash from financing activities in 2025 totaled Baht 1,458 million, mainly comprising short-term borrowings obtained from financial institutions for investments in the new satellite projects.

As of the end of 2025, the Company held cash and cash equivalents, including temporary investments, totaling Baht 3,220 million.

6. Investment Information

Sustainability policy and targets

The Company has established a sustainability pathway to continue creating value and economic growth in alignment with the United Nations Sustainable Development Goals ("SDGs") and international standards, including corporate sustainability reporting guidelines under the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand's sustainability assessment principles. The Company has implemented a sustainability development policy as a framework for demonstrating accountability to society and the environment, supporting stable and continuous growth, stakeholder trust, and ESG-aligned business operations across three dimensions: (1) Environmental, (2) Social, and (3) Governance and Economic.

Provident Fund

The Company prioritizes the welfare and long-term financial security of its employees by establishing a Provident Fund in accordance with the Provident Fund Act. This initiative is an integral part of our human resource management strategy, aimed at fostering employee engagement, retaining high-potential talent, and promoting disciplined saving for sustainable retirement readiness. The Company's contribution policy is structured based on years of service to incentivize participation, complemented by regular educational activities on financial planning and investment to build confidence in fund management. Furthermore, the Company ensures full, transparent, and standardized disclosure regarding the Provident Fund in its annual report, following the SEC's guidelines. This reflects our commitment to stakeholder responsibility and aligns with Environmental, Social, and Governance ("ESG") principles—particularly the social dimension in enhancing employees' quality of life and well-being, which drives long-term corporate stability and growth. As of 2025, a total of 274 employees participated in the fund, representing 91.95% of all eligible staff.

Factors or events that may affect future operations or financial position and the Company's approach to managing emerging risks

Climate change risk

Climate change is a global issue and an emerging risk. The Company integrates climate-related risk management into its enterprise-wide risk management process under the oversight of the Risk Management Committee, the Audit and Risk Committee, and the Board of Directors. The Company assesses both physical risks from natural disasters and transition risks and opportunities associated with the shift toward a low-carbon economy, in line with the principles of the Task Force on Climate-related Financial Disclosures ("TCFD").

Financial Risks

Foreign exchange risk

The Company provides services both domestically and internationally, with certain revenue streams denominated in foreign currencies, while certain expenses and borrowings are also in foreign currencies. As a result, the Company is exposed to foreign exchange risk, which may affect financial performance and cash flow. However, the Company mitigates this risk in part through natural hedging by netting foreign currency inflows and outflows. Where appropriate, the Company may consider additional hedging instruments based on its net foreign currency exposure, including foreign exchange forward contracts, options, and cross-currency and interest rate swaps.