



AVIATION TECHNOLOGY SERVICE

SKY ICT Public Company Limited

Management Discussion and Analysis
For the Three-Month Period Ended March 31, 2025



No. SKY-68-05-014

May 15, 2025

Subject: Management Discussion and Analysis for the First Quarter of 2025
To: President The Stock Exchange of Thailand
Attachment: A copy of the financial statements for the first quarter ended March 31, 2025 (1 set)

SKY ICT Public Company Limited and its subsidiaries (“the Group”) are pleased to submit the financial statements for the three-month period ended March 31, 2025, which have been reviewed by the auditor, together with the Management Discussion and Analysis. This comprehensive information is provided to keep our investors and stakeholders well-informed, with details outlined below.

Business Overview

SKY ICT Public Company Limited and its subsidiaries (“the Group”) operate in the information and communication technology (ICT) industry, offering products and services designed to ensure efficient and secure communication and information systems for clients. The Group provides high-quality, industry-recognized base products while customizing solutions to meet the diverse needs of organizations. This includes consulting, design, and installation of physical and data security systems, integrated network controls, and other essential ICT security solutions. These services are tailored to align with each organization’s unique requirements, whether for on-site or network-based ICT security systems. As an “ICT contractor,” the Group addresses the fast-growing and highly competitive business environment by integrating ICT to enhance business efficiency and potential.

The Group’s operations are divided into three main segments:

1. Service Business

1.1. Aviation Service

The Group integrates modern information technology into airport management, applying new technologies to adapt to the evolving behaviors of airport users. This service facilitates both domestic and international passengers, including advanced systems for passenger screening and data management, ensuring convenience and efficiency for travelers entering and exiting Thailand. The company also develops systems for processing and managing passenger travel data.

1.2. Platform Development and Services

The Group develops and manages digital content platforms related to travel and tourism, providing interactive information about tourist attractions, key locations, and services. These platforms serve as comprehensive information hubs for tourists and are designed with high efficiency for various user groups. The Group’s specialized teams manage large datasets and develop tailored programs to meet customer demands, ensuring appropriate and innovative solutions.

1.3. Maintenance and Post-Sales Services

The Group provides comprehensive maintenance services for hardware and software sold to clients, ensuring continuous system efficiency. The company emphasizes round-the-clock support, with teams ready to resolve system issues quickly. Additionally, The Group offers high-speed internet services in rural areas across various provinces.

1.4. Smart Security and Property Management Services

The Group offers advanced security and property management solutions using cutting-edge technologies such as AI and IoT. These include smart physical and data security systems, Digital Twin technology, and 3D visualization for efficient building management. The company also employs AI for intelligent incident management and uses robots and IoT to optimize operations. With a workforce of over 6,000 employees and more than 400 clients nationwide, The Group integrates advanced technology with quality service to foster safe and thriving communities.

1.5. Customer Service Management

The Group provides comprehensive customer service management solutions, covering both digital and traditional channels. The company excels in resource and customer service management, serving leading public and private organizations. The Group continuously develops its workforce and systems to keep up with rapidly changing technologies and market demands.

2. Information and Communication Technology System Integration (ICT-SI)

The Group operates in the sale and integration of information and communication technology (ICT) systems, offering a full range of services, including consulting, design, installation, and project management for complex and large-scale ICT network projects. These services cater to both public and private sector clients. Most projects undertaken are characterized by high operational complexity (Complexity Projects) and involve collaboration with specialized partners for various software and hardware systems. The Group's expertise in advanced and secure ICT technologies enables the development of diverse solutions that enhance organizational efficiency in data management and workflow processes while ensuring the highest levels of data and physical security.

3. Sales of IT-Related Products

The Group sells a wide range of IT-related products and equipment, including computers, laptops, scanners, printers, printer ink, servers, storage devices, network switches, CCTV cameras, and other items tailored to customer requirements.

Economic and Industry Conditions Impacting Operations

In the first quarter of 2025, the Thai economy continued to expand, supported by the growth of the digital industry and government policies focused on advancing high technology. Key economic drivers during this period included accelerated investment in digital infrastructure and strong support for emerging technologies such as Artificial Intelligence (AI), Cloud Computing, and Cybersecurity—all of which are essential to strengthening the country's competitiveness. However, global trade uncertainties, particularly U.S. tariff measures, led exporters to front-load shipments early in the year, which positively impacted short-term manufacturing activity. Meanwhile, the tourism sector faced headwinds, especially from the slower-than-expected recovery of Chinese tourist arrivals. Despite the government's temporary visa-free policy, ongoing safety concerns remained a barrier. This situation partially affected the number of airport passengers and revenue from the Group's aviation-related services. Nonetheless, the overall number of international tourists remained higher than in the same period last year. Demand for digital security and intelligent system solutions continued to rise in both public and private sectors, particularly in Smart City and Intelligent Transportation System (ITS) projects, which are crucial to the country's infrastructure development. These trends created opportunities for the Group to extend its technology and security solution services—its key strengths. Additionally, the Group's Customer Service Management (Call Center) and Outsourcing Services businesses continued to grow in line with shifting consumer behaviors and greater adoption of automation. This enabled the Group to apply AI and Big Data Analytics to enhance operational efficiency, reduce costs, and reinforce sustainable competitiveness. Backed by an innovation-driven strategy and services aligned with market demand, the Group is confident in maintaining stable growth and delivering long-term value to shareholders amid global economic uncertainty and rapid technological evolution.

Summary of Key Events and Developments

1) On January 20, 2025, Pro Inside Public Company Limited ("PIS"), a subsidiary within the Group, was officially listed and began trading on the Market for Alternative Investment (mai) in the technology sector. This milestone highlights PIS's strong potential as a provider of comprehensive Information and Communication Technology (ICT) solutions, covering the design, development, installation, and maintenance of IT systems. PIS's services span IT infrastructure, security solutions, specialized applications, and IT maintenance and support services

The listing of PIS on the Market for Alternative Investment (mai) through the Spin-Off process has delivered significant benefits across multiple dimensions. For the Group, establishing PIS as an independent publicly listed company has unlocked the subsidiary's value, enhancing its visibility among investors while reducing the financial burden on the parent company. This separation also enables each subsidiary within the Group to focus entirely on its specialized market segment, improving operational efficiency and expanding opportunities for strategic partnerships and business portfolio management flexibility.



SKY's executives join PIS executives in celebrating the first trading day of PIS

For PIS, becoming a listed company on mai provides efficient access to capital, supporting the expansion into large-scale projects and the development of innovative ICT solutions that meet the needs of both private enterprises and government sectors. Moreover, its status as a publicly traded company enhances its credibility among customers, investors, and business partners, further strengthening its competitive advantage and ability to attract highly skilled professionals. With a robust business structure and expanding market opportunities, the company firmly believes that the Spin-Off of PIS will enable it to operate independently, broaden its market presence, and generate stable returns for shareholders of both the parent company and PIS in the long term.

As part of its listing on mai, PIS issued 140,000,000 newly issued ordinary shares in an initial public offering (IPO) on January 20, 2025, increasing its registered capital from THB 200 million to THB 270 million. Consequently, the Company's stake in PIS decreased from 91.4% to 67.7%.

2) On February 28, 2025, the Board of Directors resolved to propose to the shareholders' meeting for approval of the acquisition and entire business transfer between the Company and Enoch Communications Co., Ltd. ("Enoch"). Enoch has four shareholders, namely (1) Mr. Veera Thamcharas, (2) Ms. Renu Thamcharas, (3) Mr. Thanit Thamcharas, and (4) Ms. Suda Thamcharas (collectively, the "Enoch Shareholders"), none of whom are connected persons to the Company. Under this transaction, the Company will acquire and accept the entire business of Enoch, which includes all assets, liabilities, rights, obligations, and responsibilities of Enoch as of the effective date of the business transfer. This also includes 60,000 ordinary shares with a par value of THB 100 per share in Callvoice Communications Co., Ltd. ("Callvoice"), a subsidiary in which Enoch holds 60% of the total paid-up shares. The transaction will also involve the execution of relevant business transfer agreements, contracts, and supporting documentation ("Entire Business Transfer Transaction").



In this regard, the Board of Directors also resolved to propose to the shareholders' meeting for approval of the issuance and allocation of up to 1,800,000 newly issued ordinary shares of the Company, with a par value of THB 0.50 per share and an offering price of THB 20 per share, totaling THB 36,000,000, to Enoch as consideration for the acquisition and business transfer. The newly issued shares represent approximately 0.25% of the total issued and paid-up shares of the Company (calculated based on the total of 1,800,000 new shares divided by the total issued and paid-up shares after the allocation of new shares, which equals 717,279,904 shares). This transaction was approved by the shareholders' meeting on April 25, 2025.

Summary of Operating Results

Overview of Operating Performance for the Three-Month Period Ended March 31, 2025

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Total Revenue	2,384	2,014	1,383	18.4	72.4
Net Profit	205	151	110	35.8	86.4
Basic Earnings per Share (Baht/Share)	0.25	0.21	0.17	19.0	47.1

Net Profit

In the first quarter of 2025, the Group recorded total revenue of THB 2,384 million, representing an increase of THB 1,001 million or 72.4% from the same period of the previous year. This growth was primarily driven by the implementation of new projects in the System Integration (SI) segment, which aligns with the government's economic stimulus policies. Additionally, there was a significant expansion in the Smart Security and Facility Management Services segment compared to the same period last year, as well as a continued recovery in the tourism sector. Although the number of Chinese tourists declined, the overall number of international visitors continued to rise, contributing positively to the Group's aviation-related service revenue. Furthermore, the Group consolidated the full-quarter revenue of One to One Professional Co., Ltd. ("OTP") (currently SKY CC Company Limited or "SKYCC"), following the investment on 30 August 2024. As a result, the Group reported a net profit of THB 205 million for the first quarter of 2025, up from THB 110 million in the same quarter of the previous year, representing a growth rate of 86.4%. The net profit margin also increased slightly from 8.0% to 8.6%.

Revenue

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Revenue from System Integration Services	675	491	110	37.5	513.6
Revenue from Sales	-	-	9	-	(100.0)
Revenue from Services	1,704	1,514	1,260	12.5	35.2
Total Revenue	2,379	2,005	1,379	18.7	72.5

Revenue from System Integration Services in Q1/2025 amounted to THB 675 million, accounting for approximately 28.4% of the Group's total revenue. This represented an increase of THB 565 million or 513.6% compared to the same period of the previous year. The significant growth was mainly attributable to the higher value of projects delivered and recognized as revenue in Q1/2025 compared to Q1/2024. In the current quarter, the Group recognized revenue from the delivery of key projects, as follows:

- Thailand's Central Cloud System for Public Health Project for the National Telecom Public Company Limited.
- Thailand's Central Healthcare Cloud Development Project, Activity 1: Development of the Health Information Exchange Management System for the Office of the National Digital Economy and Society Commission.
- Replacement of Microcomputers to Enhance Operational Efficiency Project for the Excise Department.
- The Automatic License Plate Recognition (LPR) System Project, covering 180 locations across the Central, Eastern, and Southern regions, under the Fiscal Year 2024 budget of the Narcotics Suppression Bureau.
- Airport Information Management and Operations System Project for Ubon Ratchathani Airport by the Department of Airports.

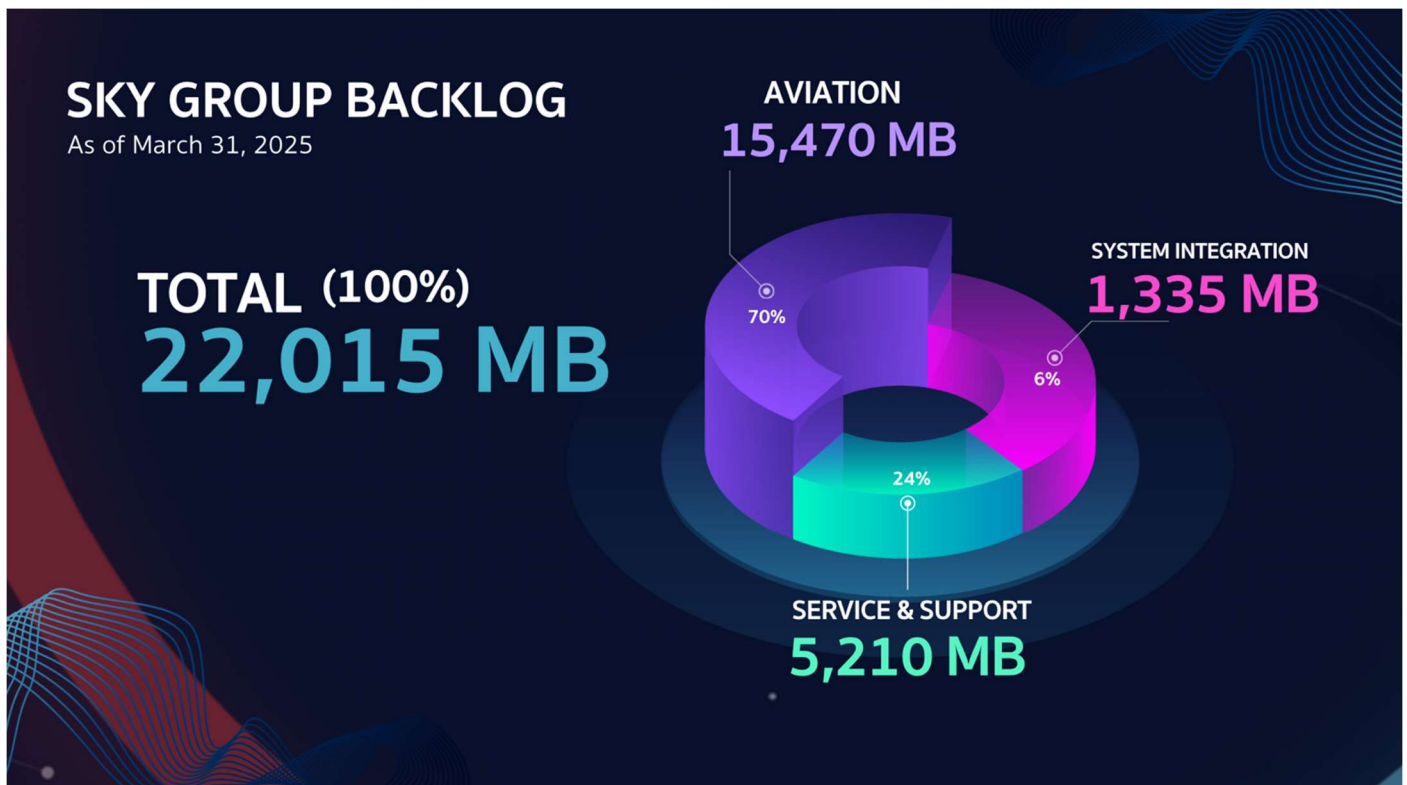
Revenue from Sales in Q1/2025, revenue from sales declined by THB 9 million or 100.0% compared to the same period of the previous year. This was primarily due to the fact that in Q1/2024, the Company recorded revenue from the sale of computer equipment to a limited number of private sector clients. The Company's product sales activities are primarily focused on the private sector, which is not the Group's core business. As a result, revenue from sales remained relatively low when compared to other revenue segments of the Group.

Revenue from Services in Q1/2025, revenue from services amounted to THB 1,704 million, accounting for approximately 71.6% of total revenue. This represented an increase of THB 444 million or 35.2% compared to the same period of the previous year. The increase was mainly attributable to the following factors:

- Revenue from Smart Security and Property Management Services increased by THB 237 million, primarily due to the Company's investment in SAMCO, which enabled the expansion of its customer base to new segments such as hospitals, banks, and government agencies. This expansion enhanced the Group's service capabilities and resulted in significant revenue growth in this business segment.
- Revenue from Customer Service Management increased by THB 140 million, as the Company invested in and obtained control of SKYCC on August 30, 2024. This enabled the Company to consolidate the subsidiary's service revenue into the Group's financial statements.
- Revenue from the Advance Passenger Processing System (APPS) and the Passenger Name Record (PNR) data processing services for all six airports managed by Airports of Thailand Public Company Limited (AOT) was 11 million baht higher in Q1/2025 compared to Q1/2024. This increase was due to the continuous rise in the number of passengers traveling to, from, and transiting through Thailand, driven by government tourism promotion campaigns initiated in 2024.
- Revenue from maintenance service agreements and other service revenues, including equipment rental and public internet services, CCTV system rental, and CCTV system maintenance, increased by THB 57 million. This growth was driven by an increase in the number of projects and new maintenance service contracts associated with systems the company had previously sold and installed.

Backlog

As of March 31, 2025, the Group had a total backlog of THB 22,015 million in contracted projects pending revenue recognition. This amount can be categorized by revenue type as follows:



Cost

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Cost of System Integration Services	573	391	80	46.5	616.3
Cost of Sales	-	-	6	100.0	(100.0)
Cost of Services	1,410	1,235	979	14.2	44.0
Total Cost	1,983	1,626	1,065	22.0	86.2
Gross Profit	396	379	314	4.5	26.1
Gross Profit Margin (%)	16.6	18.9	22.8		

Total cost in Q1/2025 amounted to THB 1,983 million, representing an increase of THB 918 million or 86.2% compared to THB 1,065 million in the same quarter of the previous year. Consequently, the Group's overall gross profit margin declined from 22.8% to 16.6%, primarily due to the following factors:

- Cost of system integration services increased at a higher rate than the revenue generated from this segment. This was due to the nature of the projects recognized in Q1/2025, which were larger in scale but carried lower gross profit margins compared to the projects recognized in Q1/2024.
- Cost of sales decreased in line with the decline in sales revenue, as sales revenue is not a core focus of the Group compared to revenue from turnkey system sales and installations or service revenue, which are typically higher in value and more recurring in nature, thereby contributing to greater financial stability for the Group.
- Cost of Services increased significantly in line with the rise in service revenue; however, the increase in service cost was proportionally higher than the increase in service revenue. This was primarily due to the operations of SAMCO's smart property management and security services, as well as SKYCC's customer service management business. These services are labor-intensive and subject to annual increases in the minimum wage. In some cases, the Group is unable to pass on these additional labor costs to customers due to fixed service contract terms, resulting in the Group having to absorb the increased costs. Consequently, this led to a lower gross profit margin compared to other project-based businesses within the Group.

Other Income (Expense)

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Other Income	5	9	4	(44.4)	25.0
Other Losses, Net	(22)	12	(25)	(283.3)	(12.0)
Total Other Income (Expense)	(17)	21	(21)	(181.0)	(19.0)

Other losses in Q1/2025 decreased by THB 3 million or 19.0% compared to a loss of THB 21 million in the same quarter of the previous year. The improvement was primarily due to a lower level of loss recognized from the fair value adjustment of investments in an equity security listed on the Stock Exchange of Thailand, compared to the corresponding period last year. As a result, other losses in this quarter improved significantly year-over-year.

Selling, Administrative Expenses, and Finance Costs

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Selling Expenses	36	44	49	(18.2)	(26.5)
Administrative Expenses	132	163	115	(19.0)	14.8
Finance Costs	72	70	78	2.9	(7.7)
Total Expenses	240	277	242	(13.4)	(0.8)
Expense Ratio to Revenue (%)	10.1	13.8	17.5		

The Group's total expenses for Q1/2025 amounted to THB 240 million, representing a slight decrease of THB 2 million or 0.8% compared to the same quarter of the previous year. The breakdown is as follows:

- Selling expenses decreased by THB 13 million or 26.5%, from THB 49 million in Q1/2024 to THB 36 million in Q1/2025. This was primarily due to tighter control and more efficient management of marketing expenditures. Additionally, the inclusion of SKYCC's business in the consolidated financial statements contributed to the overall decline, as its business model typically incurs a relatively low ratio of selling expenses to revenue. As a result, total selling expenses decreased while the Group's total revenue continued to grow.
- Administrative expenses increased by THB 17 million or 14.8%, rising from THB 115 million in Q1/2024 to THB 132 million in Q1/2025, mainly due to additional administrative costs related to the SKYCC project that were recognized in the current quarter.
- Finance costs decreased by THB 6 million or 7.7%, falling from THB 78 million in Q1/2024 to THB 72 million in Q1/2025, primarily as a result of loan repayments and more effective financial cost management.

Share of profit from associates and joint venture

Unit: Million Baht	Q1/2025	Q4/2024	Q1/2024	QoQ (%)	YoY (%)
Turnkey Communication Services Public Company Limited ("TKC")	8	(4)	17	(300.0)	(52.9)
Global Sports Ventures Co., Ltd. ("GSV")	22	6	6	266.7	266.7
SAL Group (Thailand) Co., Ltd. ("SAL")	77	63	59	22.2	30.5
Total	107	65	82	64.6	30.5

For Q1/2025, the Group recognized a total share of profit from investments in associates and joint ventures of THB 107 million, representing an increase of THB 25 million compared to THB 82 million in the same period of the previous year. The details are as follows:

- **Turnkey Communication Services Public Company Limited ("TKC")** contributed THB 8 million, a decrease of THB 9 million compared to THB 17 million in the same quarter of the previous year. This decline was primarily due to a drop in TKC's operating performance in Q1/2025.
- **Global Sports Ventures Co., Ltd. ("GSV")** contributed THB 22 million, an increase of THB 16 million compared to THB 6 million in the same quarter of the previous year. The improvement was driven by higher operating profit from GSV, which is engaged in organizing sports events.
- **SAL Group (Thailand) Co., Ltd. ("SAL")** contributed THB 77 million, an increase of THB 18 million compared to THB 59 million in the same quarter of the previous year. The increase was supported by the recovery of Thailand's tourism sector, which led to improved performance of AOT Ground Aviation Services Company Limited ("AOTGA"), SAL's associate, which provides ground handling services at Don Mueang and Phuket Airports, as well as cargo management at Phuket Airport.

Summary of Financial Position



Total assets as of March 31, 2025, amounted to THB 12,668 million, representing an increase of THB 520 million or 4.3% from THB 12,148 million as of December 31, 2024. Significant changes in assets during the period included:

- 1) Trade and other receivables, including contract assets, increased by THB 485 million, along with an increase of THB 113 million in finance lease receivables. These changes were primarily due to the delivery of large-scale projects, recognition of lease revenue during the period, and billing milestones reached in this quarter.
- 2) Inventories and project advances increased by THB 184 million, driven by ongoing major projects under execution during the current quarter.
- 3) Investments in associates and joint ventures increased by THB 107 million, attributable to the Group's share of profit from these entities.
- 4) Time deposits not pledged as collateral rose by THB 59 million to enhance liquidity and support efficient treasury management, while pledged bank deposits increased by THB 58 million due to collateral requirements for credit facilities related to newly awarded projects.
- 5) Other current assets increased by THB 52 million, mainly due to input VAT receivables from purchases of goods and services related to current projects.
- 6) Cash and cash equivalents decreased by THB 372 million, mainly due to lower cash flows from operating activities compared to the previous quarter and the repayment of bonds that matured in February.
- 7) Property, plant, and equipment decreased by THB 111 million, primarily due to depreciation expenses for equipment used in the CUPPS and APPS projects.
- 8) Financial assets measured at fair value through profit or loss declined by THB 51 million, resulting from a THB 21 million fair value loss on equity investments in a listed company and the redemption of THB 30 million in fixed-income mutual funds previously held for liquidity management.

Total liabilities as of March 31, 2025, amounted to THB 6,807 million, representing a decrease of THB 141 million or 2.0% from THB 6,949 million as of December 31, 2024. The significant movements in total liabilities during the period were as follows:

- 1) A decrease in long-term borrowings by THB 355 million, primarily related to loans used for the CUPPS and APPS projects, which were repaid to financial institutions in accordance with the scheduled repayment plan.
- 2) Redemption of matured debentures in February 2025 totaling THB 400 million, which were fully settled during the period.
- 3) An increase in short-term borrowings from financial institutions by THB 627 million to support the Group's working capital needs, particularly for the expanding System Integration (SI) business related to the design and installation of information and communication technology systems.

Total shareholders' equity as of March 31, 2025 amounted to THB 5,861 million, representing an increase of THB 662 million or 12.7% from THB 5,199 million as of December 31, 2024. The key contributors to this increase were as follows:

- 1) The recognition of surplus from the change in shareholding proportion in the subsidiary, Pro Inside Public Company Limited (PIS), following its initial public offering (IPO) at a price higher than the Group's cost of investment, amounting to THB 410 million.
- 2) Net profit of the Group for the first quarter of 2025 totaling THB 205 million.
- 3) Reversal of the reserve for share repurchase under the employee stock ownership plan (ESOP) of a subsidiary, amounting to THB 37 million, following the successful listing of PIS on the MAI (Market for Alternative Investment) on January 20, 2025.

Key Financial Ratios

Financial Ratio	Q1/2025	Q4/2024	Q1/2024
Liquidity Ratios			
Current Ratio	1.3	1.2	1.1
Quick Ratio	0.4	0.4	0.3
Activity Ratios			
Average Collection Period (Days)	50	39	41
Leverage Ratios			
Debt to Equity Ratio	1.2	1.3	1.4
Interest Coverage Ratio	4.4	3.7	2.7
Debt Service Coverage Ratio	0.6	0.5	0.6
Profitability Ratios			
Return on Asset (ROA)	8.0%	7.4%	8.5%
Return on Equity (ROE)	10.7%	9.9%	11.7%

1. Liquidity Ratios

In Q1/2025, the Company recorded a current ratio of 1.3 times, improving from 1.2 times in the previous quarter and 1.1 times in the same quarter of the prior year. This reflects enhanced liquidity management and the Company's ability to meet its short-term obligations effectively. The quick ratio remained at 0.4 times, consistent with the previous quarter and up from 0.3 times in the same period last year. Although the quick ratio still indicates reliance on cash flows from project operations and customer collections, the Company has implemented proactive liquidity management measures. These include accelerating the customer billing process, efficiently managing project costs, and maintaining appropriate credit lines aligned with incoming cash flows.

2. Activity Ratios

The average collection period in Q1/2025 was 50 days, increasing from 39 days in the previous quarter and 41 days in the same quarter of the prior year. Despite the increase, the collection period remains manageable, supported by close monitoring of customer receivables. The lengthening of the collection cycle was due to the expansion of project operations and a more diverse client base, but the Company continues to maintain sufficient cash flow to support its operations effectively.

3. Leverage Ratios

The Company's debt-to-equity ratio stood at 1.2 times in Q1/2025, down from 1.3 times in the previous quarter and 1.4 times in the same period last year, reflecting more efficient capital structure management and partial debt repayments. The interest coverage ratio improved significantly to 4.4 times from 3.7 times in the previous quarter and 2.7 times in the same quarter of the prior year, indicating stronger ability to service interest expenses from operating profits. The debt service coverage ratio also rose to 0.6 times, up from 0.5 times in the previous quarter and equal to the level in the same period last year, demonstrating consistent efforts in managing cash flows to meet long-term debt obligations.

4. Profitability Ratios

Return on Assets (ROA) for Q1/2025 was 8.0%, an improvement from 7.4% in the previous quarter, but slightly lower than 8.5% recorded in the same quarter of the prior year. Return on Equity (ROE) stood at 10.7%, up from 9.9% in the previous quarter, though slightly below 11.7% in the same period last year. Although profitability ratios have yet to return to prior-year levels, the Group's revenue growth and effective cost management have contributed positively to its net profit performance.

Factors Impacting Business Operations or Future Growth

The Group recognizes key factors that may impact its operations and future growth, and has proactively developed strategic plans to enhance sustainable growth opportunities while effectively managing associated risks. These efforts aim to strengthen business stability and deliver sustainable returns to shareholders.

1. **Technological Development and Resource Management:** The Group emphasizes continuous investment in emerging technologies and innovation, particularly the application of Artificial Intelligence (AI) and Automation systems to improve operational efficiency and reduce service costs. Management has prepared necessary resources, production capabilities, and technological competencies to ensure the Company's competitive advantage is maintained.
2. **Government Support:** The Thai government's commitment to advancing digital infrastructure, Smart Cities, and Intelligent Transportation Systems (ITS – technologies aimed at enhancing transport efficiency and safety) provides a strong foundation for the Group's growth. These policies create significant opportunities for the Group, particularly in projects involving technology integration and security solutions, which are among the Group's core strengths.
3. **Managing Risks from Global Trade and Export Conditions:** Volatility in the global economy and international trade measures—especially between the U.S. and China—may affect infrastructure investments and IT budgets in both the public and private sectors. The Group closely monitors such developments and adjusts its marketing and risk management strategies to maintain operational efficiency in uncertain conditions.
4. **Cost Management and Labor Handling:** The Group has developed structured cost management and labor planning systems, especially in labor-intensive segments such as smart property management and Call Center services. Investment in automation has also been prioritized to improve efficiency, reduce costs, and support long-term growth.
5. **Employee Skill Development:** As demand for AI and Automation continues to rise, the Company places strong emphasis on upskilling its workforce in IT, data analytics, and high-quality customer service. This ensures the Group can meet evolving customer expectations and industry trends.
6. **Risk Management Related to the Slowdown in Chinese Tourism:** While the overall tourism sector shows continued recovery, Q1/2025 saw a notable decline in tourists from China—one of Thailand's main markets—due to ongoing safety concerns and other external factors. This situation has partially impacted the Group's revenue from Aviation Services. In response, the Group has implemented risk mitigation strategies by diversifying its revenue streams and expanding into other service segments, including ICT system installation, smart property management, Call Center operations, and integrated outsourcing services, all of which have shown strong growth and help reduce dependency on tourism-related income.
7. **Debt Management and Financial Support:** The Company has adopted prudent financial planning to manage its debt obligations and support business expansion. This includes issuing new debentures, leveraging capital raised through subsidiary IPOs, and continuously providing financial support to joint ventures within the Group.
8. **Business Expansion for Risk Diversification:** The Group plans to expand into high-potential technology-related industries to reduce reliance on its core businesses and create new revenue streams. These include ventures involving AI, Big Data, and the Internet of Things (IoT), which will further strengthen the Company's position and long-term competitiveness.

With preparedness across all aspects, the Group remains confident in its ability to navigate challenges and seize opportunities effectively, thereby ensuring long-term growth, stability, and attractive returns for shareholders.

Sustainability Development

The Group places great importance on sustainable development by conducting business operations in alignment with Environmental, Social, and Governance (ESG) principles. This approach is designed to create long-term value for all stakeholders and align with the evolving priorities of modern investors, who increasingly focus on corporate responsibility toward society and the environment. The Group has implemented a structured corporate sustainability management strategy encompassing risk analysis, target setting, and performance monitoring to support the United Nations Sustainable Development Goals (SDGs), as outlined below:

1. **Environmental:** The Group is committed to minimizing its environmental impact by promoting responsible resource use, energy efficiency, and participation in natural resource conservation. Key environmental targets include:
 - Reducing electricity consumption per person by 2.5% by 2028 (compared to the 2023 baseline)
 - Reducing water consumption per person by 2.5% by 2028 (compared to the 2023 baseline)
 - Reducing greenhouse gas emissions by 5% by 2029 (compared to the 2024 baseline)
 - Reducing paper usage by 2.5% by 2028 (compared to the 2023 baseline)
2. **Social:** The Group prioritizes social responsibility by fostering a positive, inclusive, and equitable work environment, upholding human rights, and ensuring equal opportunities for all employees. Core social targets include:
 - Zero human rights complaints
 - Average of no less than 6 training hours per employee per year
 - Employee turnover rate not exceeding 10%
 - Employee engagement level of at least 80%
 - Zero Lost Time Injury Rate (LTIR)
 - At least 50% of employees to be hired locally by 2029 (compared to the 2024 baseline)
3. **Governance:** The Group is dedicated to enhancing corporate governance, transparency, and anti-corruption practices to build investor trust and ensure stakeholder confidence. Key governance targets include:
 - Achieving a five-star rating in the Corporate Governance Report (CGR) by 2029
 - Gaining certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC) by 2029
 - Promoting business ethics, transparent disclosure, and strict legal compliance

The Group remains committed to advancing sustainability across all dimensions by balancing operational performance with environmental, social, and governance responsibilities. This approach aims to deliver long-term, stable returns to shareholders and all stakeholders.

Please be informed accordingly.

Sincerely yours,

(MR. SITHIDEJ MAYALARP)
Director

Corporate Secretary
Tel. 02 029 7888 Ext 812