PSGC

CS. 013/2026

August 11, 2026

Re: Management Discussion and Analysis

For the three-month and six-month periods ending June 30, 2026

To: President

The Stock Exchange of Thailand

On August 11, 2026, the Board of Directors' meeting no. 3/2026 resolved to approve the financial statements of PSG Corporation Public Company Limited (the "Company") and its subsidiaries, the three-month and six-month periods ended June 30, 2026, which were reviewed by EY Office Limited and the Audit Committee. The details are as follows:

Business and Industry Overview

During the second quarter of 2026, the global economy continued to face uncertainty arising from geopolitical tensions, energy price volatility, and international trade protectionist measures. These factors prompted several institutions to revise downward their global economic growth forecasts. In Thailand, the Bank of Thailand (BOT) projects GDP growth of approximately 1.5% for 2026, reflecting continued pressure from exports and the gradual recovery of domestic demand. Meanwhile, the Economic Intelligence Center (SCB EIC) expects the economies of the CLMV countries, where the Company's core operations are located, to maintain their growth momentum. Vietnam's economy is projected to expand by approximately 7.1%, supported by foreign direct investment (FDI) and export-oriented manufacturing, while the Lao PDR economy is expected to grow by approximately 4.1%, driven by electricity exports, investment in the energy and mining sectors, and the recovery of the tourism industry.

For Thailand's construction industry, overall growth is expected to remain modest, with public infrastructure investment continuing to serve as the primary growth driver, while private sector investment remains constrained by the slowdown in the real estate sector. Nevertheless, SCB EIC indicates that the energy, infrastructure, and natural resources sectors across the CLMV region continue to play a vital role in supporting economic growth. In particular, Lao PDR continues to attract investment in the energy and mining sectors, while Vietnam's expanding industrial production and investment activities are expected to support long-term energy demand.

Against this backdrop, economic and industry conditions in Thailand have had a limited impact on the Company's operations, as the Company and its subsidiaries' principal businesses are currently located in Lao PDR and Vietnam, covering the construction, natural resources, and energy businesses. These businesses are well aligned with the region's economic growth and investment trends and support the Company and its subsidiaries' strategy of building a diversified and sustainable revenue base over the long term.

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Key Developments

Following the completion of the Company's investment in Nam Tien Limited Liability Company ("NT") on February 12, 2026, Accordingly, NT's operating results have been consolidated into the Group's financial statements since the first quarter of 2026.

The second quarter of 2026 marked the first full quarter in which NT's operating results were fully recognized in the Company's consolidated financial statements. During the quarter, approximately 95% of NT's revenue was generated from the sale of processed coal to its target customers, while the remaining 5% was generated from mining management, operation, and maintenance services.

Outline of Business Operations

For the second quarter of 2026, the Company and its subsidiaries reported total revenue of Baht 4,692.5 million and net profit for the period of Baht 359.3 million. For the six-month period, the Company and its subsidiaries reported total revenue of Baht 7,292.5 million and net profit for the period of Baht 626.7 million.

The second quarter of 2026 marked the first full quarter in which the operating results of NT, the Company's subsidiary, were fully consolidated into the financial statements of the Company and its subsidiaries. As a result, the Company and its subsidiaries recorded a significant improvement in operating performance, together with a more diversified revenue structure through the addition of sales revenue and service revenue, compared with the previous revenue structure, which was primarily derived from construction projects.

Summary of financial performance for three-month and six-month periods ending June 30, 2026, is as follows:

Unit: Million Baht (reviewed)

Description	Quarter 2		Changes		6 Months		Changes	
	2026	2025	Inc. (Dec.)	%Chg.	2026	2025	Inc. (Dec.)	%Chg.
Revenue from construction contracts	398.0	658.9	(260.9)	(39.6)	1,043.6	1,297.3	(253.7)	(19.6)
Sales	4,047.0	-	4,047.0	-	5,722.3	-	5,722.3	-
Service revenue	142.6	-	142.6	-	252.8	-	252.8	-
Other income	49.2	6.0	43.2	720.0	90.1	10.6	79.5	750.0
Foreign exchange gains	55.7	-	55.7	-	183.7	-	183.7	-
Total revenues	**4,692.5**	**664.9**	**4,027.6**	**605.7**	**7,292.5**	**1,307.9**	**5,984.6**	**457.6**
Cost of construction contracts	309.2	390.2	(81.0)	(20.8)	753.1	799.2	(46.1)	(5.8)
Cost of goods sold	3,251.3	-	3,251.3	-	4,711.5	-	4,711.5	-
Cost of service	96.9	-	96.9	-	192.1	-	192.1	-
Selling expense	252.7	-	252.7	-	357.2	-	357.2	-
Administrative expenses	263.2	123.8	139.4	112.6	395.4	230.3	165.1	71.7
Foreign exchange losses	-	126.0	(126.0)	(100.0)	-	129.0	(129.0)	(100.0)
Total expenses	**4,173.3**	**640.0**	**3,533.3**	**552.0**	**6,409.3**	**1,158.5**	**5,250.8**	**453.2**
Operating profit	**519.2**	**24.9**	**494.3**	**1,985.1**	**883.2**	**149.4**	**733.8**	**491.2**
Finance costs	(60.2)	(1.1)	59.1	5,372.7	(80.0)	(1.9)	78.1	4,110.5
Income tax expenses	(99.7)	(4.8)	94.9	1,977.1	(176.5)	(29.7)	146.8	494.3
Profit for the period	**359.3**	**19.0**	**340.3**	**1,791.1**	**626.7**	**117.8**	**508.9**	**432.0**

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Description	Quarter 2		Changes		6 Months		Changes	
	2026	2025	Inc. (Dec.)	%Chg.	2026	2025	Inc. (Dec.)	%Chg.
Profit attributable to equity holders of the Company	**246.1**	**19.0**	**227.1**	**1,195.3**	**488.1**	**117.8**	**370.3**	**314.3**
Other comprehensive income for the period	17.0	(11.5)	28.5	247.8	61.7	(14.3)	76.0	531.5
Total comprehensive income for the period	376.3	7.5	368.8	4,917.3	688.4	103.5	584.9	565.1
Earnings per share* (Baht)	**0.1106**	**0.0086**	**0.1020**	**1,186.0**	**0.2193**	**0.0529**	**0.1664**	**314.6**

*The Company retrospectively adjusted the weighted average number of ordinary shares, as if the change in number of shares and the par value had occurred at the beginning of the earliest period presented.

Total Revenues

For the three-month and six-month periods ended June 30, 2026, the Company and its subsidiaries reported total revenues of Baht 4,692.5 million and Baht 7,292.5 million, respectively, compared with Baht 664.9 million and Baht 1,307.9 million for the corresponding periods of 2025.

For the second quarter of 2026, total revenues consisted of revenue from construction contracts of Baht 398.0 million, sales revenue of Baht 4,047.0 million, service revenue of Baht 142.6 million, other income of Baht 49.2 million, and foreign exchange gain of Baht 55.7 million. Compared with the same period of the previous year, total revenues increased by Baht 4,027.6 million, or 605.7%.

Profit & Loss and Total Comprehensive Income

For the three-month and six-month periods ended June 30, 2026, the Company and its subsidiaries reported profit for the period of Baht 359.3 million and Baht 626.7 million, respectively, and total comprehensive income for the period of Baht 376.3 million and Baht 688.4 million, respectively.

In comparison, for the corresponding periods of 2025, the Company and its subsidiaries reported profit for the period of Baht 19.0 million and Baht 117.8 million, respectively, and total comprehensive income for the period of Baht 7.5 million and Baht 103.5 million, respectively.

The Company and its subsidiaries would like to clarify the changes in the Profit and Loss Statement for the 2nd quarter ending June 30, 2026, as those changes varied by more than 20% compared to those of the same period of the previous year as follows:

1. Total Revenues

   Consolidated revenues for the three-month ending June 30, 2026 consisted of:

   - Construction revenue amounted to Baht 398.0 million, representing 8.5% of total revenue. Revenue decreased by Baht 260.9 million, or 39.6%, compared with the same quarter of the previous year. The XPPL EP1 project has entered its final stage with overall completion exceeding 98%. For the Resettlement Project, the construction progress has achieved approximately 55%.
   - Trading revenue of Baht 4,047.0 million, representing 86.3% of total revenue. This revenue was derived from trading coal to customers in Vietnam.

- Service revenue of Baht 142.6 million, representing 3.0% of total revenue. This revenue was derived from mining services and coal processing services.
- Other income of Baht 49.2 million, representing 1.0% of total revenue.
- Foreign exchange gain of Baht 55.7 million, representing 1.2% of total revenue.

2. Total Cost

Consolidated total cost for three-month ending June 30, 2026, consisted of:

- Construction cost amounted to Baht 309.2 million, decreasing from the same quarter of the previous year by Baht 81.0 million, or 20.8%.
- Cost of goods sold of Baht 3,251.3 million derived from cost of trading coal to customers in Vietnam.
- Cost of service of Baht 96.9 million, derived from the cost of service for mining services and coal processing services.

3. Selling Expenses

Consolidated selling expenses for three-month ending June 30, 2026 were Baht 252.7 million.

4. Administrative Expenses

Consolidated administrative expenses for three-month ending June 30, 2026 were Baht 263.2 million, increasing from the same period previous year by Baht 139.4 million or 112.6% due to consolidation of expenses from a new subsidiary and expense of feasibility studies for new business opportunities.

5. Finance Costs

Consolidated finance costs for three-month ending June 30, 2026 were Baht 60.2 million, which increased from same period previous year by Baht 59.1 million, mainly derived from interest expense from short-term loans from financial institutions, interest expense incurred from right of use assets and bank fees.

6. Income Tax Expenses

Consolidated income Tax for three-month ending June 30, 2026 were Baht 99.7 million, increasing from the same period previous year by Baht 94.9 million. This is in line with the Company and its subsidiary's profitable performance.

Financial Position

Unit: Million Baht (reviewed)

Description	Consolidated financial statements		Changes	
	as of June 30,2026	as of Dec. 31,2025	Inc. (Dec.)	%Chg.
Total assets	11,809.6	5,533.6	6,276.0	113.4
Total liabilities	5,996.3	684.5	5,311.8	776.0
Total shareholders' equity	5,813.3	4,849.1	964.2	19.9

Assets

As of June 30, 2026, the Company and its subsidiaries had total assets of Baht 11,809.6 million comprising current assets of Baht 9,657.6 million and non-current assets of Baht 2,152.0 million, compared to total assets of Baht 5,533.6 million as of December 31, 2025, representing Baht 6,276.0 million significant increase. The major increase was account receivables and other current receivables, inventories, retention receivable and the assets acquired through the investment in the subsidiary in Vietnam.

Liabilities

The Company and its subsidiaries' total liabilities as of June 30, 2026, amounted to Baht 5,996.3 million, comprising current liabilities of Baht 5,924.9 million and non-current liabilities of Baht 71.4 million, increasing by Baht 5,311.8 million compared to total liabilities of Baht 684.5 million as of December 31, 2025. The main increase was short-term loans from financial institutions, trade payables and other current payables, contract liabilities, lease liabilities and income tax payable. The Company and its subsidiaries' debt to equity (D/E) ratio was 1.03 times.

Shareholders' equity

The Company and its subsidiaries' shareholder's equity as of June 30, 2026, amounted to Baht 5,813.3 million, compared to shareholder's equity of Baht 4,849.1 million as of December 31, 2025, representing Baht 964.2 million increase which is in line with their profitability, and investment in the subsidiary in Vietnam.

Liquidity

As of June 30, 2026, the Company and its subsidiaries' current ratio of 1.7 times.

Factors Affecting Future Operations

1. **Expansion of the Natural Resources Business and NT's Operations**

Following the Company's investment in NT, the Company and its subsidiaries have diversified their revenue structure through the addition of revenue from coal management and trading, as well as other businesses related to the energy supply chain, in addition to the construction business. This has increased the proportion of recurring revenue and reduced long-term reliance on revenue generated solely from construction projects. Accordingly, NT's ability to expand its customer base, manage costs, and enhance operational efficiency will be key factors supporting the future growth and value creation of the Company and its subsidiaries.

2. **Economic Outlook and Investment Trends in the CLMV Region**

Despite continued global economic uncertainty arising from trade policies and global economic volatility, SCB EIC projects that the economies of Vietnam and Lao PDR will continue to grow by approximately 7.1% and 4.1%, respectively, in 2026. These growth rates remain relatively strong compared with many countries in the region, supported by industrial investment, domestic consumption, and infrastructure development.

The Company and its subsidiaries have maintained a long-standing business presence in both countries, providing in-depth market knowledge, operational experience, and strong local business networks. These strengths are expected to support further investment opportunities in the natural resources, energy, and construction sectors in the future.

3. Energy Price Volatility and Operating Costs

Global energy markets remain subject to volatility driven by geopolitical developments and the energy policies of various countries, which may affect energy prices and fuel costs associated with transportation.

For the Company and its subsidiaries' coal management and trading business, both purchase prices and selling prices can be adjusted to reflect market conditions to a certain extent. Nevertheless, increases in fuel and transportation costs may affect operating costs and profitability. The Company and its subsidiaries therefore continue to place emphasis on cost management and operational efficiency to mitigate such impacts.

4. Construction Project Management

The ability of the Company and its subsidiaries to effectively manage construction projects — including project planning, cost control, schedule management, and quality assurance—remains a key factor affecting operating performance. Ineffective project management may result in project delays, deferred revenue recognition, higher-than-expected costs, additional rectification expenses, or contractual penalties, all of which could adversely affect profitability and cash flow.

Accordingly, the Company and its subsidiaries place strong emphasis on prudent project management throughout every stage of project execution, including close monitoring of project progress, effective cost and resource management, and the maintenance of quality and safety standards. These measures are intended to ensure that projects are completed in accordance with project plans and contractual requirements while minimizing the risk of delays and cost overruns.

5. Liquidity Management

The expansion of the Company and its subsidiaries' operations into the natural resources business, in addition to the construction business, has resulted in a more diversified working capital structure. This reflects the differing working capital requirements associated with procurement, inventory management, trade receivables, and construction project execution, each of which has distinct cash conversion cycles.

Accordingly, the Company and its subsidiaries place significant emphasis on prudent cash flow management, working capital management, and maintaining appropriate funding sources to support business operations, future investments, and financial liquidity in line with business expansion.

6. Foreign Exchange Volatility

The Company and its subsidiaries undertake construction projects in Lao PDR, and certain revenues and expenses are denominated in foreign currencies. Fluctuations in exchange rates may result in foreign exchange gains or losses in the Company and its subsidiaries' financial statements. However, such volatility primarily arises from currency translation for financial reporting purposes and does not materially affect the Company and its subsidiaries' ability to execute projects under contract or deliver work to clients.

In respect of the coal trading and services business of the subsidiary in Vietnam, certain costs and expenses are denominated in foreign currencies. The Company may consider adopting financial instruments to mitigate the impact of foreign exchange volatility.

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The Company and its subsidiaries emphasize aligning revenue and expense structures with project currencies, closely monitoring exchange rate movements, and prudently managing cash flows to mitigate the impact of exchange rate volatility on the consolidated financial statements.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)
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Investor Relations
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