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27 February 2026

Subject: Management Discussion and Analysis for the Year Ended 31 December 2025

To: The Board of Directors and Manager, The Stock Exchange of Thailand

Executive Summary

Precha Group Public Company Limited and its subsidiaries (the "Company") hereby reports its operating results for the year ended 31 December 2025 as follows.

The Company recorded total revenues of THB 34 million, an increase of 15% year-on-year (2024: THB 29 million), reflecting the Company's continued ability to sustain and grow its core revenue base despite economic headwinds and industry-wide structural challenges.

The Company reported a net loss of THB 83 million, up 80% from the prior year (2024: loss of THB 46 million). The increase was largely attributable to the recognition of non-recurring special expense items unrelated to core business operations. Notably, the operating loss narrowed by 26% to THB 38 million (2024: THB 51 million), demonstrating continued improvement in the core business and serving as a positive indicator of the Company's recovery trajectory.

Industry Overview — FY2025

Residential Real Estate. The mid-to-low-end residential segment faced structural headwinds including persistently elevated interest rates, rising household debt levels, and tightened mortgage lending standards at financial institutions—all of which dampened consumer purchasing power. The Company responded by recalibrating its marketing strategy to align with actual purchasing capacity, successfully preserving sales volumes in its key projects.

Office Space Leasing. The office leasing market remained highly competitive. Demand for space recovered gradually alongside broader economic recovery, though tenants continued to prioritize cost management and Hybrid Working arrangements. Average rents were broadly stable, with prime-quality buildings in strategic locations maintaining their rate levels. Older buildings faced greater pricing pressure and required enhanced tenant incentives.

Consolidated Operating Performance

The following table summarizes the key changes in the Company's financial performance for the year ended 31 December 2025 compared with the prior year.

	2023		2024		Increase (Decrease)
	Million Baht	Percentage	Million Baht	Percentage	Percentage
REVENUE					
Revenue from Real Estate	9.12	31%	13.17	39%	44%
Revenue from Rentel and Services	20.34	69%	20.64	61%	1%
Total Revenue	29.47	100%	33.80	100%	15%
Cost					
Cost of Real Estate sold	(6.41)	(22%)	(8.57)	(25%)	34%
Cost of Rentel and Services	(8.46)	(29%)	(8.09)	(24%)	(4%)
Total Cost	(14.87)	(50%)	(16.66)	(49%)	12%
Other Income	0.56	2%	1.79	5%	218%
Selling Expenses	(4.71)	(16%)	(6.62)	(20%)	41%
Administrative Expenses	(54.23)	(184%)	(87.81)	(260%)	62%
Total Expenses	(58.94)	(200%)	(94.43)	(279%)	60%
Finance Expenses	(2.23)	(08%)	(7.40)	(22%)	232%
Profit (Loss) for the year	(46.01)	(156%)	(82.90)	(245%)	80%

Income Statement Overview

The income statement for the year ended 31 December 2025, compared with the prior year, reflected the following material items:

- **Net loss** of THB 83 million, up 80% year-on-year (2024: loss of THB 46 million).
- **Operating loss** of THB 38 million, down 26% year-on-year (2024: loss of THB 51 million).

Revenue

- **Real estate sales revenue** of THB 13.17 million, up THB 4 million or 44% year-on-year, driven by a higher number of units sold.
- **Rental and service income** of THB 21 million, broadly unchanged from the prior year, consistent with stable leasing market conditions.

- **Other income** of THB 2 million, up THB 1.5 million or 218% year-on-year, primarily due to the recognition of rental security deposits as income.

Costs and Expenses

- **Cost of real estate sales** increased by THB 2 million or 34%, in line with higher sales volumes.
- **Cost of rental and services** of THB 8 million, broadly in line with the prior year.
- **Selling expenses** increased by THB 2 million or 41%, reflecting a more active marketing effort to stimulate sales, which contributed to the meaningful revenue uplift.
- **Administrative expenses** increased by THB 33 million or 62% due to the recognition of additional special provisions. Excluding the provisions, core administrative expenses declined by THB 13 million (FY2025: THB 41 million; FY2024: THB 54 million), reflecting improved cost discipline.
- **Finance costs** rose by THB 5 million or 232%, driven by higher prevailing market interest rates.

Consolidated Financial Position

The Company's financial position as at 31 December 2025 is summarized below.

Unit : Million Baht

	Consolidated financial statements:		Separate financial statements:			Consolidated financial statements:		Separate financial statements:	
	2025	2024	2025	2024		2025	2024	2025	2024
ASSETS					LIABILITIES AND SHAREHOLDERS' EQUITY				
Current assets:					Current liabilities:				
Cash and cash equivalents	31.39	27.58	30.85	26.75	Trade and other payables	12.12	15.32	12.02	14.89
Other current receivables	5.24	5.04	5.20	4.99	Current portion of long-term borrowings:				
Cost of property development	279.57	273.07	273.87	267.05	from financial institutions	99.93	1.20	99.93	1.20
Other current financial assets	2.26	0.26	2.26	0.26	Current portion of lease liabilities	0.70	1.31	0.70	1.31
Other current assets	0.04	0.04	0.04	0.04	Short-term borrowings: from related parties	-	-	12.00	12.00
Total current assets	318.51	305.99	312.21	299.09	Estimate project cost	2.86	3.07	2.86	3.07
Non-current assets:					Provision	61.35	30.49	61.35	30.49
Restricted bank deposits	4.85	5.07	4.85	5.07	Other current liabilities	0.06	0.03	0.06	0.03
Investments in subsidiaries	-	-	6.05	6.05	Total current liabilities	177.02	51.43	188.92	63.00
Other non-current receivables	5.74	6.24	5.71	6.21	Non-current liabilities:				
Land held for development	77.19	77.19	77.19	77.19	Long-term borrowings: from financial institutions	73.99	105.73	73.99	105.73
Investment properties	82.79	83.20	81.62	81.99	Lease liabilities	26.11	42.54	26.11	42.54
Building and equipment	0.68	0.89	0.72	0.94	Provision: for employee benefits	3.26	2.91	3.26	2.91
Right-of-use assets	23.34	39.82	23.34	39.82	Other non-current liabilities	1.29	1.69	1.29	1.69
Intangible assets	0.07	0.10	0.07	0.10	Total non-current liabilities	104.65	152.86	104.65	152.86
Other non-current assets	0.81	1.02	0.81	1.02	Total liabilities	281.67	204.29	293.57	215.86
Total non-current assets	195.47	213.51	200.36	218.38	SHAREHOLDERS' EQUITY				
Total assets	513.98	519.50	512.57	517.47	Share capital				
					Authorized share capital				
					336,000,000 ordinary shares, Baht 1 par value	336.00	336.00	336.00	336.00
					Issued and paid-up share capital				
					336,000,000 ordinary shares, fully paid-up	336.00	336.00	336.00	336.00
					Share premium	88.75	88.75	88.75	88.75
					Retained earnings: (deficit)				
					Appropriated - legal reserve	13.29	13.29	13.29	13.29
					Unappropriated	(205.72)	(122.82)	(219.03)	(136.43)
					Total shareholders' equity	232.31	315.21	219.00	301.61
					Total liabilities and shareholders' equity	513.98	519.50	512.57	517.47

Total Assets

As at 31 December 2025, total assets stood at THB 514 million, a decrease of THB 5 million from the prior year, primarily attributable to real estate sales reducing inventory and ongoing depreciation of property, plant, and equipment.

Total Liabilities

As at 31 December 2025, total liabilities were THB 282 million, an increase of THB 77 million from the prior year, driven mainly by new borrowings from third parties and the recognition of additional special provisions.

Shareholders' Equity

As at 31 December 2025, total shareholders' equity amounted to THB 232 million.

Your sincerely,

(Varut Taymeya)
Chief Financial Officer