

November 26, 2021

Re: Report on Plan and Progress for Solving C Caution

To: President

The Stock Exchange of Thailand

On November 26, 2021, PSG Corporation Public Company Limited (the "Company") arranged a Public Presentation to provide information to investors and related parties as the Company has been remarked as "C" on the ground that the shareholder's equity of the Company is less than 50% of its paid-up capital after deducted discount on share capital according to the financial statements of quarter 3/2021 ending on September 30, 2021. The summary is as follows:

Causes

- Previously, the Company has suffered from debt and loss. The Company has reduced debts by gradual repayments. The details of the Company's debts are as follows;

	Unit : million baht							
	2014	2015	2016	2017	2018	2019	2020	Q3/2021*
Accounts payable and accrued expenses	439.63	249.23	136.68	112.70	100.21	95.32	18.81	13.97
Retention receivables	65.73	61.44	46.16	31.78	24.33	19.19	13.19	9.11
Bank Overdraft	37.46	37.57	21.82	21.93	-	-	-	-
Promissory note	451.92	-	-	-	-	-	-	-
Long-term borrowing from a financial institution	-	178.17	109.17	40.17	-	-	-	-
Total	994.75	526.41	313.82	206.58	124.54	114.51	32.00	23.08

*In the second quarter of the year 2021, the Company received a loan from financial institution in the amount of Baht 30 million.

- The Company has set the provision for long-term outstanding receivables
- The Company has set the provision for damages from lawsuits. However, the numbers of the said provision are gradually decreased. In the first quarter of the year 2020, the Company completely settled a major lawsuit dispute, and in the fourth quarter of the year 2020, the Company won a major litigation case.
- During the past several years, the Company were unable to take full potential for competition in the construction industry. The Company were unable to obtain financial support from financial institutions due to major legal cases derived from the negative impact of the construction projects during the period from 2012 to 2014. However, the two major lawsuits were completely over as previously mentioned. This problem tends to be in a better direction.

- There has been a high competition in the construction industry. The price increase of construction materials and the rise of wages has reduced the gross profit margin.
- The construction business sector is in a recession period. Therefore, the revenues were lower than expected.

Solutions

- On October 27, 2021, the Company had a capital increase from the private placement in an amount of Baht 1,080.88 million, resulting in a significant increase in its shareholders' equity. The shareholders' equity at the end of quarter 3/2021 was 7.85%, while the projection of the shareholders' equity after receiving the increased capital will be adjusted to 44.47%.
- The increased capital of Baht 1,080.88 million enhances the Company's liquidity, where the Company can utilize the increased capital for construction projects and as working capital. This also benefits in reducing the cost of financial expenses.
- The increase of the Company's registered capital by the private placement does not only enable the Company to receive funds, but also increases its business opportunities for the short and long terms, which may enhance the Company's performance.
- The Company is in the process of repositioning itself as a regional construction and engineering company, focusing on business opportunities in Thailand and the CLMV countries. The Company is also well positioning itself to compete both at the local and regional levels for a larger business ecosystem.
- The new management team has taken the organizational restructuring, enhanced financial management efficiency including improving its cost management to reduce the operation costs.
- The Company is in the process of executing the lawsuit in which the Company has won and the case is final. The execution amount is approximately Baht 110 million.
- The Company is in the process of applying for tax refund, with respect to the taxation year 2017-2019. The expected tax refund is approximately Baht 49 million.

Please be informed accordingly.

Faithfully yours,

(Mr. David Van Dau)

Chairman of the Executive Committee

PSG Corporation Public Company Limited