

No. CS. 003/2025

February 25, 2025

Re: Management Discussion and Analysis
For the year ended December 31, 2024
To: President
The Stock Exchange of Thailand

On February 25, 2025, the Board of Directors' Meeting No. 1/2025 resolved to approve the financial statements of PSG Corporation Public Company Limited (the "Company") and its subsidiary, for the year ended December 31, 2024, which were audited by EY Office Limited and reviewed by the Audit Committee. The details are as follows:

Business and Industry Overview

According to the September 2024 Construction Industry Report by Siam Commercial Bank's Economic Intelligence Center (SCB EIC), public sector construction is projected to rebound in the latter half of 2024, driven by increased budget disbursements for investments. This growth trajectory is expected to continue into 2025, with a forecasted 3% expansion year-over-year, while private sector construction growth is anticipated to be more moderate. Environmental compliance becomes an increasingly critical requirement for large-scale construction projects.

However, the Company and its subsidiary maintains a strategic focus on private sector construction, particularly in the Lao PDR, where we have established strong client relationships and ongoing projects. This focused market positioning allows us to mitigate risks associated with broader industry trends and heightened competition in the domestic market in Thailand.

Outline of Business Operation

The Company and its subsidiary's operating results for the year 2024 were significantly more profitable compared to the operating performance of the previous year. The Company and its subsidiary generated net profit of Baht 1,438.8 million, which having total revenue of Baht 3,556.4 million. The majority of which came from the Company's construction projects.

Summary of financial performance for the year ended December 31, 2024, is as follows:

Unit: Million Baht (audited)

Description	Consolidated financial statements			Changes from 2023	
	2024	2023	2022	Inc. (Dec.)	%Chg.
Revenue from construction contracts	3,512.5	2,734.6	1,029.8	777.9	28.4
Other income	43.9	16.2	20.5	27.7	171.0
Total revenues	3,556.4	2,750.8	1,050.3	805.6	29.3
Cost of construction contracts	1,455.2	862.8	336.6	592.4	68.7
Administrative expenses	270.1	217.8	123.0	52.3	24.0
Foreign exchange loss	30.0	10.8	27.7	19.2	177.8
Total expenses	1,755.3	1,091.4	487.3	663.9	60.8
Operating profit	1,801.1	1,659.4	563.0	141.7	8.5
Finance costs	(4.7)	(4.2)	(3.4)	0.5	11.9
Income tax expenses	(357.6)	(338.8)	(19.1)	18.8	5.5
Profit for the period	1,438.8	1,316.4	540.5	122.4	9.3
Other comprehensive income for the period	(5.6)	2.4	(2.6)	(8.0)	(333.3)
Total comprehensive income for the period	1,433.2	1,318.8	537.9	114.4	8.7
Earnings per share (Baht)	0.0221	0.0203	0.0083	0.0018	8.9

Total Revenues

For the year ended December 31, 2024, the Company and its subsidiary generated total revenues of Baht 3,556.4 million, comprised of revenue from construction of Baht 3,512.5 million and other income of Baht 43.9 million. The total revenue increased by Baht 805.6 million from the previous year, or 29.3%. This is aligned with its increasing work progress.

Profit & Loss and Total Comprehensive Income

For the year ended December 31, 2024, the Company and its subsidiary reported net profit amounting to Baht 1,438.8 million and total comprehensive income of Baht 1,433.2 million. Compared to the previous year, the Company and its subsidiary reported a net profit of Baht 1,316.4 million and total comprehensive income of Baht 1,318.8 million

The Company would like to clarify the changes in the Profit and Loss Statement for the year ended December 31, 2024, as those changes varied by more than 20% compared to those of the same period previous year as follows:

1. Total Revenues

Consolidated revenues in 2024 consisted of revenue from construction contracts of Baht 3,512.5 million and other income of Baht 43.9 million. The revenue from construction contracts increased Baht 777.9 million or 28.4% from the previous year due to the increase in progress of construction works at XPPL Expansion Phase 1 Project and the Resettlement project. Other income increased by Baht 27.7 million or 171.0% from the previous year.

2. Cost of Construction

Consolidated construction cost for the year 2024 was Baht 1,455.2 million, increasing from the previous year by Baht 592.4 million or 68.7%. This is in line with the construction work progress of the construction projects.

3. Administrative Expenses

Consolidated administrative expenses for the year 2024 were Baht 270.1 million, increasing from the previous year by Baht 52.3 million or 24.0% due to employee & benefits related expenses and feasibility studies for new business opportunities.

4. Finance Costs

Consolidated finance costs for the year 2024 were Baht 4.7 million, which slightly increased from those of the year 2023 mainly from interest expenses incurred from right of use assets and bank fees.

5. Income Tax Expenses

Consolidated income tax expenses for the year 2024 were Baht 357.6 million, increasing from the previous year by Baht 18.8 million. This is in line with the Group's profitable performance.

Financial Position

Unit: Million Baht (audited)

Description	Consolidated financial statements			Changes	
	December 31, 2024	December 31, 2023	December 31, 2022	Inc. (Dec.)	%Chg.
Total assets	4,886.3	3,933.3	1,947.9	953.0	24.2
Total liabilities	396.1	876.3	209.7	(480.2)	(54.8)
Total shareholders' equity	4,490.2	3,057.0	1,738.2	1,433.2	46.9

Assets

As of December 31, 2024, the Company and its subsidiary had total assets of Baht 4,886.3 million comprising current assets of Baht 4,512.3 million and non-current assets of Baht 374.0 million, compared to total

assets of Baht 3,933.3 million as of December 31, 2023, representing Baht 953.0 million increase. The major increase was in cash and cash equivalents and account receivables moving in line with the construction work progress.

Liabilities

The Company and its subsidiary's total liabilities as of December 31, 2024, amounted to Baht 396.1 million, comprising current liabilities of Baht 369.7 million and non-current liabilities of Baht 26.4 million, decreasing by Baht 480.2 million from total liabilities of Baht 876.3 million as of December 31, 2023. The main decrease was due to payment of trade payables, corporate income tax and lease liabilities.

Compared to other peers in the same industry, the Company and its subsidiary's debt to equity (D/E) ratio is relatively low at 0.09 times.

Shareholders' equity

The Company and its subsidiary's shareholder's equity as of December 31, 2024, amounted to Baht 4,490.2 million, compared to shareholder's equity of Baht 3,057.0 million as of December 31, 2023, representing Baht 1,433.2 million increase which is in line with their profitability.

Liquidity

As of December 31, 2024, the Company and its subsidiary's financial liquidity is strong, with a current ratio of 12.2 times. This high ratio indicates substantial liquidity, as the Group has a large amount of current assets relative to its current liabilities.

Factors Affecting Future Operations

1. Exchange Rate Volatility

Since the Company and its subsidiary operate internationally, certain projects have income and expenses denominated in foreign currencies. As a result, exchange rate volatility may impact gains or losses in the financial statements, though they do not directly affect the Company's operating performance.

2. Construction Project Management

Effective management of both construction costs and project timelines is crucial for successful outcomes and has a direct impact on the Group's performance.

3. Opportunities of Income Growth from New Projects

The Company and its subsidiary's income is currently executing two major construction projects, providing a steady income stream under contract through 2027. To support long-term sustainable growth, the Company and its subsidiary aims to pursue new construction projects and new business opportunities, particularly by maintaining a strong relationship with existing clients who are satisfied with the Group's rendered services.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)

Chief Executive Officer

PSG Corporation Public Company Limited

Investor Relations

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