

PSG Corporation Public Company Limited
and its subsidiary
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of PSG Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated statement of financial position of PSG Corporation Public Company Limited and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of PSG Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PSG Corporation Public Company Limited and its subsidiary and of PSG Corporation Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

Recognition of revenue from construction contracts

The Group disclosed its policies on recognition of revenue from construction contracts and estimation of construction project costs in Note 4 and Note 5 to the financial statements.

I identified the recognition of revenue from construction contracts to be area of significant risk in audit. This is because the amount of revenue from construction contracts that the Group recognises in each period forms a significant portion of the Group's total revenue.

In addition, the process of measurement and the determination of appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion of construction work. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts.

I examined the recognition of revenue from construction contracts by made enquiry of responsible person and gained an understanding of the operational procedure for the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 27 February 2024

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	1,298,379,785	616,022,046	1,007,406,045	528,359,726
Trade and other receivables	6, 8	614,674,184	77,749,150	614,415,033	74,392,343
Contract assets	10	1,141,205,775	76,008,612	1,141,205,775	76,008,612
Current tax assets		-	43,967,467	-	43,967,467
Other current financial assets	11	450,757,573	802,727,760	450,757,573	802,727,760
Other current assets		3,399,100	4,136,678	681,143	4,118,671
Total current assets		3,508,416,417	1,620,611,713	3,214,465,569	1,529,574,579
Non-current assets					
Restricted bank deposits	9	15,501,500	15,501,500	15,501,500	15,501,500
Other non-current financial assets	11	26,159,268	23,211,477	26,159,268	23,211,477
Investments in subsidiary	12	-	-	45,000,000	45,000,000
Investment properties	13	66,876,000	66,876,000	66,876,000	66,876,000
Property, plant and equipment	14	24,957,613	26,904,044	21,548,944	25,139,569
Right-of-use assets	18	41,776,816	51,473,275	28,007,723	40,630,538
Retention receivables	10	95,907,582	46,312,991	95,907,582	46,312,991
Intangible assets		40,033	615,101	12,804	598,356
Deferred tax assets	25	-	93,689	-	50,310
Other non-current assets	15	153,718,594	96,283,588	153,718,594	96,283,588
Total non-current assets		424,937,406	327,271,665	452,732,415	359,604,329
Total assets		3,933,353,823	1,947,883,378	3,667,197,984	1,889,178,908

The accompanying notes are an integral part of the financial statements.

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	472,367,587	95,802,596	327,435,428	66,374,512
Contract liabilities	10	100,201,947	-	100,201,947	-
Current portion of lease liabilities	18	15,602,228	13,231,740	11,225,766	10,574,661
Other short-term borrowing	17	-	12,235,690	-	12,235,690
Income tax payable		195,153,347	2,640,747	187,632,936	-
Retention payables		36,183,525	22,881,440	44,744,360	26,078,078
Other current provisions		6,002,408	800,334	6,002,408	800,334
Other current liabilities		15,558,451	11,899,447	14,098,195	11,899,447
Total current liabilities		841,069,493	159,491,994	691,341,040	127,962,722
Non-current liabilities					
Lease liabilities, net of current portion	18	20,326,467	31,925,809	16,261,826	27,487,592
Provision for decommissioning		4,959,630	4,671,967	4,959,630	4,671,967
Provision for long-term employee benefits	19	6,149,003	6,489,467	5,507,416	6,272,574
Deferred tax liabilities	25	3,842,948	-	1,744,132	-
Provisions for loss on litigations	29.2	-	7,139,661	-	7,139,661
Total non-current liabilities		35,278,048	50,226,904	28,473,004	45,571,794
Total liabilities		876,347,541	209,718,898	719,814,044	173,534,516

The accompanying notes are an integral part of the financial statements.

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity				
Share capital				
Registered				
64,992,438,156 ordinary shares of Baht 1 each	<u>64,992,438,156</u>	<u>64,992,438,156</u>	<u>64,992,438,156</u>	<u>64,992,438,156</u>
Issued and fully paid				
64,992,438,156 ordinary shares of Baht 1 each	64,992,438,156	64,992,438,156	64,992,438,156	64,992,438,156
Share discount	22 (62,272,362,796)	(62,272,362,796)	(62,272,362,796)	(62,272,362,796)
Expired warrant surplus	23 7,859,252	7,859,252	7,859,252	7,859,252
Retained earnings (Deficit)				
Appropriated - statutory reserve	21 15,795,942	5,526,839	15,795,942	5,526,839
Unappropriated (Deficit)	299,532,470	(1,006,614,297)	195,112,956	(1,023,999,256)
Other components of shareholders' equity	<u>13,743,258</u>	<u>11,317,326</u>	<u>8,540,430</u>	<u>6,182,197</u>
Total shareholders' equity	<u>3,057,006,282</u>	<u>1,738,164,480</u>	<u>2,947,383,940</u>	<u>1,715,644,392</u>
Total liabilities and shareholders' equity	<u>3,933,353,823</u>	<u>1,947,883,378</u>	<u>3,667,197,984</u>	<u>1,889,178,908</u>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

PSG Corporation Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss:					
Revenues					
Revenues from construction contracts	6	2,734,572,751	1,029,748,212	2,734,572,751	1,029,748,212
Other income		16,177,097	20,550,445	16,169,947	20,550,269
Total revenues		<u>2,750,749,848</u>	<u>1,050,298,657</u>	<u>2,750,742,698</u>	<u>1,050,298,481</u>
Expenses					
Cost of construction contracts	6	862,803,686	336,619,984	990,203,524	377,898,880
Administrative expenses		217,746,789	122,983,679	204,729,380	113,149,499
Exchange losses		10,820,810	27,741,302	15,267,213	16,850,435
Total expenses		<u>1,091,371,285</u>	<u>487,344,965</u>	<u>1,210,200,117</u>	<u>507,898,814</u>
Operating profit		<u>1,659,378,563</u>	<u>562,953,692</u>	<u>1,540,542,581</u>	<u>542,399,667</u>
Finance costs		(4,183,410)	(3,433,702)	(3,288,860)	(2,890,422)
Profit before income tax expenses		<u>1,655,195,153</u>	<u>559,519,990</u>	<u>1,537,253,721</u>	<u>539,509,245</u>
Income tax expenses	25	(338,779,283)	(19,063,516)	(307,872,406)	(16,437,730)
Profit for the year		<u>1,316,415,870</u>	<u>540,456,474</u>	<u>1,229,381,315</u>	<u>523,071,515</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements					
in foreign currency		67,699	5,135,129	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of equity instruments designated					
at fair value through other comprehensive income		2,947,791	(9,599,054)	2,947,791	(9,599,054)
Add (less): Income tax effect		(589,558)	2,152,785	(589,558)	2,152,785
Actuarial gain		-	121,645	-	121,645
Less: Income tax effect		-	(443,947)	-	(443,947)
Other comprehensive income for the year		<u>2,425,932</u>	<u>(2,633,442)</u>	<u>2,358,233</u>	<u>(7,768,571)</u>
Total comprehensive income for the year		<u>1,318,841,802</u>	<u>537,823,032</u>	<u>1,231,739,548</u>	<u>515,302,944</u>
Earnings per share					
	26				
Basic earnings per share		<u>0.0203</u>	<u>0.0083</u>	<u>0.0189</u>	<u>0.0080</u>

The accompanying notes are an integral part of the financial statements.