

No. CS.002/2023

February 24, 2023

Re: Management Discussion and Analysis
 For the year ending December 31, 2022
 To: President
 The Stock Exchange of Thailand

On February 24, 2023, the Board of Directors' meeting no. 1/2023 resolved to approve the financial statements of PSG Corporation Public Company Limited (the "Company") and its subsidiary, for the year ended December 31, 2022, which were audited by EY Office Limited and reviewed by the Audit Committee. Details are as follows:

Outline of Business Operation

The Company's operating results for the year 2022 turned profitable significantly compared to the operating performance of the previous year. Profits for the year 2022 were Baht 537.82 million, which came from a construction project valued of USD 264 million (inclusive of VAT) or Baht 8,895 million (referred to the exchange rate as of January 12, 2022). The Company has started recognizing the revenue from Q2-2022 onwards and revenue totaling USD 211.1 million is expected to be recognized in the future in respect of performance obligations under contracts.

Summary of financial performance for year ending December 31, 2022, is as follows:

Description	Consolidated	Separate financial statements			
	2022	2022	2021	Changes	
	(million)	(million)	(million)	Inc (Dec) (million)	%
Revenue from construction contracts	1,029.75	1,029.75	18.49	1,011.26	5,469
Other income	20.55	20.55	26.09	(5.54)	(21)
Total revenues	1,050.30	1,050.30	44.58	1,005.72	2,256
Cost of construction contracts	336.62	377.90	20.03	357.87	1,787
Administrative expenses	122.99	113.15	84.62	28.53	34
Loss from exchange rate	27.74	16.85	-	16.85	n/a
Profit (Loss) before finance cost and income tax expenses	562.95	542.40	(60.07)	602.47	1,003
Finance costs	3.43	2.89	1.73	1.16	67
Income tax expenses	19.06	16.44	1.33	15.11	1,136
Profit (Loss) for the year	540.46	523.07	(63.13)	586.20	929
Other comprehensive income for the year	(2.63)	(7.77)	19.83	(27.60)	(139)
Total comprehensive income for the period year	537.83	515.30	(43.30)	558.60	1,290
Key financial ratios:					
Gross profit margin (%)	67.3	63.3	-8.3		
Net profit margin (%)	51.5	49.8	-141.6		

Total Revenue

For the year ending December 31, 2022, the Company and its subsidiary generated total revenues of Baht 1,050.30 million, comprised of revenue from construction of Baht 1,029.75 million and other income of Baht 20.55 million.

For the year ending December 31, 2022, the Company generated the total revenues of Baht 1,029.75 million and other income of Baht 20.55 million, compared to those of the same periods last year of Baht 1,011.26 million due to the recognition of revenue since Q2-2022, whereas other income decreased by Baht 5.54 million.

Profit (Loss) and Total Comprehensive Income

For the year ending December 31, 2022, the Company and its subsidiary reported net profit amounting to Baht 540.46 million and total comprehensive income of Baht 537.83 million.

For the year ending December 31, 2022, the Company reported net profit amounting to Baht 523.07 million and total comprehensive income of Baht 515.30 million. Compared to prior year, the Company reported loss of Baht 63.13 million and total comprehensive loss of Baht 43.3 million.

The Company would like to clarify the changes on the Profit and Loss Statement for the year ending December 31, 2022, which are higher than 20 percent compared to those of the same periods last year, as follows:

1. Total revenues

Consolidated revenues consisted of Baht 1,029.75 million from construction, other income of Baht 20.55 million.

The Company's total revenues came from construction of Baht 1,029.75 million, other income of Baht 20.55 million. Construction revenue increased by Baht 1,011.26 million from the last year as a result of revenue recognition from aforementioned construction work project. Other income decreased by Baht 5.54 million compared to last year.

2. Cost of Construction

Consolidated construction cost for the year 2022 was Baht 336.62 million.

The Company's construction cost for the year 2022 was Baht 377.90 million, increasing from last year by Baht 357.87 million. This is in line with the construction work progress of the aforementioned construction project.

3. Administrative Expenses

Consolidated administrative expenses for year 2022 were Baht 122.99 million.

The Company's administrative expenses for the year 2022 were Baht 113.15 million, increasing from last year by Baht 28.53 million due to the organization restructuring to be in line with the business plan after the capital increase and provision for loss on litigation.

4. Financial Costs

Consolidated financial costs for the year 2022 were Baht 3.43 million.

The Company's financial costs for the year 2022 were Baht 2.89 million, increasing from last year by Baht 1.16 million due to interest expenses incurred from office rental agreement and bank's transaction fees.

5. Income tax expenses

Consolidated income tax expenses for the year 2022 were Baht 19.06 million.

The Company's income tax expenses for the year 2022 were Baht 16.44 million, increasing from the last year by Baht 15.11 million. This is in line with the Company's profitable performance.

Financial Position

Description	Consolidated	Separate financial statements			
	2022	2022	2021	Changes	
	(million)	(million)	(million)	Inc (Dec) (million)	%
Total assets	1,947.88	1,889.18	1,291.55	597.63	46
Total liabilities	209.72	173.53	91.21	82.33	90
Total shareholders' equity	1,738.16	1,715.64	1,200.34	515.30	43

As of December 31, 2022, the Company had total assets of Baht 1,889.18 million which is higher than that of December 31, 2021. The major increase was from current assets such as trade and other receivables, right of use assets, and other current financial assets. Total liabilities of Baht 173.53 million mostly increased from trade and other payables, and lease liabilities.

Shareholder's equity amounted to Baht 1,715.64 million, increased by Baht 515.30 million mainly due to the Company's profitability.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)

Chief Executive Officer

PSG Corporation Public Company Limited

Investor Relations

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