

IR. 017/2022

November 9, 2022

Re: Management Discussion and Analysis

For the three-month and nine-month periods ending September 30, 2022

To: President

Stock Exchange of Thailand

On November 9, 2022, the Board of Directors' meeting no. 6/2022 resolved to approve the financial statements of PSG Corporation Public Company Limited (the "Company"), for the three-month and nine-month periods ended September 30, 2022 which were reviewed by EY Office Limited and the Audit Committee. Details are as follows:

Outline of Business Operation

The Company's operating results in Q3-2022 showed profitability continuing from the previous quarter. Profits in Q3-2022 and the first nine months were Baht 240.36 million and Baht 489.02 million, respectively 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 construction period of this project is approximately 32 months and the Company has started recognizing the revenue since Q2-2022.

Summary of financial performance for the three-month and nine-month periods ending September 30, 2022 are as follows:

Description	Consolidated		Separate financial statements							
	Third Quarter	Nine-month	Third Quarter		Changes		Nine-month		Changes	
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	Inc (Dec)	%	(Million Baht)	(Million Baht)	Inc (Dec)	%
	2022	2022	2022	2021			2022	2021		
Revenue from construction contracts	402.84	878.54	402.84	(0.42)	403.26	96,014	878.54	6.51	872.04	13,395
Other income	1.39	19.13	1.39	1.33	0.06	5	19.13	5.03	14.10	280
Gain on exchange rate	21.95	24.69	29.86	-	29.86	-	34.92	-	34.92	-
Total revenues	426.18	922.36	434.09	0.91	433.18	47,602	932.59	11.54	921.05	7,981
Cost of construction contracts	108.41	255.15	142.16	0.48	141.68	29,517	312.79	7.46	305.33	4,093
Administrative expenses	37.08	96.18	33.18	21.00	12.18	58	91.22	55.32	35.90	65
Profit (Loss) before finance cost and income tax expenses	280.69	571.04	258.76	(20.58)	279.34	1,357	528.58	(51.24)	579.82	1,132

Description	Consolidated		Separate financial statements							
	Third Quarter (Million Baht)	Nine-month (Million Baht)	Third Quarter (Million Baht)		Changes		Nine-month (Million Baht)		Changes	
	2022	2022	2022	2021	Inc (Dec)	%	2022	2021	Inc (Dec)	%
Financial cost	1.27	2.16	1.12	0.55	0.57	104	1.99	1.26	0.74	59
Income tax expenses	39.06	79.85	37.94	-	37.94	-	76.40	-	76.40	-
Profit (Loss) for the period	240.36	489.02	219.70	(21.13)	240.83	1,140	450.18	(52.50)	502.68	957
Other comprehensive income for the period	3.62	4.68	(1.09)	6.55	(7.64)	(117)	(6.37)	18.36	(24.73)	(135)
Total comprehensive income for the period	243.98	493.70	218.61	(14.57)	233.18	1,600	443.81	(34.13)	477.94	1,400

Total Revenue

For the three-month and nine-month performances ending September 30, 2022, the Company and its subsidiary generated total revenues of Baht 426.18 million and Baht 922.36 million, respectively.

For the three-month and nine-month performances ending September 30, 2022, the Company generated the total revenues of Baht 434.09 million and Baht 932.59 million respectively, compared to those of the same periods last year of Baht 0.91 million and Baht 11.54 million, respectively.

Profit (Loss) and Total Comprehensive Income

For the three-month and nine-month performances ending September 30, 2022, the Company and its subsidiary reported net profit amounting to Baht 240.36 million and Baht 489.02 million, respectively. In addition, the Company and its subsidiary reported total comprehensive income of Baht 243.98 million and Baht 493.70 million, respectively.

For the three-month and nine-month performances ending September 30, 2022, the Company reported net profit of Baht 219.70 million and Baht 450.18 million with total comprehensive income of Baht 218.61 million and Baht 443.81 million, respectively. The same periods last year, the Company reported loss of Baht 21.13 million and Baht 52.50 million with total comprehensive loss of Baht 14.57 million and Baht 34.13 million, respectively.

The Company would like to clarify the changes on the Profit and Loss Statement for the 3rd quarter ending September 30, 2022 which has changed more than 20 percent compared to those of the same periods last year, as follows:

1. Total revenues

Consolidated revenues were consisted of Baht 402.84 million from construction, other incomes of Baht 1.39 million and gain on foreign exchange rate of Baht 21.95 million.

The Company's total revenues came from construction of Baht 402.84 million, other incomes of Baht 1.39 million and gain on foreign exchange rate of Baht 29.86 million. Construction revenue increased by Baht 403.26 million from the same quarter of last year as a result of revenue recognition from aforementioned construction work project. Gain on foreign exchange rate increased by Baht 29.86 million due to impact of THB depreciation on the Company's assets denominated in foreign currency. Other incomes increased by Baht 0.06 million compared to the same quarter of last year.

2. Cost of Construction

Consolidated construction cost for the 3rd quarter of 2022 was Baht 108.41 million.

The Company's construction cost for the 3rd quarter of 2022 was Baht 142.16 million, increasing from the same quarter of last year by Baht 141.68 million. This is in line with the construction work progress of the aforementioned construction project.

3. Administrative Expenses

Consolidated administrative expenses for the 3rd quarter of 2022 were Baht 37.08 million.

The Company's administrative expenses for the 3rd quarter of 2022 were Baht 33.18 million, increasing from the same quarter of last year by Baht 12.18 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 3rd quarter of 2022 were Baht 1.27 million.

The Company's financial costs for the 3rd quarter of 2022 were Baht 1.12 million, increasing from the same quarter of last year by Baht 0.57 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 3rd quarter of 2022 were Baht 39.06 million.

The Company's income tax expenses for the 3rd quarter of 2022 were Baht 37.94 million, increasing from the same quarter of last year by the full amount. This is in line with the Company's profitable performance.

Asset Liabilities and Shareholders' equity

Unit : Million Baht (Reviewed)

	Consolidated	Separate financial statements	
	September 30, 2022	September 30, 2022	December 31, 2021
Asset	2,055	1,944	1,291
Liabilities	361	300	91
Shareholders' equity	1,694	1,644	1,200

As of September 30, 2022, the Company had total assets of Baht 1,944 million which is higher than that of December 31, 2021. The major increase was from current assets such as trade and other receivables, contract assets, and other current financial assets.

Total liabilities of Baht 300 million mostly increased from trade and other payables, and lease liabilities. Shareholder's equity amounted to Baht 1,644 million.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)

Chief Executive Officer

PSG Corporation Public Company Limited

Investor Relations

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