

Translation

Re: MANAGEMENT'S DISCUSSION AND ANALYSIS FOR DECEMBER 31, 2022

The Company wishes to explain the reasons contributing to the increase of loss on financial statement as of December 31, 2022, comparing to the previous year, the details are as follows:

Results of Operations

Revenues from construction work

In 2022 the Company's revenues from construction work were Baht 59,294 million, an increase of Baht 8,708 million from the same period of previous year mainly from the increase of revenues from subsidiaries and joint ventures and the increase of revenues from large new projects.

Revenues from sales and services

In 2022 the Company's revenues from sales and services were Baht 7,780 million, a decrease of Baht 376 million from the same period of previous year according to the decrease of revenues in a mining project.

Costs of construction work

In 2022 the Company's costs of construction work were Baht 57,714 million, an increase of Baht 10,432 million from the same period of previous year according to the increase of the revenues from construction work, the increase of costs in raw materials, labor as well as the acceleration of work.

Costs of sales and services

In 2022 the Company's costs of sales and services were Baht 6,794 million, an increase of Baht 348 million from the same period of previous year according to the increase of cost of services in a mining project.

Gross profit

In 2022 the Company's gross profit was Baht 2,566 million, a decrease from the same period of previous year for which the gross profit was Baht 5,015 million. While the Company's gross profit margin in 2022 was 3.83%, a decrease from the same period of previous year for which the gross profit margin was 8.54% partially from the increase of fuel, raw material and labor costs in some projects, the loss incurred from recovering works of previous contractors, the rescope and acceleration of works, as well as the increase of cost of services in a mining.

Dividend income and share profit from joint ventures

In 2022 the Company's dividend income and share profit from joint venture were Baht 5 million, a decrease of Baht 20 million from the same period of previous year according to the decrease of dividend income from a listed company.

Interest income

In 2022 the Company's interest income was Baht 146 million, an increase of Baht 24 million from the same period of previous year. The major interest income was from oversea subsidiaries and joint ventures.

Gain on revaluation of investment property

In 2022 the Company's gain on revaluation of investment was Baht 184 million, an increase from the same period of previous year from the revaluation of investment property in the Company's subsidiaries.

Gain on fair value measurement of investments

In 2022 the Company had no gain on fair value measurement of investments while the same period of previous year had gain Baht 143 million.

Gain (loss) on exchange rate

In 2022 the Company's loss on exchange rate was Baht 182 million, an increase of loss Baht 425 million from the same period of previous year partially from the loss on exchange rate of subsidiaries, joint ventures and on foreign exchange hedging instruments which mainly from the currency exchange fluctuation of the Company's foreign assets and the subsidiaries' foreign liabilities.

Gain (loss) on fair value measurement of derivatives

In 2022 the Company's loss on fair value measurement of derivatives was Baht 12 million, an increase of loss Baht 49 million from the same period of previous mainly from loss on buying transactions of derivatives for hedging.

Gain on hedging instruments

In 2022 the Company's gain on hedging instruments was Baht 28 million, a decrease of Baht 3 million from the same period of previous.

Other income

In 2022 the Company's other income was Baht 608 million, a decrease of Baht 200 million from the same period of previous year from the decrease of other income of subsidiaries.

Selling expenses

In 2022 the Company's selling expenses were Baht 37 million, an increase of Baht 7 million from the same period of previous year partially from the increase of selling expenses of a subsidiary in a property development sector.

Administrative expenses

In 2022 the Company's administrative expenses were Baht 3,381 million, an increase of Baht 447 million from the same period of previous year partially from the increase of administrative expenses in the oversea subsidiaries and the accounting loss on sale of disposal assets.

Allowance for impairment losses

In 2022 the Company's allowance for impairment losses was Baht 68 million, an increase of loss Baht 162 million from the same period of previous year partially from the impairment loss of a large project in previous year.

Impairment loss on fixed assets

In 2022 the Company had no impairment loss on fixed assets while the same period of previous year had loss Baht 36 million.

Loss from disposal of investment

In 2022 the Company's loss from disposal of investment was Baht 1.2 million, a decrease of Baht 0.4 million from the same period of the previous year which from the loss in an oversea subsidiary.

Share of profit (loss) from investments in associated and joint control companies and joint ventures

In 2022 the Company's share of loss from investments in associated and joint control companies and joint ventures was Baht 1,127 million, an increase in share of loss Baht 1,203 million from the same period of previous year mainly from the increase on share of loss in a joint control company and joint ventures according to the unrealized loss on exchange rate of its foreign liabilities.

Financial costs

In 2022 the Company's financial costs were Baht 2,506 million, a decrease of Baht 56 million from the same period of previous year partially from the reimbursement of interest in a project.

Income tax expense

In 2022 the Company's income tax expense was Baht 698 million, an increase of Baht 86 million from the same period of previous year partially from the increase of income tax expense from oversea subsidiaries.

Loss for the year attributable to shareholders of the Company

As a result of the foregoing, in 2022 the Company's loss for the year attributable to shareholders of the company was Baht 4,759 million, an increase of loss Baht 4,603 million from the same period of previous year.