

No. CS. 003/2024

February 27, 2024

Re: Management Discussion and Analysis
For the year ended December 31, 2023

To: President
The Stock Exchange of Thailand

On February 27, 2024, the Board of Directors meeting no. 1/2024 resolved to approve the financial statements of PSG Corporation Public Company Limited (the “Company”) and its subsidiary, for the year ended December 31, 2023, which were audited by EY Office Limited and reviewed by the Audit Committee. Details are as follows:

Outline of Business Operation

The Company and its subsidiary’s operating results for the year 2023 was significantly more profitable compared to the operating performance of the previous year. The Company and its subsidiary generated total revenue of Baht 2,750.8 million, the majority of which comes from two sizable projects in the Lao PDR, which include:

1) XPPL Expansion Phase 1 Project, a turnkey contract project that involves the construction and enhancement of facilities, structures, and logistical routes for an industrial mine. The project's value is USD 239.9 million (not including VAT) with 43 months of construction period.

2) Resettlement Development Site Construction Project, a turnkey contract to construct a new community and basic infrastructure in Chom Phet City, Lao PDR. Project value is Baht 5,000 million (not including VAT) with 55 months of construction period.

Summary of financial performance for the year ended December 31, 2023, is as follows:

Unit: Million Baht

Description	Consolidated		Separate	Change Inc / (Dec)	%
	2023	2022	2021		
Revenue from construction contracts	2,734.6	1,029.8	18.5	1,704.8	166
Other income	16.2	20.5	26.1	(4.3)	(21)
Total revenues	2,750.8	1,050.3	44.6	1,700.5	162
Cost of construction contracts	862.8	336.6	20.1	526.2	156
Administrative expenses	217.8	123.0	84.6	94.8	77
Exchange Losses	10.8	27.7	-	(16.9)	(61)
Total expenses	1,091.4	487.3	104.6	604.1	124

Description	Consolidated		Separate	Change Inc / (Dec)	%
	2023	2022	2021		
Operating profit (loss)	1,659.4	563.0	(60.1)	1,096.4	195
Finance costs	(4.2)	(3.4)	(1.7)	0.8	24
Income tax expenses	(338.8)	(19.1)	(1.3)	319.7	1,674
Profit (Loss) for the year	1,316.4	540.5	(63.1)	775.9	144
Other comprehensive income for the year	2.4	(2.6)	19.8	5.0	192
Total comprehensive income for the year	1,318.8	537.9	(43.3)	780.9	145
Earnings per share (Baht)	0.0203	0.0083	(0.0030)	0.0120	145

Total Revenue

For the year ended December 31, 2023, the Company and its subsidiary generated total revenues of Baht 2,750.8 million, comprised of revenue from construction of Baht 2,734.6 million and other income of Baht 16.2 million. The revenue from construction contracts increased by Baht 1,704.8 million from previous year, or 166 percent. This is aligned with its increasing work progress. In addition, the Company has begun to recognize its revenue from new Resettlement project since June 2023.

Profit (Loss) and Total Comprehensive Income

For the year ended December 31, 2023, the Company and its subsidiary reported net profit amounting to Baht 1,316.4 million and total comprehensive income of Baht 1,318.8 million. Compared to prior year, the Company and its subsidiary reported a net profit of Baht 540.5 million and total comprehensive income of Baht 537.9 million.

The Company would like to clarify the changes on the Profit and Loss Statement for the year ended December 31, 2023, which are higher than 20 percent compared to those of the same period prior year, as follows:

1. Total Revenues

Consolidated revenues consisted of Baht 2,734.6 million from construction, other income of Baht 16.2 million. Construction revenue increased by Baht 1,704.8 million or 166% from the prior year due to the increase in progress of construction works at XPPL Expansion Phase 1 Project as well as the progress of the Resettlement project. Other income decreased by Baht 4.3 million from previous year.

2. Cost of Construction

Consolidated construction cost for the year 2023 was Baht 862.8 million, increasing from last year by Baht 526.2 million. This is in line with the construction work progress of the projects.

3. Administrative Expenses

Consolidated administrative expenses for year 2023 were Baht 217.8 million, increasing from previous year by Baht 94.8 million due to an increased number of staffs and consultation fees for feasibility studies of various projects to explore new business opportunities.

4. Finance Costs

Consolidated finance costs for the year 2023 were Baht 4.2 million, increasing from previous year by Baht 0.8 million due to interest expenses incurred from right of use assets and bank's transaction fees.

5. Income Tax Expenses

Consolidated income tax expenses for the year 2023 were Baht 338.8 million, increasing from the previous year by Baht 319.7 million. This is in line with the Company's profitable performance.

Financial Position

Unit: Million Baht

Description	Consolidated		Separate	Change Inc / (Dec)	%
	2023	2022	2021		
Total assets	3,933.4	1,947.9	1,291.5	1,985.5	102
Total liabilities	876.4	209.7	91.2	666.7	318
Total shareholders' equity	3,057.0	1,738.2	1,200.3	1,318.8	76

As of December 31, 2023, the Company and its subsidiary had total assets of Baht 3,933.4 million increasing by Baht 1,985.5 million from previous year. The major increase was from current assets such as trade and retention receivables moving in line with the construction work progress, right of use assets, and other current financial assets mainly from withholding tax which is under the refund process.

Total liabilities of Baht 876.4 million increasing by Baht 666.7 million from previous year. The major increase was from trade and retention payables, 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 0.29 times.



Shareholder's equity amounted to Baht 3,057.0 million representing Baht 1,318.8 million increase, which is in line with the Company's profitability.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)
Chief Executive Officer
PSG Corporation Public Company Limited

Investor Relations

Tel. 02 018 7190-8 | Email: ir@psgcorp.co.th