

CS. 009/2023

August 11, 2023

Re: Management Discussion and Analysis

For the three-month and six-month periods ending June 30, 2023

To: President

Stock Exchange of Thailand

On August 11, 2023. The Board of Directors' meeting no. 3/2023 resolved to approve the financial statements of PSG Corporation Public Company Limited ("Company") for the three-month and six-month periods ended June 30, 2023, which were reviewed by EY Office Limited and the Audit Committee. The details are as follows:

**Summary of the Company's Operating Performance**

The Company and its subsidiary remained continuously profitable in Q2-2023. Profits in Q2-2023 and the first six months were Baht 300.40 million and Baht 442.19 million.

Summary of financial performance for three-month and six-month periods ending June 30, 2023, is as follows:

Unit: Million Baht (reviewed)

Description	Consolidated financial statements							
	Second Quarter (Million Baht)		Changes		Six-month (Million Baht)		Changes	
	2023	2022	Inc.(Dec)	%Chg.	2023	2022	Inc.(Dec)	%Chg.
Revenues from construction contracts	499.64	471.17	28.47	6.04	834.73	475.71	359.02	75.47
Other Income	2.42	9.55	(7.13)	(74.66)	5.00	17.74	(12.74)	(71.82)
Exchange gains	50.61	2.74	47.87	1,747.08	41.74	2.74	39.00	1,423.36
<b>Total revenues</b>	<b>552.67</b>	<b>483.46</b>	<b>69.21</b>	<b>14.32</b>	<b>881.47</b>	<b>496.19</b>	<b>385.28</b>	<b>77.65</b>
Cost of construction contracts	115.77	142.15	(26.38)	(18.56)	224.94	146.73	78.21	53.30
Administrative expenses	49.45	32.04	17.41	54.34	90.84	59.10	31.74	53.71
<b>Operating profit</b>	<b>387.45</b>	<b>309.27</b>	<b>78.18</b>	<b>25.28</b>	<b>565.69</b>	<b>290.36</b>	<b>275.33</b>	<b>94.82</b>
Finance costs	(1.09)	(0.80)	0.29	36.25	(2.09)	(0.90)	1.19	132.22
Income tax expenses	(85.96)	(40.79)	45.17	110.74	(121.41)	(40.79)	80.62	197.65
<b>Profit for the period</b>	<b>300.40</b>	<b>267.68</b>	<b>32.72</b>	<b>12.22</b>	<b>442.19</b>	<b>248.67</b>	<b>193.52</b>	<b>77.82</b>
Other comprehensive income for the period	4.89	1.07	3.82	357.01	3.37	1.05	2.32	220.95
<b>Total comprehensive income for the period</b>	<b>305.29</b>	<b>268.75</b>	<b>36.54</b>	<b>13.60</b>	<b>445.56</b>	<b>249.72</b>	<b>195.84</b>	<b>78.42</b>

Description	Separate financial statements							
	Second Quarter (Million Baht)		Changes		Six-month (Million Baht)		Changes	
	2023	2022	Inc.(Dec)	%Chg.	2023	2022	Inc.(Dec)	%Chg.
Revenues from construction contracts	499.64	471.17	28.47	6.04	834.73	475.71	359.02	75.47
Other Income	2.42	9.55	(7.13)	(74.66)	5.00	17.74	(12.74)	(71.82)
Exchange gains	53.77	5.05	48.72	964.75	43.21	5.05	38.16	755.64
<b>Total revenues</b>	<b>555.83</b>	<b>485.77</b>	<b>70.06</b>	<b>14.42</b>	<b>882.94</b>	<b>498.50</b>	<b>384.44</b>	<b>77.12</b>
Cost of construction contracts	177.39	166.05	11.34	6.83	296.98	170.64	126.34	74.04
Administrative expenses	46.61	30.99	15.62	50.40	85.04	58.04	27.00	46.52
<b>Operating profit</b>	<b>331.83</b>	<b>288.73</b>	<b>43.10</b>	<b>14.93</b>	<b>500.92</b>	<b>269.82</b>	<b>231.10</b>	<b>85.65</b>
Finance costs	(0.90)	(0.78)	0.12	15.38	(1.71)	(0.88)	0.83	94.32
Income tax expenses	(66.44)	(38.45)	27.99	72.80	(100.21)	(38.46)	61.75	160.56
<b>Profit for the period</b>	<b>264.49</b>	<b>249.50</b>	<b>14.99</b>	<b>6.00</b>	<b>399.00</b>	<b>230.48</b>	<b>168.52</b>	<b>73.12</b>
Other comprehensive income for the period	(0.51)	(5.27)	4.76	90.32	(1.12)	(5.27)	4.15	78.75
<b>Total comprehensive income for the period</b>	<b>263.98</b>	<b>244.23</b>	<b>19.75</b>	<b>8.09</b>	<b>397.88</b>	<b>225.21</b>	<b>172.67</b>	<b>76.67</b>

#### Total Revenues

For three-month and six-month performances ending June 30, 2023, the Company and its subsidiary generated total revenues of Baht 552.67 million and Baht 881.47 million, respectively, compared to those of the same periods last year of Baht 483.46 million and Baht 496.19 million

For three-month and six-month performances ending June 30, 2023 (separate financial statements), the Company generated total revenues of Baht 555.83 million and Baht 882.94 million respectively, compared to those of the same periods last year of Baht 485.77 million and Baht 498.50 million.

#### Profit and Total Comprehensive Income

For three-month and six-month performances ending June 30, 2023, the Company and its subsidiary reported net profit amounting to Baht 300.40 million and Baht 442.19 million respectively. In addition, the Company and its subsidiary reported total comprehensive income of Baht 305.29 million and Baht 445.56 million respectively. In the same periods last year, the Company and its subsidiary reported net profit of Baht 267.68 million and Baht 248.67 million, with total comprehensive income of Baht 268.75 million and Baht 249.72 million, respectively.

For three-month and six-month performances ending June 30, 2023 (separate financial statements), the Company reported net profit of Baht 264.49 million and Baht 399.00 million respectively, with total comprehensive income of Baht 263.98 million and Baht 397.88 million, respectively. In the same periods last year, the Company reported net profit of Baht 249.50 million and Baht 230.48 million, with total comprehensive income of Baht 244.23 million and Baht 225.21 million, respectively.

The Company would like to clarify the changes on the Profit and Loss Statement for the 2<sup>nd</sup> quarter ending June 30, 2023, as those changes varied more than 20 percent compared to those of the same periods last year, as follows:

#### 1. Total Revenues

The Company and its subsidiary generated revenues in the 2<sup>nd</sup> quarter of 2023 consisting of revenue from construction contracts of Baht 499.64 million, other income of Baht 2.42 million, and exchange gains of Baht 50.61 million.

The Company's total revenues (separate financial statements) in the 2<sup>nd</sup> quarter of 2023 comprised of revenue from construction contracts of Baht 499.64 million, other income of Baht 2.42 million, and exchange gains of Baht 53.77 million. Construction contracts revenue increased by Baht 28.47 million from the same quarter last year because of the early stage of the construction work project last year. Other income decreased from the same quarter last year by Baht 7.13 million due to the unused asset sale in the 2<sup>nd</sup> quarter of 2022. The exchange gains increased by Baht 48.72 million compared to those of the same period last year due to an impact of weakening Thai Baht on the Company's assets and liabilities denominated in foreign currency.

#### 2. Cost of Construction

The Company and its subsidiary's construction cost in the 2<sup>nd</sup> quarter of 2023 was Baht 115.77 million.

The Company's construction cost for the 2<sup>nd</sup> quarter of 2023 (separate financial statements) was Baht 177.39 million, increasing from the same quarter last year by Baht 11.34 million. This is in line with the construction work progress of the construction projects.

#### 3. Administrative Expenses

The Company and its subsidiary's administrative expenses in the 2<sup>nd</sup> quarter of 2023 were Baht 49.45 million.

The Company's administrative expenses for the 2<sup>nd</sup> quarter of 2023 (separate financial statements) were Baht 46.61 million, increasing from the same quarter last year by Baht 15.62 million due to an increased number of staffs and consultation fees for feasibility studies of various projects to explore new business opportunities.

#### 4. Financial Costs

Consolidated financial costs for the 2<sup>nd</sup> quarter of 2023 were Baht 1.09 million.

The Company's financial costs for the 2<sup>nd</sup> quarter of 2023 (separate financial statements) were Baht 0.90 million, increasing from the same quarter last year by Baht 0.12 million which was mainly from the bank's transaction fees.

#### 5. Income Tax Expenses

The Company and its subsidiary's income tax expenses for the 2<sup>nd</sup> quarter of 2023 were Baht 85.96 million.

The Company's income tax expenses for the 2<sup>nd</sup> quarter of 2023 (separate financial statements) were Baht 66.44 million, increasing from the same quarter last year by Baht 27.99 million. This is in line with the Company's profitable performance.

#### Assets Liabilities and Shareholders' equity

Unit : Million Baht (reviewed)

	Consolidated		Separate	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Assets	2,495.29	1,947.88	2,422.15	1,889.18
Liabilities	311.56	209.72	308.62	173.54
Shareholders' equity	2,183.73	1,738.16	2,113.53	1,715.64

#### Assets

The Company and its subsidiary's total assets as of June 30, 2023 amounted to Baht 2,495.29 million, comprising of current assets of Baht 2,113.33 million and non-current assets of Baht 381.96 million, compared to total assets of Baht 1,947.88 million as of December 31, 2022, representing Baht 547.41 million increase.

The Company's total assets as of June 30, 2023 amounted to Baht 2,422.15 million, comprising current assets of Baht 2,008.11 million and non-current assets of Baht 414.04 million, compared to total assets of Baht 1,889.18 million as of December 31, 2022, representing Baht 532.97 million increase. The major increase was from trade receivables and withholding tax which is in the refund process.

#### Liabilities

The Company and its subsidiary's total liabilities as of June 30, 2023 amounted to Baht 311.56 million, comprising of current liabilities of Baht 272.65 million and non-current liabilities of Baht 38.91 million, increasing by Baht 101.84 million from total liabilities of Baht 209.72 million as of December 31, 2022.

The Company's total liabilities as of June 30, 2023 amounted to Baht 308.62 million, comprising of current liabilities of Baht 273.22 million and non-current liabilities of Baht 35.40 million, increasing by Baht 135.08 million from total liabilities of Baht 173.54 million as of December 31, 2022. The main increase was from half-year corporate income tax expense which will be due in the next quarter, and trade payables. Compared to other peers in the same industry, the Company and its subsidiary's debt to equity (D/E) ratio is relatively low at 0.14 times.

**Shareholder's equity**

The Company and its subsidiary's shareholder's equity as of June 30, 2023 amounted to Baht 2,183.73 million, compared to shareholder's equity of Baht 1,738.16 million as of December 31, 2022, representing Baht 445.57 million increase which is in line with their profitability.

The Company's shareholder's equity as of June 30, 2023 amounted to Baht 2,113.53 million, compared to shareholder's equity of Baht 1,715.64 million as of December 31, 2022, increasing by Baht 397.89 million due to the Company's continuous 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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