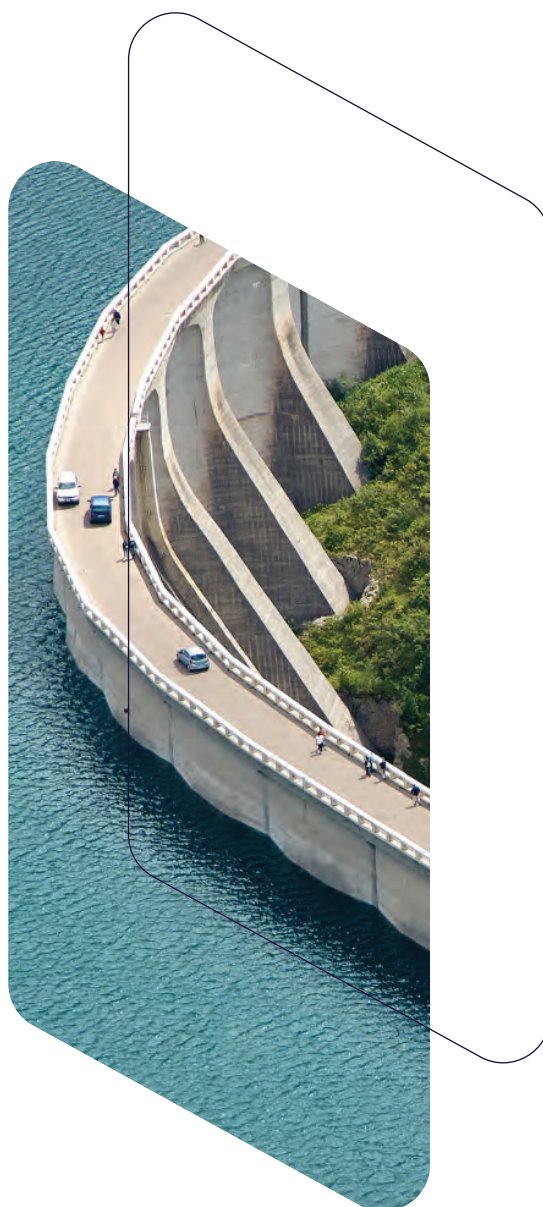


# THE NEW CHAPTER BEGINS



form 56-1 One Report

## Annual Report 2022

PSG Corporation Public Company Limited





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Form 56-1 One Report

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# Vision, mission and corporate values

The Company's vision, mission and corporate values are founded on its commitment to value creation, competitiveness, good governance, corporate responsibility and agility as detailed below.



## Vision

To improve the quality of life and be a leading company in ASEAN through excellence in construction and engineering services.



## Mission

To create a sustainable, multi-generational institution with strong governance based on integrity, ethics, and compassion.

1. Provide professional construction services that are both high-quality and efficient.
2. Utilize innovative engineering, and collaborate with a diverse range of world-class consultants who are experts in their fields.
3. Adhere to good corporate governance principles and conduct business with integrity and accountability to stakeholders and society at large.

# Corporate values



## Focus

We are committed to timely delivery of our work as promised to our partners and stakeholders.



## Analytical thinking

We use analytical skills in our work and find solutions based on our extensive experience, business knowledge and forward-looking vision.



## Integrity

We take action and are true to our word.



## Agility

We have expertise and flexibility which allow us to respond to changes as they emerge.



## Innovation

We adopt technology and use modern methods supported by our team of experts in various fields.



# Chairman and CEO Message

PSG Corporation Public Company Limited (“PSGC”) reached significant milestones in 2022 despite challenging social and economic conditions. In a turnaround year, PSGC was able to deliver steady construction progress allowing it to realize relatively significant revenue in a short period of time, resulting in positive cash flow and profitability. Most, if not all of the previous legal and financial issues of the Company have now been resolved and a firm foundation is set for the new chapter in PSGC’s future. Under a new direction and paradigm PSGC will continue to evolve on both a corporate and business level.

On a corporate level, new policies in terms of employee compensation and benefits have been implemented resulting in a more competitive and well-rounded employee eco-system. Additional measures to train and upskill our workforce are underway, as well as aggressive recruitment for fresh talent, bringing in new perspectives and opportunities. The Company will also continue to update its rigorous internal controls to ensure accountability and transparency.

On a business level, although construction and engineering will always be in the Company’s DNA, it is overwhelmingly clear that the Company’s previous business model has become obsolete due to deteriorating profit margins stemming from intense competition and dominance by large market participants, especially in Thailand. For this reason, PSGC has looked to neighboring countries for new business opportunities. In addition, Management has

set its sights on diversification into other industries, particularly renewable energy. Climate change is one of the most important challenges of our time and rapid transition to renewable forms of energy is the global solution. Such rapid transformation creates tremendous market opportunities for growth. PSGC has positioned itself to take advantage of the regional transition from fossil fuels to renewable energy through its MOU with the Government of Lao PDR relating to the feasibility study for the development of pumped storage hydroelectricity (“PSH”). Using PSH’s low-cost, high-volume energy storage properties combined with other forms of intermittent renewable energy, PSGC will be able to deliver clean, and most importantly, stable energy solutions to regional markets looking to phase out fossil fuel power plants.

Although PSGC is in a positive position to capitalize on the regional renewable energy transition in the long-term, we are keenly aware that such development takes an extensive amount of time. In the medium term, for the Company to scale quickly and enhance shareholder return, Management must also look to mergers and acquisitions (“M&A”). We ask for our investors and shareholders continued patience as we ensure that potential M&A opportunities are fully vetted and comply with all relevant rules and regulations.



Lastly, we would like to express our sincerest appreciation and reaffirm to all our stakeholders, our commitment to deliver a Company with positive fundamentals and long-term potential for growth and are excited to be on this journey together as we begin a new and exciting chapter for PSGC.



**Mr. Van Hoang Dau**  
Chairman and  
Authorized Director

**Mr. David Van Dau**  
Chief Executive Officer  
and Authorized Director



# Board of Directors



## Mr. Van Hoang Dau

- Chairman of the Board of Directors
- Authorized Director



## Mr. David Van Dau

- Director
- Member of Risk Management Committee
- Member of Nomination and Remuneration Committee
- Chairman of Executive Committee
- Chief Executive Officer
- Authorized Director



## Pol. Gen. Chaiwat Getvorachai, Ph.D.

- Independent Director
- Chairman of Audit Committee



## Khammany Inthirath, Ph.D.

- Independent Director
- Member of Audit Committee
- Chairman of Risk Management Committee





**Souphanh Keomixay, Ph.D.**

- Independent Director
- Chairman of Nomination and Remuneration Committee



**Mr. Prapas Vichakul**

- Independent Director
- Member of Audit Committee



**Mr. Nopadol Intralib**

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee



**Darnp Sukontasap, Ph.D.**

- Independent Director
- Member of Audit Committee



**Mr. Dhana Bubphavanich**

- Director
- Member of Executive Committee



**Chaiyod Chirabowornkul, Ph.D.**

- Director
- Member of Executive Committee



# Key Performance in 2022

## Revenues

Baht **1,050.3** Million

Revenue increased **24** times from the previous year, consisting of income from construction contracts of Baht **1,029.8** million, and other income of Baht **20.5** million

## Earning per share

**0.0083** Baht / share

In 2022, the Group had an earnings per share of Baht **0.0083** whereas the Company had a loss per share of Baht **0.003** in 2021.

## Assets

Baht **1,947.9** Million

Most of them were increased from current assets such as trade and other receivables, right of use assets and other current financial assets.

## Lifted the “C” caution sign

**August 15, 2022**

The Company achieved its corrective action plan to increase the shareholders' equity of the Company to more than 50% of paid-up capital in the second quarter of 2022. SET lifted the “C” Caution Sign on the Company's securities on August 15, 2022.

## Profit for the year

Baht **540.5** Million

In 2022, the Group had a profit of Baht **540.5** million and the Company had a profit of Baht **523.1** million compared to the Company's net loss of Baht **63.1** million in 2021.

## Return on Equity (ROE)

**36.8** %

In 2022 the Group had shareholder's equity of Baht **1,738.2** million and the Company had Baht **1,200.3** million of shareholder's equity in 2021. Improvement in Return on Equity through with achievement in profitability target.

## Return on Asset (ROA)

**33.4** %

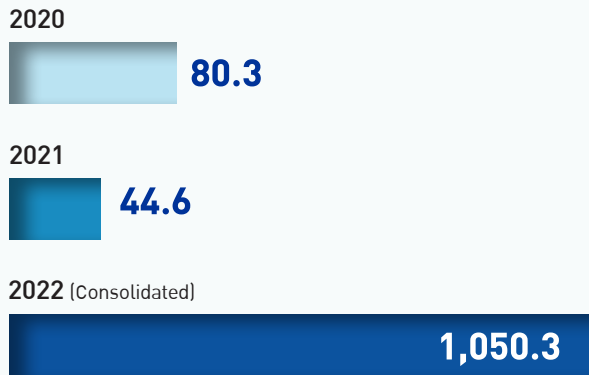
In 2022 the Group had total assets of Baht **1,947.9** million compared to the Company's total assets of Baht **1,291.5** million in 2021. Improved Return on Assets through with increased profits.



# FINANCIAL HIGHLIGHTS

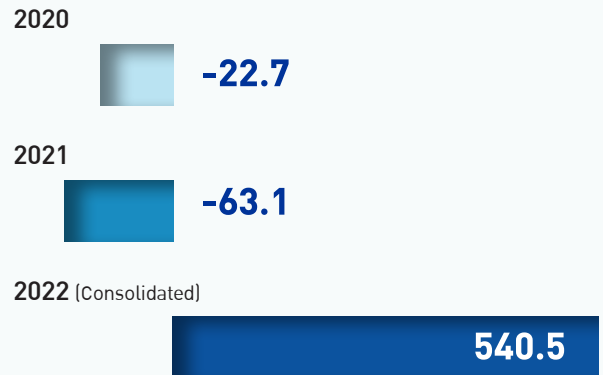
## Revenue

(Unit: Million Baht)



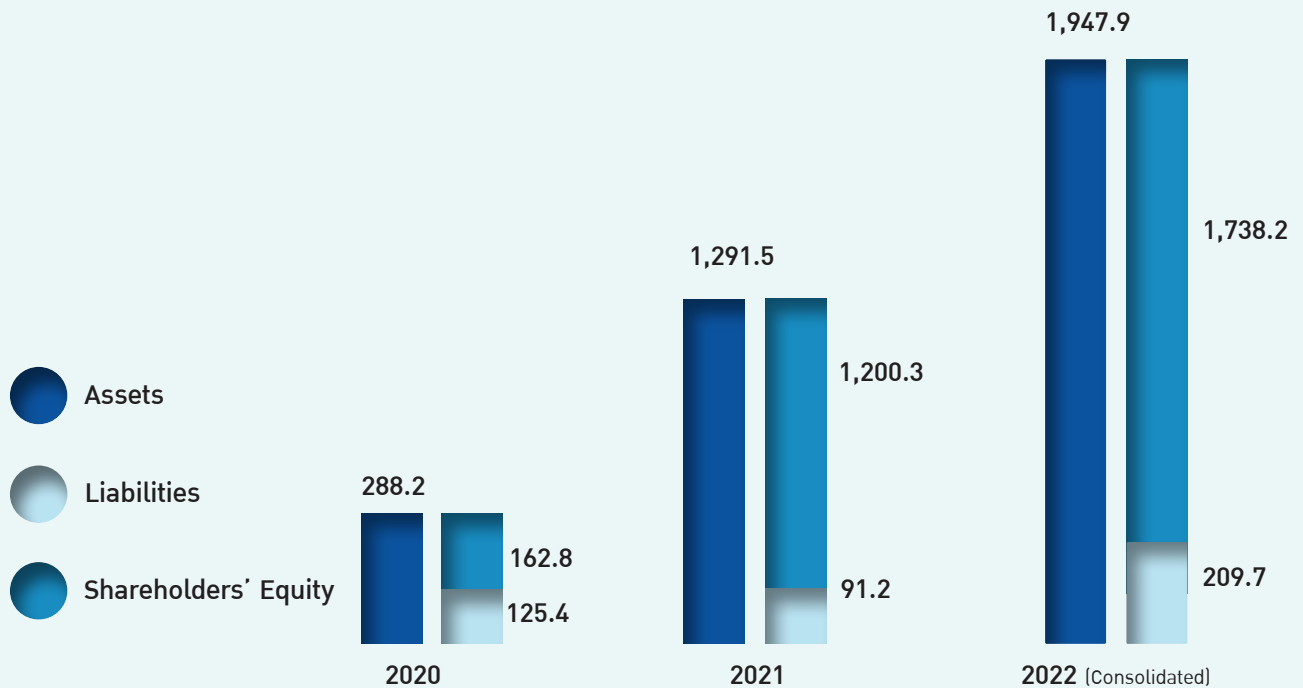
## Net Profit (Loss)

(Unit: Million Baht)



## Statement of Financial Position

(Unit: Million Baht)







# Part 1

## Business Operation and Operating Performance





# 1. Business structure and operations

## 1.1 Business strategy and operations

PSG Corporation Public Company Limited, previously known as “T Engineering Corporation Public Company Limited”, (“the Company”) has provided Engineering Procurement Construction (EPC) services or Lump Sum Turnkey (LSTK) services to civil engineering projects, industrial construction projects, superstructure projects, installation projects and M&E engineering projects for over

40 years. Its portfolio encompasses medium-size to large scale projects, such as factory buildings, warehouses, office buildings, shopping malls, commercial buildings, residential buildings, condominiums, hospitals and advanced M&E projects for utilities and machinery installation. The Company is certified ISO 9001 : 2015 from MASCI.







## History and developments

The Company was founded on April 10, 1981, with registered capital of 1 million baht. The Company operates a construction/construction contracting business for factory buildings and M&E engineering projects.

### 2006

In 2006, the Company was listed on the mai and started its first day of trading on September 28, 2006, at an IPO price of 2.80 baht and par value of 1 baht. The Company then expanded its construction portfolio to other project categories.

### 2009

In 2009, the Company was certified ISO 9001:2008 which reflects its effective and efficient operational capabilities of both internal and external departments.



### 2015

In 2015, the Company expanded its business objectives from 18 to 39 items to align with its projected business expansion which also includes energy, power plant and nano finance businesses. The Company's ticker was changed from "TIES" to "T".

### 2017

In 2017, the Company changed its name to "T Engineering Corporation Public Company Limited"





## 2021

In 2021, the Company changed its name from “T Engineering Corporation Public Company Limited” to “PSG Corporation Public Company Limited” and changed its logo and official seal

On November 2, 2021, the Company changed its ticker on mai from “T” to “PSG”.





## Major developments in 2022

- On April 1, 2022, the Company moved from 242, 244 Krung Thonburi Road, Kwaeng Klongtongsai, Khet Klongsan Bangkok 10600 to a new head office at 11/1 AIA Sathorn Tower, 21st Floor South Sathorn Road, Yannawa, Sathorn, Bangkok 10120.
- On April 1, 2022, the Company entered into an agreement for the construction of XPPL Expansion Phase 1 Project with Xekong Power Plant Company Limited with project value of 264 million USD or 8,895 million baht. The Company will provide turnkey construction services, including construction and improvement of logistic routes and construction of buildings and facilities to support production capacity expansion of coal from 2.9 million tons per year to 15 million tons per year in Xekong province in Lao PDR for a period of 32 months. The construction of the project is ongoing.
- On June 2, 2022, the Company and the government of Lao PDR, through Ministry of Planning and Investment, Investment Promotion Department, entered into an MOU to conduct a feasibility study of pumped storage hydroelectric power projects in Lao PDR. The MOU has granted the Company with exclusive rights to conduct a feasibility study on pumped storage hydroelectric power projects in 214 potential sites across Lao PDR. The MOU also grants further rights to develop locations deemed economic.
- On October 25, 2022, the Company and Keppel Energy Pte Ltd (“KE”) entered into an MOU to conduct a feasibility study on renewable energy export from Lao PDR to Singapore. The said MOU aligns with a bilateral MOU on energy cooperation between Lao PDR and Singapore signed on September 28, 2022. The Company and KE are officially appointed and supported by the governments of Lao PDR and Singapore to carry out a feasibility study regarding renewable energy export from pumped storage hydroelectric power projects and selected solar farms in Lao PDR to Singapore. The undertaking will create a foundation for transborder power purchase which is an integral part of a bilateral cooperation on energy between Lao PDR and Singapore.





## Corporate fundraising

As of December 31, 2022, the Company utilized funds raised from a private placement for the following objectives. The information regarding the utilization of funds had been made publicly available.

Objectives	Balance as of December 31, 2021 (Brought forward)	Amount utilized as of December 31, 2022	Balance as of December 31, 2022
1.1 Capital for contracted projects in 2021-2023	970,000,000	94,936,157	875,063,843
1.2 Working capital from business operations	80,590,058	80,590,058	-
<b>Total</b>	<b>1,050,590,058</b>	<b>175,526,215</b>	<b>875,063,843</b>



## 1.2 Nature of business

### 1.2.1 Income structure

In 2022, the Company had a total income of Baht 1,050.3 million, with revenue classified by the nature of the project as follows: -

Income	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Total income generated from construction contracts in 2022	1,029.8	98.0	18.5	41.5	60.8	75.7
Other income	20.5	2.0	26.1	58.5	19.5	24.3
Gross income	1,050.3	100.0	44.6	100.0	80.3	100.0

### 1.2.2 Product information

#### (1) Characteristics of products or services

PSG Corporation (Public) Company Limited offers construction services for projects in the Engineering Procurement Construction (EPC) or Lump Sum Turnkey (LSTK) categories and construction work for large-scale projects. The Company can undertake jobs both domestically and internationally within the ASEAN region. The Company's business can be divided into two main types, as follows:

#### 1.1 EPC project

The Company offers a comprehensive range of EPC project services that include initial design work, detailed design work in engineering, procurement of materials, tools, and machines, and complete construction, including testing before delivery to customers. The Company provides these services for industrial plants, power plants, petrochemical plants, large buildings, and various infrastructure works such as roads, bridges, electricity distribution, and water supply systems.

#### 1.2 Build-to-design construction project

The Company offers construction services for projects in the category of construction contractors according to customer-approved drawings. These services are accepted and satisfied by various industries, including industrial factories, petrochemical plants, hospitals, etc. The Company strongly emphasizes delivering high-quality products to customers, meeting delivery deadlines, and utilizing a certified service-based system with construction project management. The Company has satisfied customers by adhering to the ISO9001:2015 standard.

In 2022, the Company expanded its business direction by accepting construction projects in neighboring countries in the ASEAN region, in addition to its original focus on domestic projects. In the second quarter of 2022, the Company gradually recognized revenue from these overseas projects. The Company established a subsidiary in Lao PDR to support its international expansion. Furthermore, the Company is exploring new business opportunities, including ventures related to clean energy (renewable energy), to diversify its revenue streams in the future.



## (2) Marketing and Competition

### 2.1 Competition Strategy

The Company's competition strategy and business operation policy can be summarized as follows:

- **Executive Competencies and Experiences**  
The Company's management team consists of individuals with extensive experience in engineering and a variety of other industries. They possess knowledge, expertise, a deep understanding of the business, and strong relationships with business partners and customers in various industries. These competencies and experiences are crucial in driving the Company's growth and success and pursuing new business opportunities.
- **Personnel Team Capabilities**  
The Company boasts a highly qualified construction team with over 40 years of experience. The Company has a policy of promoting and developing its personnel by providing training to enhance their capabilities and raise their awareness of quality at various levels. This ensures that they can work efficiently. Additionally, the Company follows a team-based management approach to ensure that all management is aligned in the same direction.
- **Quality service and ISO 9001:2015 standard**  
The Company prioritizes high work quality standards and has established a system to regularly check the quality of work during construction before delivering the final product to customers. A dedicated quality inspection unit, comprising Quality Control, Quality Assurance, and Quality Systems, inspects work quality from the drawing process until the final stages before delivery to the customer. By focusing on high work quality, the Company aims to satisfy customers and build long-term relationships, evidenced by the number of returning customers using the Company's services. The Company has been certified for its service system according to the industry standard

ISO 9001:2015 (MASCI), which ensures the quality of the entire production process and reduces redundant work steps. As a result, the Company has a low rate of defective work. In 2018, the Company improved its quality management to comply with the ISO 9001:2015 quality management system, which covers the scope of contracting services, including the construction of factory buildings, warehouse buildings, residential buildings, hospital buildings, and public utilities. This system allows the Company to efficiently and effectively control and measure internal and external performance. The Company provides prompt service by delivering completed construction work on time and according to customers' needs. The Company has an efficient plan that covers the bidding process, construction, review of job specifications, and customer requirements. Additionally, the Company provides consulting services and advice to customers, from project design to choosing suitable construction materials, as well as post-delivery services to assist customers in case of problems.

- **Efficient Procurement System for Optimal Operations and Resource Management**  
The Company has implemented an efficient procurement system with transparent procurement and hiring processes, fostering competition among building material suppliers and subcontractors to keep costs reasonable. Additionally, the Company has introduced the Mango ERP (Enterprise Resource Planning) for Construction system to improve resource management. This operational information system is used from the beginning of project bidding through evaluation and project closure, ensuring optimal management throughout the construction process.
- **Marketing and Public Relations Strategies**  
The Company has a marketing policy that focuses on both retaining existing customers and expanding services to new customers, with a particular





emphasis on business sectors with high growth potential. The marketing team places great importance on cultivating long-term customer relationships and employs Customer Relationship Management (CRM) to meet customer needs. Customer satisfaction is a key metric with the Company prioritizing quality work as the foundation for building trust and generating repeat business. The Company's proven track record has led to high levels of customer satisfaction, resulting in recommendations to other potential customers and opportunities to undertake larger projects.

## 2.2 Pricing policy

For EPC projects, the Company closely studies and examines the details and work patterns outlined in the Front-End Engineering Design (FEED) documents to design the necessary work. The engineering team assesses the construction work required and selects a suitable build-to-design construction contractor. The Company also thoroughly reviews the construction drawings, customer requirements, and on-site surveys to accurately estimate the construction work needed for the project.

After determining the necessary construction volume, the Company checks the price of construction materials and identifies suitable subcontractors for each part of the construction project. A preliminary bid is made to estimate the construction cost before gathering further information and preparing a detailed quotation to present to the customer (For more details, please see "provision of products and services").

In times of significant volatility in construction material prices, the Company may propose alternative pricing options or negotiate with customers to take responsibility for purchasing construction materials in specific projects, as appropriate. The Company has no policy on the lowest bid to win a contract. The Company prioritizes maintaining the quality of construction work to meet industry standards and benefit its customers. Fair and appropriate pricing is critical to maintain good long-term relationships with customers and ensure the Company can operate its business successfully over the long term.

## 2.3 Target Customers and Distribution Channels

### Target Customers

The Company has recently expanded its business operations by accepting construction projects in neighboring ASEAN countries, with a focus on foreign customers seeking EPC or Lump Sum Turnkey (LSTK) services for large-scale industrial, power, and petrochemical plants, as well as infrastructure projects like roads, bridges, electricity distribution, and water supply systems. The Company also serves domestic customers as a general build-to-design construction contractor for large projects, offering a broad scope of services across multiple business sectors, including high-rise buildings for residential, office, and retail use, as well as hospitals and petrochemical groups.

The Company has the policy to pursue new business opportunities based on the growth potential of various sectors and prevailing economic conditions.

### Company Operating Procedures

When the Company receives an invitation to bid on a project or expresses interest in participating in an auction, the engineering service department will contact the customer to coordinate the necessary documents and confirm the requirements for participation, including obtaining Front End Engineering Design (FEED) documents or other construction-related documents as needed to estimate the scope of work and construction costs.

The construction contract will be a lump sum contract with a predetermined project schedule, including prepayment requirements and payments based on periodic or monthly progress assessments.

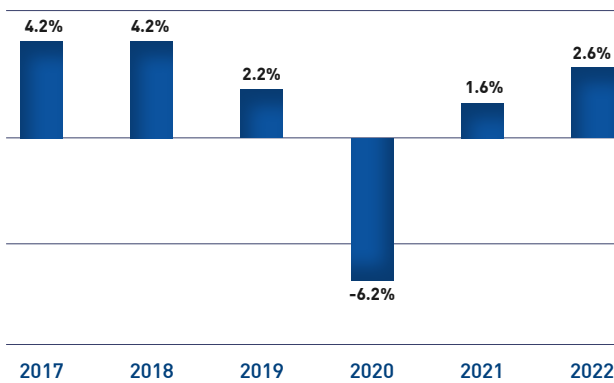
Typically, the project owner will require a retention bond of 5 percent of the construction contract price, which will be held during the warranty period, usually 12-24 months from work completion.



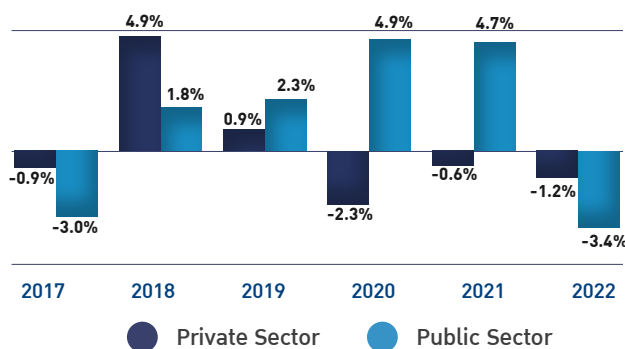
## 2.4 Industry Overview

In 2022, Gross Domestic Product (GDP) grew by 2.6% which accelerated from 1.5% in 2021 based on the recovery of tourism sector and continuous improvement of domestic demand in both the consumption that expanded based on rapidly increased demand after the pent-up demand and on the relaxation of the COVID-19 prevention measures. Furthermore, there were supporting factors such as the recovery of labor market, especially on the income in tourism and service sectors. strongly increased farmers' income particularly on key agricultural products' price as well as private investment that was recovered by some industrial manufacturing activities was higher than that before the COVID-19 pandemic e.g., automotive and machinery. In addition, whole sales and retail sales sectors well adjusted while overall investment from both private and public investment in construction sector decreased.

### The Growth Rate of Gross Domestic Product (GDP)



### The Growth Rate of Total Investment in Construction Sector



Source: Thai Economic Performance by Office of the National Economic and Social Development

In 2022, the growth of construction industry decreased by 2.7% compared to the expansion by 2.2% in 2021. This resulted from the decrease of public sector's construction by 3.4% which was due to the government's construction declined by 6.6%, the state-owned enterprises (SOEs)'s construction increased by 3.5% and the private sector's construction declined by 1.2% whereas the construction costs gradually increased as a result of the impact of Russia-Ukraine war. This war triggered continuous and severe disruption to global fuel and construction material prices in particular steel and cement. This factor triggered contractor business to shoulder the higher capital budget in 2022 causing some construction projects to have liquidity issues. In addition, labor shortages as a direct result of the COVID-19 outbreak which had not adequately recovered at the beginning of the year caused some construction projects to slow down the investment and construction progress.

## 2.5 Competitors and Industry Competitiveness

### Industry Competitiveness

The construction industry in 2022 remained highly competitive, with many competitors in the industrial sector, which is the Company's main business sector. Although the construction industry recovered to pre-COVID-19 levels. Other related construction in the private sector have not yet recovered activities as expected; residential construction slowed down with lower residential accommodation and booking volumes. Nevertheless, although the state-owned enterprises (SOEs)'s construction increased, a number of competitors in construction industry have rendered competition high in both bidding and pricing. Past performance, work experience, customer satisfaction, financial status, and ability to manage construction costs are important factors in this highly competitive market. The Company is one of approximately 20 construction companies in the country with similar customer characteristics and now faces competition from foreign construction companies as well.



## Status and Competitive Potential of the Company

Regarding domestic competition, the Company is considered a medium-sized company with expertise in industrial plants and hospitals. It has a well-established reputation for its proficiency in system work and timely delivery of projects. Additionally, the Company has efficient cost management practices, providing it with a competitive edge. This allows the Company to be flexible in accepting construction works and to have negotiation power with construction material suppliers for favorable prices and trading conditions, as the cost of construction materials is a primary expense in quality construction.

Over the past year, the Company expanded its construction operations to neighboring countries with large-scale projects requiring advanced construction techniques and significant investment in the international market. With its potential in terms of experience, expertise, and financial capabilities, the Company meets the specified qualifications and can be selected to undertake these projects.

## Industry Outlook and Future Competition

In 2023, the growth of construction sector will tend to continuously move with forecast overall growth according to the total construction investment value until 2024. This growth is mainly driven by the spending on government megaprojects particularly on projects connected the Eastern Economic Corridor (EEC) and the EEC transport infrastructure development plan especially on railway and road systems, including private sector's investment in both residential and commercial projects which have gradually improved with broader economic recovery. Furthermore, plant and industrial estate construction tend to improve by investment in infrastructure accelerated by public sector spending in particular on EEC projects.

In the meantime, the obstruction of construction contracting business regarding total construction materials' price in 2023 and 2024 tends to slightly decrease from it was in 2022; however, it will remain high resulting from main factors (1) the increase of fuel price which affects manufacturing and transport costs (2) the increase of

imported raw material price according to higher global market price such as the costs of scrap and billet import which triggers the steel price remains high (3) the recovery of construction sector which supports the demand of construction material use especially for cement and steel and (4) the government's policy, "Made in Thailand", which encourages the use of Thai-made construction materials. In addition, the continuous issue from 2021 to 2022 such as the shortage of labor resulting from the COVID-19 outbreak may delay work on construction projects since the number of overseas migrant laborers has not yet returned to work in Thailand compared to its pre-COVID-19 level whereas some Thai laborers who went back upcountry have not yet come back to the construction labor market in the Bangkok Metropolitan Region.

However, Thai contractors have been provided additional opportunities in overseas construction market, particularly in CLMV (Cambodia, Laos, Myanmar and Vietnam) countries, where the infrastructure investment has been continuous growing in order to respond economic growth and continuing urbanization, including the construction of industrial plants, offices and residential accommodations. Nonetheless, these opportunities are mainly restricted to large-scale contractors due to their financial strength, technological know-how, and local business connections in overseas markets.

In contrast, the risks and drawbacks of these opportunities in CLMV countries are their employment regulations may not comply with international standard; contracts' conditions may be uncertain, political instability in those countries may be high. The guideline and approach to reduce these risks and drawbacks are Thai contractors should seek partners from contractors and property developers in local supply chain in CLMV countries including local labor agencies so that Thai contractors can be continuously provided work or contracts.

Source: Industry Outlook 2022 – 2024 : Construction Contractor – Krungsri Research



Since the growth and business opportunities in domestic construction market have decreased and those in overseas construction market have continuously increased as mentioned above, the Company places importance on overseas construction market in CLMV countries in addition to domestic construction market. The Company considers the Company itself has readiness on capital, technology and business connection with local investors. Moreover, the CLMV countries are economic zones, where there are continuous growth rates. Since the beginning of 2022, the Company has changed its business direction by expanding construction projects to neighboring countries in order to increase the Company's revenue.

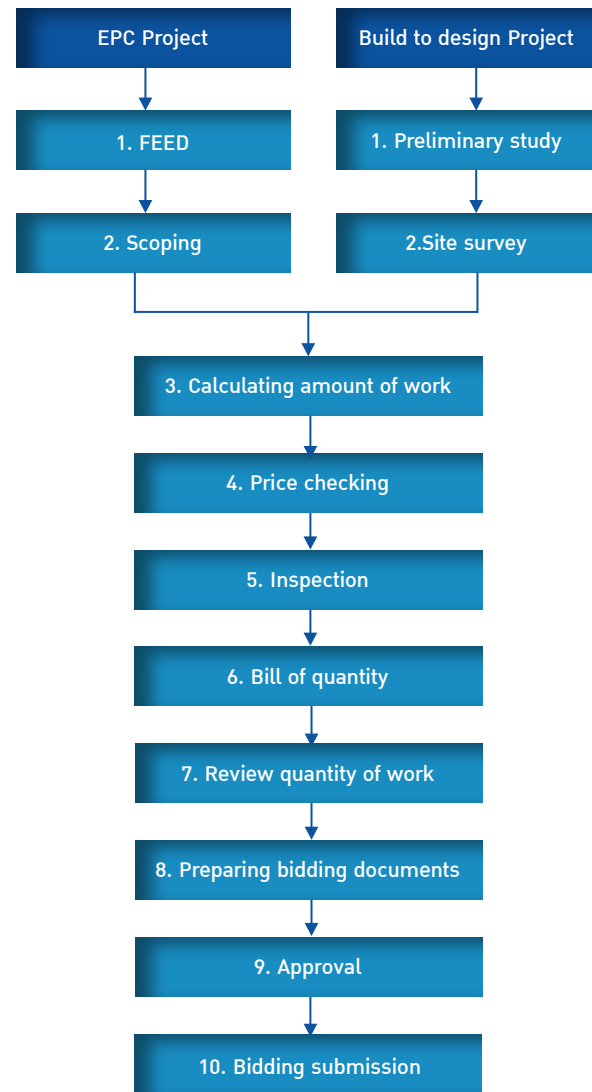
### (3) Procurement of Products and Services

#### 3.1 Selection of Construction Projects

When selecting a project, the Company conducts a preliminary assessment, considering various factors such as the project owner, type of work, project size and duration, availability of personnel, the amount of construction work currently available, and funding sources. Suppose a construction project passes the preliminary assessment, in that case, the Company will send Front End Engineering Design (FEED) documents or construction drawings and specific project requirements to the engineering department for further cost estimation and bidding.

#### 3.2 Evaluation for Bidding Price Proposal

Evaluation estimates the work and construction costs to prepare a bid proposal document. The appraisal process is critical to the Company's bottom line, as an overestimation of cost by the appraisal team may cause the Company to lose the bid, while an underestimation may lead to accepting the construction project at a loss. This process involves detailed inspection procedures, and the steps to be taken are as follows: -



- **Estimation of work quantity (Steps 1-3)** After receiving the Front-End Engineering Design (FEED) document in the EPC type or construction drawings in the build-to-design construction type, according to various drawings and specifications of construction projects from customers, the engineering department separates the construction project into parts according to the construction work scope. These parts consist of steel structure, reinforced concrete structure, architectural work, and system work. Employees responsible for calculating the amount of work will evaluate these parts, which include a master plan, labor, construction materials, equipment, subcontractors, and other necessary teams to ensure on time-completion and under specified conditions. The engineering department will also



consider the actual site survey results and detailed explanations from customers.

- **Price checking (Step 4)** After the engineering department officers calculate the amount of work, they will document it and deliver it to the procurement department. The procurement department will then check the prices of construction materials, equipment, subcontractors, and other necessary teams from the Company's list of approved suppliers who have passed the initial quality assessment.
- **Inspection and preparation of bill of quantity (Steps 5-7)** The results of the price checking will be reviewed by the engineering department for accuracy before preparing a bill of quantity. The bill of quantity will be reviewed again by the Senior Engineering Service Division Manager to ensure the correctness of the quantity of work.
- **Preparation of bidding documents (Step 8)** The Senior Engineering Service Department Manager and Director of Construction Management will conduct a meeting with relevant Vice President executives to jointly determine the operating profit ratio and prepare tender documents.
- **Approval and bidding submission (Steps 9-10)** The bidding documents will be sent to Inspection and Certification Engineering Group's Deputy CEO for approval and proposal to the CEO. Once approved, the documents will be forwarded to the Engineering Service Department Manager to present to the customer.

### 3.3 Execution of Construction Work

Once the customer selects the Company to operate the construction project, all construction-related documents that have received a preliminary workload assessment from the engineering department will be sent to the project manager. These documents include a bill of quantities, a master plan, a detailed statement from the customer, and related documents. The project manager will oversee the construction process, which includes the following steps.



- **Reviewing bill of quantity (Steps 1-2).** Upon receiving the Bill of Quantity, Master Plan, details from the customer, and related documents, the project manager will review them and cross-check the details against the actual construction site. If discrepancies arise, the project manager will update the documents for accuracy. Once the documents are confirmed, the project manager will create a project management plan, staffing plan, tool plan and prepare a list of construction materials approved for use in the construction process. Additionally, payment plans, and other relevant plans will be created.
- **Preparing tools, equipment, and labor (Step 3)** After the project manager has prepared various plans, including those of project management, staffing, and tool, he or she will distribute them to relevant departments. The project engineers will supervise the construction plans, which have different duties and responsibilities depending on the scope of work, such as steel structure work, reinforced concrete structure work, architecture, and system work.



The foreman will then prepare the necessary human resources according to the amount of work specified by the chief engineer in each unit.

- **Preparing safety and supporting utilities (Step 4)**  
In addition to the agencies that supervise the construction process, the project management plan of the Company will also include a field administrative agency, which will provide a temporary office with utilities such as water, electricity, and telephone on the construction site. The agency will also assess the impacts on nearby areas and the environment to ensure they meet the standards set by the customers and the Company. This will help ensure that the construction site is safe and secure for workers and that the project is completed promptly and efficiently.
- **Construction execution and safety check (Steps 5-7)**  
After the construction project has started, each step is monitored by the Quality Control, Quality Assurance, and Quality System, which are part of the project management plan. These entities are responsible for supervising construction work to ensure that they meet the standards and budget set by the customer and the Company and are corrected according to the procedures specified under the ISO 9001:2015 standard.
- **Construction inspection (Steps 8-9)**  
Once the construction project is completed, the Company prepares a delivery letter and arranges an appointment with the customer or their representative to inspect the work. If defects are found, the project manager will perform corrective work, and the quality inspection department will recheck the revised work.
- **Acceptance of construction work by the customer (Step 10)**  
After the defective construction work has been corrected to meet the customer's expectations, the customer then issues a certificate of work to the Company. The Company retains all important construction documents from delivering the construction work to the customer for ten years.

### 3.4 Construction materials, supplies, and suppliers

The Company purchases all construction materials for the construction process from domestic distributors and has a policy of procuring materials that are transparent and meet the ISO 9001:2015 standard. When a construction project begins, the project manager coordinates with the Company's procurement department, which is based at the head office, to purchase the necessary construction materials. The procurement department receives a list of materials the project manager verifies for construction and then procures them from construction material suppliers. The procurement department then presents the materials to the Chief Executive Officer for final approval.

The Company will only procure construction materials from suppliers on the evaluated list who score at least 80% or those who currently supply the Company and have received a score of not less than 70%. The Company assesses current construction material suppliers on the monthly appraisal list and evaluates new suppliers to be included on the appraisal list every six months. The criteria for evaluating current and new suppliers include the following considerations: -

Current suppliers	New suppliers
1. Product quality	1. Product suitability to needs
2. On-time delivery	2. Product price compared to that of current suppliers
3. Product list errors during delivery	3. Payment terms
4. Product price errors	4. Punctual delivery time
5. Good corporate governance principles and ESG guidelines	5. Readiness of delivery
	6. Good corporate governance principles and ESG guidelines





### 3.5 Sub-contractor procurement

When carrying out construction projects in foreign countries, the Company primarily hires local sub-contractors to carry out the construction work and assigns skilled engineers to oversee and inspect the work quality of these sub-contractors. Before the start of the project, the engineering department assigns a sub-contractor and creates a bill of quantity, including preliminary cost estimation. However, before the start of the construction project, the project manager is responsible for rechecking the readiness of the sub-contractors and ensuring compliance with the construction contract requirements.

For construction projects within the country, the Company is responsible for carrying out all main construction work for its projects, including steel and reinforced concrete work on its own. However, the Company hires sub-contractors to carry out all other work, including system constructions, architecture-related tasks and other specific tasks. The Company also assigns professional engineers to oversee and inspect the work quality of these sub-contractors. The Company follows the same procedures for defining and selecting sub-contractors within the country as for projects abroad.

The Company has a policy of selecting sub-contractors and material distributors that are transparent and accurate, following ISO 9001:2015 standards. The Company selects sub-contractors from an

evaluated list and assesses them based on their quality, on-time delivery, construction mistakes, and costs. The selected subcontractors must score at least 75%, and the Company evaluates subcontractors on the monthly appraisal list. The Company also evaluates new subcontractors every six months to be included in the appraisal list.

### 3.6 Construction tools and equipment procurement

The Company generally rents construction tools and equipment from nearby rental service providers who have passed the initial assessment from the Company. In assessing these providers, the Company considers the on-time and accurate delivery of the tools and equipment. The rental service provider for construction tools and equipment must score at least 80%, and the Company evaluates these providers on the monthly appraisal list. The Company also evaluates new rental providers for construction tools and equipment every six months to be included in the appraisal list.

The Company has a policy to supply construction tools and equipment rental providers that are transparent and accurate according to ISO 9001:2015 standards, as well as procurement of sub-contractors and construction material distributors. However, if any construction tools and equipment are in high demand and used, the Company will purchase them for future use.





## Opportunities in new markets

Growing concerns over the effects of climate change and the need to cut greenhouse gas emissions from fossil fuel-fired power stations have translated into rising global interest in renewable or clean energy, but although this certainly represents one way through these difficulties, renewable power comes with its own set of challenges, principally that of the intermittency of supply. For example, solar power can only be generated for as long as the sun is shining, and wind power depends on a sufficient supply of wind, but because this is subject to considerable natural variability, predicting changes in this can be extremely difficult. Of all sources of renewable energy, hydroelectric power is the most reliable, and because this is generated from the flow of water through subsurface turbines, this is subject to significantly fewer disruptions than are other types of clean energy. It is thus possible that provided there is sufficient access to water, from either natural or man-made reservoirs, hydro power will be able to provide the base load needed to guarantee the uninterrupted supply of electricity.

Against this background, PSG has been investigating the possibility of investing in pumped storage power plants (PSPs), and given the possibilities that this presents for overcoming problems with intermittent supply and of providing access to a consistent source of renewable energy, the business case for this appears to be clear.

Pumped storage hydroelectric works by moving water between two reservoirs, one higher than the other. Water is pumped from the lower to the higher reservoir, from which this can then be released to drive turbines and generate electricity. This works because when demand for electricity is weaker than supply and there is therefore a surplus available, this unused energy can be used to pump the water to the higher storage point. Then, when demand rises and

supply falls, the water can be released and power generated and distributed for consumption via the grid. Pumped storage hydroelectric thus works as a giant water-powered battery to store energy for future release, and through this, dampen variations in supply and ensure that production of power from renewable sources can continue without interruption.

Research indicates that across Southeast Asia, countries are starting to look to renewables as a way of reducing the environmental impacts arising from their reliance on coal- and gas-fired power generation.

Vietnam and Singapore are regional leaders in the use of pumped storage hydroelectric:

- Vietnam's Power Development Plan lays out a goal of increasing renewables over the next 2-3 years (Thailand plans to do likewise).
- Singapore also plans to reach net zero for its energy sector by 2050 and then to import energy only from clean low-carbon sources.

In the case of Lao PDR, a country that is heavily reliant on hydroelectric power, pumped storage power plants will be particularly useful since they will provide a way of using the excess power that is available in the rainy season to solve problems related to power outages during the dry season.

Given the business opportunities presented by the potential for exporting electricity generated from pumped storage hydroelectric power stations in Lao PDR, the company is preparing to expand its involvement in the market both through mergers and acquisitions and through direct investments in power generation. This will then help to assure both the long-term, sustainable growth of the company and the continuation of attractive returns for shareholders.





## (4) Operating assets

Details regarding Appendix 4 can be found in this Annual Registration Statement/Annual Report 2022 (Form 56-1 One Report).

### **Policy on Investing in Subsidiaries and Associated companies**

The Company has a policy of investing in subsidiaries, considering various factors to support and promote businesses related to the Company's primary business.

As of December 31, 2022, the Company had associate companies.

## (5) Undelivered project

As of December 31, 2022, the Company had projects under construction that have not yet been delivered. The total project value of these works is US Dollar 264 million or Baht 8,895 million, and the unrecognized income balance is US Dollar 211.1 million or Baht 7,347.7 million.

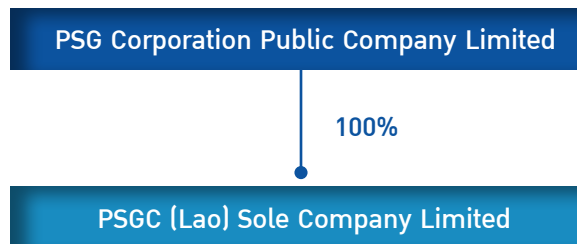




## 1.3 Shareholding structure

### 1.3.1 Shareholding structure the Company and its subsidiary

As of December 31, 2022, shareholding structure of the the Company and its subsidiary was as follow



#### Nature of business

The Company and its subsidiary provide Engineering Procurement Construction (EPC) or Lump Sum Turnkey(LSTK) services to civil engineering projects, industrial construction projects, superstructure projects, installation projects and M&E engineering projects in Thailand and Laos/Lao PDR.

#### Business of subsidiary

As of December 31, 2022, details of the Subsidiary were as follows:

Name of subsidiary (Thai)	บริษัท พีเอสจีซี (ลาว) จำกัดผู้เดียว
Name of subsidiary (English)	PSGC (Lao) Sole Company Limited
Type of business	Construction contracting of industrial, commercial, and other types of projects and services. It is a juristic person registered in Lao PDR.
Relationship	Subsidiary
Company registration number	01-00026700
Address of head office	PT Building, 6th Floor, Phonexay Road, Phonexay Village, Xaysettha District, Vientiane Capital, Lao People's Democratic Republic
Paid registered capital	Kip 16,000,000,000.0 million or Baht 45.0 million (8,000,000.0 ordinary shares at Kip 2,000 each)
Shareholding ratio	100%



### 1.3.2 Shareholding in subsidiary or affiliate of party with potential conflict of interest which exceeds 10% of voting shares of such companies

None

### 1.3.3 Relationship with major shareholders' business

The biggest shareholder is a spouse of the Company's Chief Executive Officer. However, the Company's core business has no significant relationship with dependence on or competition with other businesses operated by the major shareholders.

### 1.3.4 Shareholders

#### (1) Major shareholders

List of top 10 shareholders as of December 31, 2022

List of shareholders	Number of shares	%
1. Mrs. Panicha Dau	51,994,000,000	80.000
2. Thai NVDR Company Limited <sup>1</sup>	2,137,908,661	3.289
3. Mr. Adisorn J.Jitcharoenchai	1,055,000,000	1.623
4. Miss Chanida Sae-Tang	779,470,900	1.199
5. Mr. Pornprom Promvanich	658,834,900	1.014
6. Mr. Prasit Chongussayakul	511,002,852	0.786
7. Mrs. Leena Rachitratanying	509,196,600	0.783
8. Miss Jerdnapang Thamchuanviriya	486,000,000	0.748
9. Mr. Chayut Phibunlaphatroj	462,051,500	0.711
10. Ms. Titima Thanakornyothin	281,000,000	0.432
Other shareholders	6,117,972,743	9.413
<b>Total shares</b>	<b>64,992,438,156</b>	<b>100.00</b>

Remarks : <sup>1</sup>NVDR investors are entitled to financial benefits as the Company's ordinary shareholders but they are not entitled to voting rights in a shareholders' meeting.

Except for the biggest shareholder who is a spouse of the Company's Chief Executive Officer, all the shareholders listed above are not connected persons per Article 258 or do not serve the same controlling person.



## (2) Ultimate beneficial ownership

-None-

## (3) Shareholder of subsidiary of core business

As of December 31, 2022, the Company wholly owned 100% of shares of the Subsidiary.

## (4) Shareholders' Agreement

Major shareholders do not have any arrangements which may affect issuance and offering of securities or management of the Company in which the Company has entered into.

# 1.4 Number of registered and paid-up capital

## 1.4.1 Registered capital

As of December 31, 2022, the Company registered capital of Baht 64,992,438,156, Baht 64,992,438,156 of which was fully paid-up. The Company issued a total of 64,992,438,156 ordinary shares with par value of Baht 1 each. All the Company's shares were listed as securities traded on the mai.

## 1.4.2 Other types of shares

- None –

## 1.4.3 The Company does not issue or offer shares or convertible securities to Thai Trust Fund. The Company does not issue any NVDR.

# 1.5 Issuance of other securities

The Company does not issue convertible securities or debt instruments.

# 1.6 Dividend policy

## • Dividend policy of the Company

The Company pays dividend at least 50% of net income. However, payment of dividend is dependent on operating results, business plans, liquidity, necessity and other future obligations or commitments. Decisions regarding dividend payment is to be made by the Board of the Company by taking into consideration the best interest of its shareholders.

## • Dividend policy of subsidiary

The Company's subsidiary pays dividend at least 50% of net income. However, payment of dividend is dependent on operating results, business plans, liquidity, necessity and other future obligations or commitments. Decisions regarding dividend payment is to be made by the Board of the Company by taking into consideration the best interest of its shareholders.



## 2. Risk Management

### 2.1 Policy and risk management plan

The Company has implemented a risk management policy to establish guidelines and procedures for managing internal and external risks. This policy aims to ensure a robust system for preventing, monitoring, and evaluating risks that may harm the organization's products and services and ultimately impact customer satisfaction negatively.

The Company has established systematic processes for identifying, analyzing, and prioritizing risks. Each risk's likelihood and severity of potential damage are evaluated to determine its priority. The risk management plan also outlines guidelines for controlling, preventing, correcting, and reducing risks to an acceptable level. Furthermore, the organization keeps its employees informed to have the same understanding and actions in order to align with this plan.

The Company's risk management preparation process consists of the following steps: -

- 1) **Identifying risk** involves searching for events, factors, or causes of risks that may cause damage or impact an organization. This process considers the risks to the organization, the needs of stakeholders, objectives, and targets (KPIs), and process risks."

- 2) **Risk analysis** involves assessing each event's frequency, severity, and importance while considering the likelihood of occurrence and the resulting consequences. This process relies on experience, past information, and foresight to evaluate the potential impact accurately.
- 3) **Risk assessment** is the next step following risk analysis, which involves evaluating the severity and priority of each risk. This assessment provides a basis for determining the necessity of risk management.
- 4) **Risk management** involves identifying methods or measures to manage the risks and considering input from the working group and/or the Risk Management Committee. The methods used must align with the policies and goals of the organization.

#### **Acceptable risk level**

The Company has established strategies and guidelines for risk management, including immediate measures to manage and limit risks deemed very high and unacceptable.



## 2.2 Risk factors for the operation conducting the Company's business

### 2.2.1 Risks to the Company's business operations

		Likelihood				
		Very Unlikely 1	Unlikely 2	Possibl 3	Likely 4	Very Likely 5
Impact	Severe 5			(3)	(2)	
	Significant 4			(5) (8)		
	Moderate 3				(4) (6) (7)	
	Minor 2				(1)	
	Negligible 1				(9)	

#### Strategy

##### (1) The risk from discontinuity and non-diversified sources of income as well as relying on a limited number of construction projects for the Company's revenue

The Company's primary source of revenue comes from construction projects, which is inconsistent as the construction projects are single - ventures or one - time projects. As a result, the Company's financial performance depends on successful bidding and timely execution of these projects per the agreed-upon schedule. The absence of construction work can negatively impact the Company's revenue streams.

To sustain consistent income, the Company actively seeks new construction projects and maintains high standards of work quality to ensure customer satisfaction. This approach boosts customer confidence and increases the

likelihood of repeat business. The Company has a proven track record of securing new projects and attracting new clients through positive recommendations from satisfied customers.

In addition, the Company is exposed to the risk of relying heavily on a limited number of construction projects for its revenue, which could have long-term implications for its operations.

To mitigate this risk, the Company has established protocols and measures to manage the possibility of revenue discontinuity and concentration. These measures are designed to ensure the stability and longevity of the Company's operations.

- 1) The Company aims to enhance the efficiency of project construction management to achieve better quality by promptly completing actions that meet the project owner's expectations while controlling costs within budget. The Company





has improved its internal system, including valuation, bidding, and marketing, to become more efficient.

- 2) The Company has a policy of building strong relationships with customers, both old and new, by expanding its customer base to include clients who have never co-worked before. This approach will provide opportunities to consistently be provided work in the future. The Company is improving its presentation of Company information to ensure customers understand its new systems and processes well. This will help to create both new and old customer satisfaction.
- 3) The Company participates in domestic and international public auctions of construction projects, focusing on areas where it has the expertise, including EPC and turnkey construction projects. This approach will help to expand the customer base and create more opportunities for future work.
- 4) The Company focuses on projects in areas where it has knowledge and expertise. At the same time, the Company has been developing its organization by additionally expanding its capabilities related to construction projects, which are the Company's primary business, such as road construction and various buildings.
- 5) The Company has a strategy focused on expanding its customer base to countries within the ASEAN region. This approach taps into markets where competition is lower than that in the domestic market, providing a more significant opportunity for profit generation.
- 6) The Company is exploring new business opportunities as a means of enhancing revenue generation and increasing profits, in addition to the Company's core business of construction and engineering work.

## **(2) The risk from the concentration of trade receivables**

Construction businesses typically have significant trade accounts receivable associated with the size of their construction projects. The Company thoroughly evaluates the financial stability of its clients before taking on any project work to reduce the risk from the concentration of trade receivables. A strict credit policy has also been established by the Management for customer payment, requiring monthly installment payments and ongoing risk assessments. Furthermore, the Company enters into a contract with each project owner that specifies the terms and conditions for customer payment periods with precision.

## **(3) The risk associated with pursuing new domestic and international projects.**

The Company has broadened its reach by accepting construction projects in neighboring countries in the ASEAN region. Experienced and knowledgeable personnel with a track record of finding domestic and international work are crucial to this endeavor's success. In the absence of such personnel, the Company may face challenges in generating revenue in the future. To address this, the Company is actively recruiting individuals with the necessary expertise and experience working abroad, particularly in neighboring countries. Additionally, the Company is investing in developing and improving existing staff to increase their potential and capabilities.

## **(4) Personnel potential risk**

The construction contracting industry relies heavily on its personnel's knowledge, skills, and expertise, particularly those who manage and oversee construction projects. These individuals, such as project managers and engineers, play a critical role in ensuring the successful



completion of construction work. A shortage of skilled personnel or insufficient staffing for managing large and complex projects can impact the Company's ability to secure new work and drive revenue growth, including significant projects and work plans may not be achieved as planned which may result in the decline of customers' trust and confidence.

To mitigate this risk, the Company has improved work systems and processes, especially on talent recruitment by implementing various strategies to attract, retain, and develop its personnel. These include enhancing its corporate image and culture, offering competitive compensation packages such as Provident Fund, group insurance and scholarships for employees' children, providing internal and external training opportunities, and encouraging career progression and employee engagement and employee empowerment. By attracting and retaining talented personnel, the Company is better equipped to manage its projects effectively, increase customer confidence, and achieve its revenue goals.

## Operation

### (5) Local contractor qualification risk

The Company has changed its business direction by expanding construction projects and customer base to neighboring countries in ASEAN region in addition to its original focus on domestic construction projects. The Company hires local sub-contractors to carry out the construction projects in neighboring countries; however, some of these local sub-contractors lack experience and specialized expertise in some types of construction. Moreover, some of the local engineers lack understanding and experience in work quality inspection, paperwork and operation, which may render the Company unable to achieve its target. To mitigate this risk, the Company seeks qualified local sub-contractors together with talented, skilled and experienced

personnel to operate construction work, including establishing a quality inspection unit to carefully inspect work quality. In 2022, the Company established its subsidiary and recruited local talented personnel in that country to ensure clear and precise operating procedures and more strict work control measures.

## Policies, laws, rules, and regulations

### (6) Compliance risk with relevant laws, rules, and regulations

The Company faces risks associated with non-compliance with relevant laws, rules, and regulations, both domestically and in the foreign countries where it operates. As these regulations constantly change, the Company must stay informed and current. Failure to comply with regulations can harm the Company's reputation, result in fines, or lead to lost business opportunities.

To mitigate these risks, the Company established a regulatory body in 2022. This body is responsible for monitoring legal and regulatory compliance. It serves as a liaison between the Company and its subsidiaries to ensure a clear understanding of compliance with relevant laws, rules, and regulations.

### (7) Tax system risks of overseas business

Over the past year, the Company has expanded its reach beyond domestic borders and ventured into the ASEAN region. Despite this growth, the Company recognizes that it still lacks the experience and specialized knowledge required to navigate the tax systems of these new markets. As a result, there is a risk of non-compliance with foreign regulations and the possibility of incurring additional expenses in the form of fines or missed tax benefits.





To mitigate these risks, the Company has hired a consultant who is a specialist in international taxation. The consultant provides guidance and recommendations on best practices, including recruiting knowledgeable and experienced staff and training programs to enhance the knowledge of the Company's employees.

## Reputation Risk

### (8) The risk of rumors negatively affecting the organization's image

The Company recognizes the importance of maintaining its reputation and image. It is committed to ensuring that all personnel, including those of its subsidiaries, strictly adhere to the Company's business ethics. The commitment includes performing their duties with transparency, refraining from engaging in corrupt practices, maintaining strict confidentiality, and refraining from using any inside information of the Company for personal gain. All personnel is expected to perform their duties following the laws, regulations, rules, and principles of good corporate governance, as well as the relevant Company policies, to ensure that they do not cause any adverse effects on the image of the organization.

To reduce the risks associated with reputational damage, the Company has established measures to manage these risks. If rumors are circulating, the management and relevant agencies will investigate the facts immediately and speed up notifying or disclosing the facts. If the issue is sensitive, the Company will operate through Electronic Listed Companies Information Disclosure of the Stock Exchange of Thailand (ELCID) and other public relations channels. The Company has also prepared to hire an external agency to closely monitor news related to the Company (social monitoring), especially if there are additionally sensitive issues.

## Finance

### (9) Exchange Rate Fluctuation Risk

The change in the Baht's value against the US dollar significantly impacts the Company's revenue. This is because the value of construction work undertaken by the Company in neighboring countries is denominated in US dollars. In contrast, some operating costs are denominated in the local currency of the country in which the Company operates. To reduce the impact of this risk, the Company has the policy to manage its cost structure in a balanced ratio with foreign currency earnings (natural hedge). If necessary, the Company may consider using other financial instruments.

## Emerging risks

### (10) Cyber Threat Risk

Information technology (IT) systems play a crucial role in companies' operations in today's business environment. Therefore, the Company has taken steps to prepare for all forms of IT-related risks. IT risk management is consistent with the organization's policies and risk management, including the information security policy. This policy covers the protection of corporate information to prevent events that may affect crucial organizational information and includes an information management plan to ensure business continuity, continuously maintaining the information system's availability. Additionally, the Company has established procedures for managing IT crises or emergencies and appointed responsible persons. The Company also ensures prompt and timely reporting of situations through the relevant individuals or agencies responsible for receiving incident notifications. This is to ensure that incidents and vulnerabilities related to the security of information systems are properly and efficiently handled over an appropriate period.



The Company has also communicated and raised awareness about cyber threats to employees. It put in place a measure to prevent the risks from cyber threats. By educating employees, the Company can ensure that employees are knowledgeable about such threats and take necessary actions to minimize the risks.

## 2.2.2 Investment risks of securities holders

Investors' investment returns may be affected by several risk factors, including: -

1. Overall economic situation, related industry conditions, and Company performance are essential factors determining whether the return on investment will be high or low.
2. The trading situation in the Stock Exchange of Thailand and liquidity in the trading of the Company's securities may result in shareholders being unable to convert their securities into cash quickly.
3. Changes in interest rates in financial markets may fluctuate up and down and affect the level of return investors desire.
4. Inflation may lead to a lower natural rate of return, especially in situations where inflation is high.
5. The existence of a major shareholder who holds more than 75% of the shares gives the major shareholder the power to control the Company and influence decisions in all matters requiring approval from the shareholders' meeting. Therefore, there is a risk of gathering votes to check and balance the matters proposed by the major shareholder to the shareholders' meeting for

- consideration. In this case, the Company has one major shareholder who holds 51,994,000,000 shares, representing 80% of the company's total issued shares.
6. The Company and its subsidiary accumulated losses resulting in the risk. As of December 31, 2022, the Company and its subsidiary accumulated losses of Baht 1,006.6 million, resulting in the Company being unable to pay dividends to shareholders according to the law. Shareholders were at risk of not receiving dividends.

However, according to the dividend payment policy, the Company has gradually started to recognize revenue from projects under construction, which has improved the Company's performance and financial liquidity. In 2022, the Company and its subsidiary had a profit of Baht 540.5 million, which expected to reduce the accumulated loss and enable it to pay dividends to shareholders.

Nevertheless, shareholders are required to be aware of investment risk since there is no guarantee that investing in stock consistently comes with high returns. As a result, shareholders should consider selecting the investment alternative aligning with their risk tolerance level.

## 2.2.3 Risks of investing in foreign securities

- none -



## 3. Business Commitment to Sustainability

The Company has drafted a report on its sustainable business drive, which is included in the annual registration statement/annual report (Form 56-1 One Report), demonstrating its commitment to managing sustainable growth. The report covers policy frameworks, practices, and performance in three areas: economy, society, and environment, and presents accurate and transparent performance data to stakeholders from January 1 to December 31, 2022. The Company aims to pursue its vision of becoming one of the leading construction and engineering service companies in ASEAN, focusing on enhancing the quality of life.

In 2022, the Company underwent a restructuring of its business operations and expanded overseas to neighboring countries to accelerate its recovery from a performance loss in the previous year of 2021. Emphasis has been placed on improving the business to generate income, achieve consistent and sustainable profits, and provide appropriate and consistent returns to shareholders.

The Company has initiated the construction of the XPPL Expansion Phase 1 project to support the coal capacity expansion of Xekong Power Plant Company Limited in the Lao PDR. As per the regulations, the nature of the construction work in April 2022 involved improving existing transportation routes and creating new ones. The construction of facilities for the project has contributed to improvements in the Company's operating results and financial status compared to last year.

### 3.1 Policies and Goals for Sustainability Management

The Company has established guidelines for disclosing operating results to inform stakeholders and implement sustainability issues in its business operations. The guidelines incorporate social responsibility in three dimensions: 1) Governance and Economics, 2) Social, and 3) Environment. In addition, the Company is committed to supporting the United Nations' Sustainable Development Goals (SDGs) and has integrated the guidelines into its policy framework for driving sustainable business. Directors, executives, and employees are expected to comply with the guidelines.

The Company has assessed its operational potential and capabilities, as well as those of its subsidiaries, to support the United Nations' Sustainable Development Goals (SDGs). In particular, the Company has focused on seven of the 17 goals, covering three dimensions: 1) Governance and Economics, 2) Social, and 3) Environment.



## 1) Governance and Economic



### SDGs 17

aims to strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

The Company intends to collaborate with partners to strengthen its business operations and achieve sustainable development for society and the environment. To this end, the Company has entered into a cooperation agreement with Keppel Energy Pte Ltd to jointly study the feasibility of exporting renewable energy from the Lao PDR to Singapore.

## 2) Social



### SDGs 1

aims at ending poverty in all its forms everywhere.

The Company places significant importance on the well-being of the communities near its construction projects. The Company aims to increase its income and provide job opportunities for nearby community workers. Furthermore, the Company has sent its engineering experts to supervise the Lao PDR project and shared their knowledge with the local contractor team.



### SDGs 3

aims to ensure healthy lives and promote well-being for all ages.

The Company prioritizes the well-being of its employees and the communities near its construction projects to promote good health and well-being. It provides health insurance and group life insurance, including medical treatment coverage for employees who work on projects abroad. Additionally, the Company supports nearby communities by providing necessary consumables.



### SDGs 4

aims to create a guarantee to receive a quality education that is equal and comprehensive and promotes lifelong learning opportunities for all.

The Company values equal access to quality education and has implemented policies to support the education of employees' children. It provides financial support and scholarships based on the children's ages and plans to improve these policies in the future continuously. The Company is committed to promoting lifelong learning opportunities for all.





### **SDGs 8**

aims to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

The affiliated companies prioritize full employment, productivity, and providing decent work with fair compensation. The Company has restructured its organization to align with future business practices amidst changing environmental and other factors. It has also reviewed employee compensation and benefits to remain competitive within the industry and ensures a safe and stable working environment for all employees.

## **3) Environment**



### **SDGs 12**

aims to ensure sustainable consumption and production patterns.

The Company has a strong focus on managing natural resources efficiently and sustainably. It aims to reduce the release of toxic chemicals and waste into the environment through proper and systematic management. This includes initiatives such as tree planting in the local area and resource reuse in construction processes and head office operations.



### **SDGs 13**

aims to take urgent action to combat climate change and its impacts.

The Company is currently studying and considering expanding its business in clean energy, with a particular focus on pumped storage hydropower plants. The goal is to reduce the impact of its business operations on climate change while also implementing sustainable practices within its office operations.





## 3.2 Management of Impacts on Stakeholders throughout the Business Value Chain

### 3.2.1 Business Value Chain

	Activity	Internal stakeholders	External stakeholders
1. Marketing / Project Feasibility Study / Project Selection	<b>Job search / Bidding opportunity</b> <ul style="list-style-type: none"> <li>Study the requirements and terms of reference (TOR)</li> <li>Preliminary cost analysis</li> <li>Prepare a letter of guarantee/source of funding</li> <li>Submit a bid</li> </ul>	- Employees	- Shareholders - Customers
	<b>Selection of Partners/Materials</b> <ul style="list-style-type: none"> <li>Cost of materials/procurement/ partners/sub-contractors</li> </ul>	- Employees	- Customers
2. Undertaking a construction project	<b>Project Management</b> <ul style="list-style-type: none"> <li>Contracts and plans management</li> <li>Budget approval and management</li> <li>Project risk planning and management</li> <li>Personnel preparation (procurement/staff development)</li> </ul>	- Employees	- Shareholders - Customers
	<b>Construction</b> <ul style="list-style-type: none"> <li>Construction planning according to approved plans</li> <li>Undertake construction project</li> <li>Follow up and report on construction progress</li> </ul>	- Employees	- Customers - Partner - Community
	<b>Quality Control</b> <ul style="list-style-type: none"> <li>Control quality of construction projects</li> <li>Review and test project quality control procedures.</li> <li>Take action to correct non-conformities.</li> </ul>	- Employees	- Customers - Partner - Community
3. Delivery	<b>Inspection / Delivery</b> <ul style="list-style-type: none"> <li>Pre-delivery Inspection</li> <li>Delivery report</li> <li>Inspection report</li> <li>Performance guarantee (if any)</li> </ul>	- Employees	- Customers - Community



## 3.2.2 Stakeholders Analysis in the business value chain

### 3.2.3 Stakeholders Engagement

Engagement	Expectation	Progress
Shareholders and investors	<ul style="list-style-type: none"> <li>Stable and sustainable growth</li> <li>Good return on investment</li> <li>Corporate governance risk management and sound monitoring and control system established</li> <li>Availability of complete, accurate, and up-to-date information</li> </ul>	<ul style="list-style-type: none"> <li>We developed a transparent, fair and verifiable corporate governance policy.</li> <li>We established a risk management system.</li> <li>We disclosed information to the public equitably and transparently.</li> <li>We maximized the values of the shareholders.</li> <li>We adhered to a fair dealing principle.</li> <li>We effectively prevented conflict of interest.</li> </ul>
Employees and executives	<ul style="list-style-type: none"> <li>Fair remuneration and welfare</li> <li>Safe and healthy workplace</li> <li>Equal opportunities for career growth</li> </ul>	<ul style="list-style-type: none"> <li>We offered competitive compensation and benefits.</li> <li>We employed a fair performance evaluation system.</li> <li>We promoted safe workplace culture.</li> <li>We fostered ongoing employee growth and development.</li> <li>We uphold human rights principles.</li> </ul>
Partners, financial institutions, suppliers, and sub-contractors	<ul style="list-style-type: none"> <li>Fair and equal treatment to partners</li> <li>Strictly following the trade agreements</li> <li>Fostering solid and enduring partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Our supplier selection process is fair and transparent, ensuring equal opportunities for all partners.</li> <li>Our contracts have relevant trade terms and conditions.</li> <li>Our payments to business partners are made within the specified period.</li> <li>We prioritized developing knowledge with our partners, fostering strong relationships, and setting clear quality objectives for our products and services.</li> <li>There is a strict policy against corruption, and everyone is encouraged to adhere to it rigorously.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Strictly adhering to the terms of the contract</li> <li>Having a clear understanding of the work and being flexible in working together to resolve any issues swiftly.</li> <li>Ensuring the delivery of high-quality projects within the agreed-upon time frame and budget</li> <li>A commitment to ensuring proper workmanship is made</li> <li>Working towards establishing and maintaining a positive, long-term relationships</li> </ul>	<ul style="list-style-type: none"> <li>A construction quality inspection system based on ISO 9001:2015 standards has been established to guarantee that projects meet customer quality requirements and are delivered on time and within budget.</li> <li>Adherence to the terms outlined in the contract was strictly observed.</li> <li>A strict policy against fraud and corruption is in place, and all parties are strongly encouraged to abide by it rigorously.</li> <li>We are dedicated to preserving positive relationships and setting clear quality objectives for products/services that add value.</li> </ul>



Engagement	Expectation	Progress
Community	<ul style="list-style-type: none"> <li>• Efforts are made to minimize construction-related pollution and its impact on communities, society, and the environment.</li> <li>• Committed to safely conducting construction activities</li> <li>• Making a conscious effort to optimize resource usage for maximum efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• A construction policy has been established to consider the impact on communities, society, and the environment, and strict compliance with all relevant laws and regulations is maintained.</li> <li>• Adequate safety measures have been put in place for personnel working in the construction area, and strict adherence to these measures has been enforced.</li> <li>• Emissions and waste are controlled to meet the standards</li> <li>• We made an effort to listen to the opinions and suggestions of communities surrounding the construction site and actively seek ways to mitigate any potential impacts. We have taken swift action to address and resolve any complaints.</li> </ul>

### 3.2.4 Identification and Assessment of Material Concerns and Issues

#### Identify issues and determine the extent of their impact

Key Point	Stakeholders					
	Employees	Shareholders	Partners	Customers	Community and environment	
Economy	1. Adhering to high standards of corporate governance and conducting business with strong ethical principles	✓	✓	✓	✓	✓
	2. Long-term income stability	✓	✓	✓	✓	✓
	3. Supply Chain Management	✓		✓		
Social	4. Compliance with rules and regulations	✓	✓	✓	✓	✓
	5. Employee engagement	✓	✓	✓	✓	
	6. Human resource development	✓	✓	✓	✓	
	7. Safety, occupational health, and a healthy work environment	✓	✓	✓	✓	✓
	8. Community engagement	✓				✓
Environment	9. Climate change management	✓	✓	✓	✓	✓
	10. Energy conservation	✓	✓	✓	✓	✓



## Verifying material concerns and issues

The Company is in the process of defining the responsibilities of subcommittees and revising their charter to ensure they thoroughly review sustainability issues and provide recommendations to the Board of Directors for consideration, under the sustainable development policy and the overall business context.

## Communication and reporting

The Company will use approved material sustainability issues to guide its approach to sustainable development. The management of these issues will follow established guidelines and be monitored through specific indicators. The results of this management will be reported in the annual report and Form 56-1 One Report for external stakeholders, shareholders, investors, and the public. Internally, the Company will use communication guidelines and Town Hall activities to keep employees informed and engaged in the goal of sustainable development.

## Development of Sustainable Management Strategies and Approaches

The Company will establish a framework for reviewing stakeholder data, expectations, and concerns regarding its vision, mission, strategic direction, business risks, and opportunities through ongoing stakeholder engagement and communication channels to improve its handling of material sustainability issues continuously. Management will present these issues to the sub-committees for screening and present to the Board of Directors for review and feedback to drive sustainable business growth afterwards.

# 3.3 Environmental Sustainability Management

## 3.3.1 Environmental Policies and Practices

The Company has implemented environmental initiatives as part of its social responsibility program (Category 6: Environmental protection), focusing on efficient resource utilization and minimizing the environmental impact of construction operations. This includes reusing remaining construction materials and reducing waste.

The Company has implemented measures to promote efficient resource use and reduce waste in its head office. It promotes employee engagement through awareness campaigns and motivational programs, and energy usage is closely monitored and controlled to prevent waste. The Company has also committed to sustainability by moving its headquarters to the LEED EBOM Platinum-certified AIA Sathorn Tower in 2022, which emphasizes energy efficiency and environmental friendliness. The Company has also run campaigns to reduce its use of paper, such as turning off lights during break times, using double-sided paper for internal use, and transitioning to a paperless office through information systems.

The Company is committed to ensuring that its guidelines and practices align with and contribute to the United Nations Sustainable Development Goals (SDGs), precisely Goal 12 on sustainable consumption and production patterns and Goal 13 on taking urgent action to combat climate change and its impacts. The Company recognizes the importance of these goals and is dedicated to taking action to support them.



## 3.3.2 Environmental Management

### Climate Change Management

The Company recognizes the issue of climate change and its potential impact on future business operations. With a focus on expanding into the clean energy industry, the Company is currently conducting feasibility studies. Specifically, the Company is exploring the potential of Pumped Storage Hydropower (PSH) power generation, which prioritizes the use of water resources.

In 2022, the Company mainly focused on enhancing its business operations. As part of this effort, the Company is establishing data collection practices for reporting on greenhouse gas emissions from its operations. While plans are underway to report on greenhouse gas emissions next year, the Company has already started developing operational guidelines as a framework for implementation and has begun collecting relevant data. The Company's reports on greenhouse gas emissions will cover direct (Scope 1) and indirect (Scope 2) emissions resulting from its operations. The data collected will be used to formulate future policies and plans to reduce greenhouse gas emissions.

In 2023, the Company plans to release its first report on greenhouse gas emissions, which will be verified by a registered Greenhouse Gas Management Organization (Public Organization) or an equivalent agency. This report will provide investors and stakeholders with an overview of the Company's progress in managing greenhouse gas emissions resulting from its business operations. The report describes the Company's efforts to improve its organizational structure, address issues, achieve positive results, operate efficiently, and maintain good financial liquidity

### Energy conservation

The Company is dedicated to promoting efficient energy management practices. In 2022, the Company relocated its headquarters to the AIA Sathorn Tower, which prioritizes

energy conservation and environmental sustainability. In addition, at the end of the first quarter, the Company launched a campaign to encourage employees to turn off lights during breaks or refrain from using them in common areas, meeting rooms, and workspaces.

The Company's 2022 electricity consumption report only includes the electricity consumed by the head office and does not account for electricity use in construction projects abroad. The report indicated that the head office consumed a total of 42,089 units, resulting in a 31 percent decrease in the electricity bill compared to the previous year. It is worth noting that the calculation bases for electricity consumption in 2021 and 2022 are different due to the relocation of the head office at the end of the first quarter of 2022.

### Water conservation management

The Company's water supply saving report in 2022 only includes the water usage at the head office. It does not factor in water usage in construction projects located abroad. The report reveals that a total of 160 units of tap water were used at the head office, resulting in a 34 percent decrease in the water bill compared to the previous year. It is important to note that the calculation bases for water consumption in 2021 and 2022 are different due to the relocation of the head office at the end of the first quarter of 2022.

### Waste management

Regarding waste management, after relocating its headquarters at the end of the first quarter of 2022 to a rental space in an office building, the Company implemented waste management practices under the building's guidelines, including the separation of general waste from recyclable waste such as paper, plastic bottles, glass bottles, and aluminum cans. The Company is also planning to establish policies and targets for waste management measures in construction projects and will continue to monitor and evaluate its waste management practices regularly.





## 3.4 Sustainability management in a social dimension

### 3.4.1 Policy and Guidelines

The Board of Directors recognizes the importance of conducting business for sustainable growth under corporate social responsibility, focusing on morality, ethics, and societal impact. By prioritizing corporate social responsibility, the Company aims to benefit the public while achieving parallel growth for the business. Corporate social responsibility is divided into seven categories: -

1. Conduct business with fairness
2. Respect for human rights
3. Fair labor treatment
4. Anti-corruption
5. Responsibility for customers
6. Environment protection
7. Community engagement and or social development

The Company has published details of its Corporate Governance Policy, Anti-Fraud and Corruption Policy, and Social Responsibility Policy on its website. The guidelines and goals for implementation in each area are also available on the website under the Corporate Governance Policy section. The Company's commitment to these policies demonstrates its dedication to responsible and ethical business practices, as well as its desire to make a positive impact on society. The policies can be accessed through the link provided.

[https://www.psgcorp.co.th/TH/corporate\\_governance.html](https://www.psgcorp.co.th/TH/corporate_governance.html)



QR Code  
Corporate Governance Policy

### 3.4.2 Social Management

#### Respect for human rights and labor practices

The Company has the policy to uphold and respect the protection of human rights by treating all individuals involved, including employees, communities, and society around them, with respect for human values. The policy considers equality and freedom. It prohibits violating fundamental rights and discrimination based on race, nationality, religion, language, skin color, sex, age, education, physical condition, or social status. The Company also takes steps to prevent its business from being involved in human rights violations, such as child labor and sexual harassment. Furthermore, the Company encourages compliance monitoring with human rights requirements. It provides channels for expressing opinions and complaints for those harmed by rights violations stemming from the Company's business operations. Appropriate remedies will be taken as needed.

To effectively promote human rights, the Company has developed a body of knowledge on the topic and is raising awareness among its personnel to ensure adherence to human rights principles.

#### Human rights and labor practices management

The Company acknowledges the significance of developing its human resources and treating its employees fairly, as these are essential factors that can enhance business value, reinforce competitiveness, and promote sustainable growth in the long run. Therefore, the Company has established policies and guidelines that reflect its commitment to the following: -

1. The Company is committed to respecting employees' rights per human rights principles and complying with labor laws.
2. The Company provides a fair and transparent hiring process and employment conditions, including determining compensation and considering merit works under a fair evaluation process.



3. The Company aims to promote the development of its personnel by providing training, seminars, and other opportunities to enhance their knowledge, skills, and potential. It also emphasizes the importance of instilling positive attitudes, morality, ethics, and teamwork among its personnel.
4. The Company provides employees with the necessary welfare benefits as required by law, including social security. In addition to these benefits, it also provides health and accident insurance and other forms of assistance, such as scholarships for employees' children and funeral assistance.
5. The Company places high importance on the safety and well-being of its employees in the workplace. To ensure this, the Company implements various measures to prevent accidents and promote workplace hygiene. Employees are also provided with training to increase their awareness of safety and hygiene practices and are encouraged to take responsibility for maintaining a safe and healthy work environment.
6. The Company provides employees with opportunities to express their opinions or file complaints about un fair treatment or wrongful actions within the Company. It also offers protection for employees who report such matters.

## Performance on human rights and labor practices

The Company places great importance on personnel and strives to create a workplace where employees and personnel feel valued and connected to the organization. This is achieved through the following measures: -

Personnel (As of 31 December 2022)	Number of Employees (Person)	
	Male	Female
Executive	3	2
Full-time employee	33	16
<b>Total</b>	<b>36</b>	<b>18</b>

## Human Resource Responsibility Human Resource Development

The Company values its personnel as valuable resources and seeks to foster their growth and development alongside the Company's progress. To this end, we provide training support to employees through internal and external seminars and collaborations with institutes specializing in relevant areas of expertise. Our goal is to enhance the efficiency of skills, knowledge, and expertise so that employees can perform their duties to the fullest, ultimately contributing to the Company's success. In 2022, we sent employees to attend training courses aimed at enhancing their knowledge and skills, including courses focused on compliance with regulations such as the Personal Data Protection Act (PDPA), as well as courses tailored to the specific needs of operators in each field.

We offer an orientation program for new employees to familiarize them with the Company, its policies, and any relevant updates before they start working.

On-the-job training, also known as OJT, is a type of training where employees learn while performing their job duties. This approach involves working alongside supervisors or experts who provide guidance and feedback as employees perform their tasks.

### Employee Training Support in 2022:

**Employee training and development in 2022**



**47**  
training courses

**831 training hours in 2022**



**Average training time per employee per year:**  
**19 hours**



**Target training time per employee per year**  
**10 hours**



The Company has established a Key Performance Indicator (KPI) that requires all employees to receive at least 10 hours of training per year to enhance their job knowledge and develop their skills. In 2022, 43 employees participated in training sessions, All employees met the Company's training requirements, and the average number of training hours per person was 19 hours per year. In 2022, the Company spent 0.5 million baht on training and seminar expenses.

### **Safety, occupational health, and working environment**

The Company recognizes the importance of ensuring a safe work environment and promoting occupational health for its employees. We consider our employees to be valuable human resource that helps us achieve our strategic goals. To that end, the Company has established a policy to serve as a guideline by the Occupational Safety, Health, and Work Environment Act.

- 1) The Company has a policy to ensure its employees' safety and occupational health, with a strong emphasis on preventing potential hazards. Our goal is to maintain a safe working environment and protect employees from incidents that may arise from their work.
- 2) The Company is committed to caring for its employees and maintaining a safe and hygienic working environment. We prioritize promoting and supporting our employees' performance while ensuring their safety and protection from potential hazards.
- 3) All employees, regardless of their level, must comply with relevant agencies' rules, regulations, and requirements, as well as the Company's strict safety standards, policies, and regulations. They are also responsible for maintaining a work environment that meets specified standards, aiming to ensure their colleagues' safety and well-being. This includes taking into account the work conditions and their area of responsibility.

The Company has established guidelines for employees and subcontractors working on construction projects to ensure adherence to safety standards within the construction area. These guidelines outline the principal safety regulations for the construction project area and specify

safety requirements for operators. These guidelines are detailed in the Occupational Health and Safety policy, available on the Company's website at the following link:

[https://www.psgcorp.co.th/TH/corporate\\_governance-2.html?cat=3](https://www.psgcorp.co.th/TH/corporate_governance-2.html?cat=3)



QR Code  
Occupational Health  
and Safety Policy

### **2022 Operational Results: Safety, Occupational Health, and Working Environment**

- 1) The Company recognizes the importance of employee safety and provides regular training courses on workplace safety to reduce accidents. Professional safety officers are responsible for training and communicating safety information to employees. Additionally, equipment, tools, and machines are regularly inspected to ensure they are ready for use and to minimize work accidents, thereby ensuring the safety of operators.
- 2) The Company organized training sessions to educate employees working in the construction area on safety, occupational health, and working environment. The training will cover both the Company's employees and subcontractor workers. It took place from April 1 to December 31, 2022, with 415 participants.
- 3) During the construction work of the XPPL Expansion Phase 1 project from April 1 to December 31, 2022, it was discovered that there were no lost time accidents for PSGC along with sub-contractors under its supervision, despite a total of 300,000 working hours.





## Employee Engagement

In 2022, as part of our True Human Resources plan, we conducted employee satisfaction surveys to assess the Company's human resource management. All employees were invited to participate in understanding their expectations better and providing feedback to improve and develop the Company's human resource management system. The survey assessed six aspects of employee satisfaction.



**Prompt response to employee inquiries about welfare and benefits**



**Regular and timely communication with employees**



**Creating a happy and productive workplace through appropriate employee welfare**



**Providing inclusive and targeted training courses for employee development**



**Prompt and efficient reimbursement process**



**Organizing company activities that engage all employees**

The Human Resources Department has used the survey results to identify areas for improvement to meet employees' needs and satisfaction better. Our goal is to foster a sense of belonging and connection among all employees so that they feel like valued members of our organization.

## Motivating and Retaining Talented Employees

The Company prioritizes retaining talented employees, recognizing that high turnover rates can result in the loss of valuable knowledge and skills, as well as increased recruitment costs and disruptions to business operations. To help retain employees, we are constantly improving and developing new employee welfare programs that offer incentives such as flexible working hours and locations (including Work from Anywhere policies), scholarships and child support allowances for employees' families, and group health insurance benefits. We also strive to provide

a supportive and engaging work environment and actively promote training and development opportunities to help employees advance in their careers and achieve their professional goals.

## Workplace Accountability Performance

The Company adheres strictly to labor laws and regulations related to employees, ensuring a hygienic and safe work environment, and providing necessary equipment and office supplies. We also value employee development, providing regular learning and knowledge transfer opportunities. Compensation is based on the job position, knowledge, competencies, and responsibilities, as well as performance evaluations conducted by supervisors. We hold all employees accountable through a system of fair and equal disciplinary action and welcome feedback and suggestions from employees at all levels.

## Community Engagement

The Company is committed to its responsibility towards the community and society. It has implemented policies to provide social assistance and support. This includes donations and educational support, as well as cooperating with surrounding communities in the areas where the business is conducted. The Company strives to respond quickly and efficiently to events that impact communities, society, and the environment due to our Company's operations. The goal is to create a positive social impact and contribute to the well-being of the wider community.

In 2022, the Company expanded its business overseas for the first time by beginning construction on a project in the Lao People's Democratic Republic in April. The construction work, which involves improving existing transportation routes and creating new ones, includes building facilities for the project. The local communities surrounding the project site will benefit from the construction, making transportation more convenient and accessible.

In addition, the Company has initiated CSR activities to improve the quality of life in the area. We have supported educational opportunities through donations of clothing





and learning equipment to Somboon Ban Sanyayon Elementary School and the community of Sanyayon Village in Muang Taoi, Salavan Province, Lao PDR. This community is located near the project's construction site, and our efforts represent a CSR after the process as we have just begun. As the Company has just started to expand its business to foreign countries for the first time this year, we view this as a period of learning, development, and improvement of our work processes. Our goal is to continue to improve and develop our CSR practices in the future.







## 4. Management discussion and analysis

### 1. Operational, economic and industrial overview

Economic Intelligence Center (EIC) pointed out that the COVID-19 pandemic which was further exacerbated by the easily spreadable the Omicron variant has prompted government to tighten their COVID restrictions in the beginning of 2022. In addition, an ongoing conflict between Russia and Ukraine has significantly pushed up energy and commodity prices. Consequently, central banks are adopting interventions to head off a looming economic crisis and rising inflation. Global economy now appears to recover more slowly than expected with many economies experiencing recession from late 2022.

In terms of 2022 Thai economic outlook, the Fiscal Policy Office, Ministry of Finance anticipated a GDP growth of approximately 2.6% per year as the economy is benefiting from positive impacts of domestic consumption and the rebounded tourism sector. As Thailand eases its COVID-19 and travel restrictions, international arrivals are starting to pick up, substantial gains are likely to be received by the service and tourism sectors.

It is worth noting that from 2022 the construction contracting business has to bear rising costs of transport and construction materials, especially steel and cement, primarily due to the Russia-Ukraine war. Growth in this sector in 2022 is estimated to be around 3.0 - 3.5% annually and 4.5 - 5.5% annually in 2023 -2024.

The Company's core business has been severely affected from the onset of the COVID -19 pandemic back in 2020. Toward the end of 2021 and 2022 after the Company reorganized organizational structure and business direction, the Company started to expand its business to a neighboring country and establish a subsidiary, PSGC (Lao) Sole Company Limited to carry out XPPL Expansion Phase 1 Project, which is owned by Xekong Power Plant Company Limited. The Company provides turnkey construction services which include the construction and improvement of logistic routes and construction of buildings and facilities. The Company's operating performance was starting to pick up in Q2 and the "C" (Caution) symbol was removed from its stock in August 2022.



## 2. Operating Performance

In 2022, income from XPPL project was recognized in Q2 with the Company's 2022 recorded profit of Baht 540.5 million from total project value of US Dollar 264 million (including VAT) or Baht 8,895 million (exchange rate as of January 12, 2022) over a construction period

of 32 months. Revenue totaling US Dollar 211.1 million or Baht 7,347.7 million is expected to be recognized in the future in respect of performance obligations under contracts. Details of changing are shown as follows.

Unit : million Baht

Description	Consolidated financial statements	Separate financial statements				
		2022	2022	2021	2020	Change from 2021
Revenue from construction contracts	1,029.8	1,029.8	18.5	60.8	1,011.3	5,466
Other income	20.5	20.5	26.1	19.5	(5.5)	(21)
<b>Total revenue</b>	<b>1,050.3</b>	<b>1,050.3</b>	<b>44.6</b>	<b>80.3</b>	<b>1,005.7</b>	<b>2,255</b>
Cost of construction	336.6	377.9	20.1	52.3	357.8	1,790
Administrative expenses	123.0	113.1	84.6	50.3	28.5	34
Exchange losses	27.7	16.9	-	-	16.9	n/a
<b>Profit(loss)before finance costs and income tax expenses</b>	<b>563.0</b>	<b>542.4</b>	<b>(60.1)</b>	<b>(22.3)</b>	<b>602.4</b>	<b>1,002</b>
Finance costs	3.4	2.9	1.7	0.4	1.2	71
Income tax expenses	19.1	16.4	1.3	-	15.1	1,161
<b>Profit (loss) for the year</b>	<b>540.5</b>	<b>523.1</b>	<b>(63.1)</b>	<b>(22.7)</b>	<b>586.2</b>	<b>929</b>
Other comprehensive income for the year	(2.6)	(7.8)	19.8	3.5	(27.6)	(139)
<b>Total comprehensive profit (loss) for the year</b>	<b>537.9</b>	<b>515.3</b>	<b>(43.3)</b>	<b>(19.2)</b>	<b>558.6</b>	<b>1,290</b>

Last year the Company and its subsidiary recorded revenue from construction contracts amounting to Baht 1,029.8 million, gross profit of Baht 693.2 million and yearly profit of Baht 540.5 million or earnings per share of Baht 0.0083.

### • Revenue

The Company and its subsidiary generated total revenue of Baht 1,050.3 million in 2022, which was comprised of Baht 1,029.8 million from construction contracts, and Baht 20.5 million other income.

The Company's total revenues (separate financial statement) as of 2022 was comprised of revenues from construction contracts amounting to Baht 1,029.8

million, and other income of Baht 20.5 million. Construction revenues increased from the prior year by Baht 1,011.3 million because the Company has started to recognize income from construction project overseas as mentioned above. Other income dropped by Baht 5.5 million year-on-year.

### • Cost of construction

Cost of construction per the consolidated financial statements of 2022 was Baht 336.6 million.

Cost of construction of the Company in 2022 (separate financial statements) was Baht 377.9 million, increased Baht 357.8 million from the previous year, as the Company started the construction of the project as mentioned above.



### • Administrative expenses

Administrative expenses per the 2022 consolidated financial statements were Baht 123.0 million and there was Baht 27.7 million of loss from exchange rates.

The Company's administrative expenses (separate financial statements) in 2022 was Baht 113.1 million which increased by Baht 28.5 million year-on-year since the Company was undergoing a series of restructuring initiatives to improve efficiency and business operations together with additional provision for loss on litigations. The loss from exchange rates amounting to Baht 16.9 million was due to the Company's assets denominated in foreign currency and extremely volatile exchange rate US/THB throughout the year 2022.

### • Finance costs

Finance costs in the consolidated financial statements of 2022 were Baht 3.4 million.

Finance costs in the Company's 2022 separate financial statements were Baht 2.9 million, a Baht 1.2 million increased from interest expense of office building leasehold and bank fees.

### • Income tax expenses

Per the 2022 consolidated financial statements, income tax expenses amounted to Baht 19.1 million.

Income tax expenses in the Company's 2022 separate financial statements were Baht 16.4 million, a Baht 15.1 million increased from the prior year in line with the Company's rising profit.

### • Summary of 2022 operating performance

In 2022, the Company and its subsidiary became profitable again after operating at a loss for seven years from 2015 as it has branched out to operate in a neighboring country. This business expansion is in line with the management's strategy to explore business opportunities in CLMV.

In 2022 the Company and its subsidiary made Baht 540.5 million in profit and total comprehensive income of Baht 537.9 million, the Company's profit itself amounted to Baht 523.1 million with total comprehensive income of Baht 515.3 million compared to the Company's net loss of Baht 63.1 million. and total comprehensive loss of Baht 43.3 million in the year 2021 respectively.



## 3. Financial status

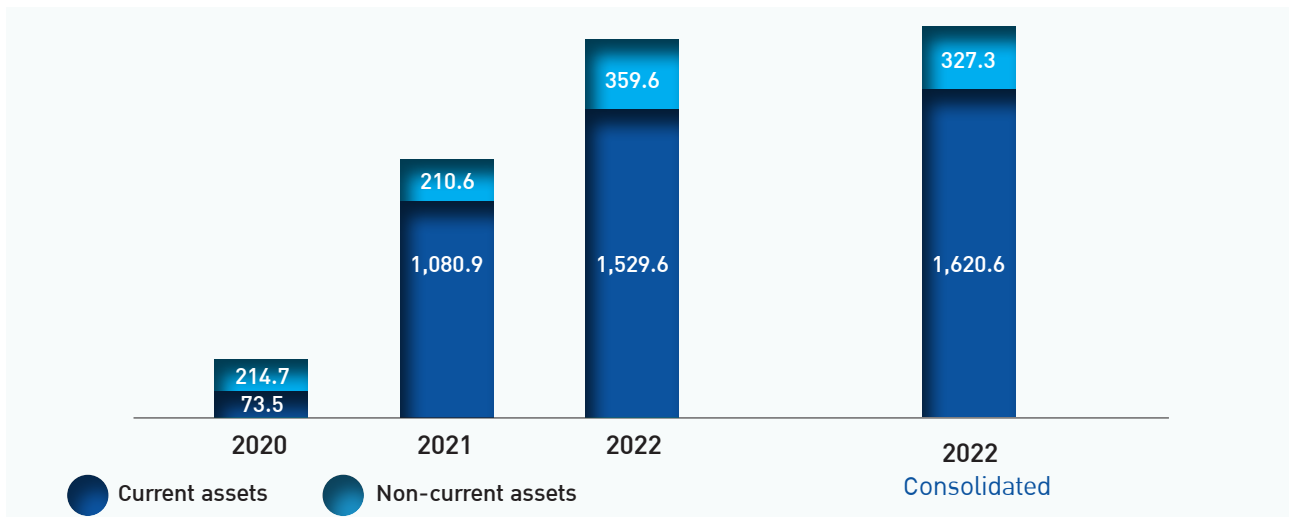
As of December 31, 2022, the Company and its subsidiary had total assets amounting to Baht 1,947.9 million, liabilities amounting to Baht 209.7 million and shareholder's equity amounting to Baht 1,738.2 million.

(Unit : million Baht)

	Consolidated financial statements	Separate financial statements			
		2022	2021	2021	Change from 2021
				Diff	%
Assets	1,947.9	1,889.1	1,291.5	597.6	46.2
Liabilities	209.7	173.5	91.2	82.3	90.2
Shareholders' equity	1,738.2	1,715.6	1,200.3	515.3	42.9

### • Assets

(Unit: Million Baht)



According to the Company and its subsidiary's consolidated financial statements as of December 31, 2022, its total assets amounted to Baht 1,947.9 million, Baht 1,620.6 million and Baht 327.3 million of which were current assets and non-current assets respectively.

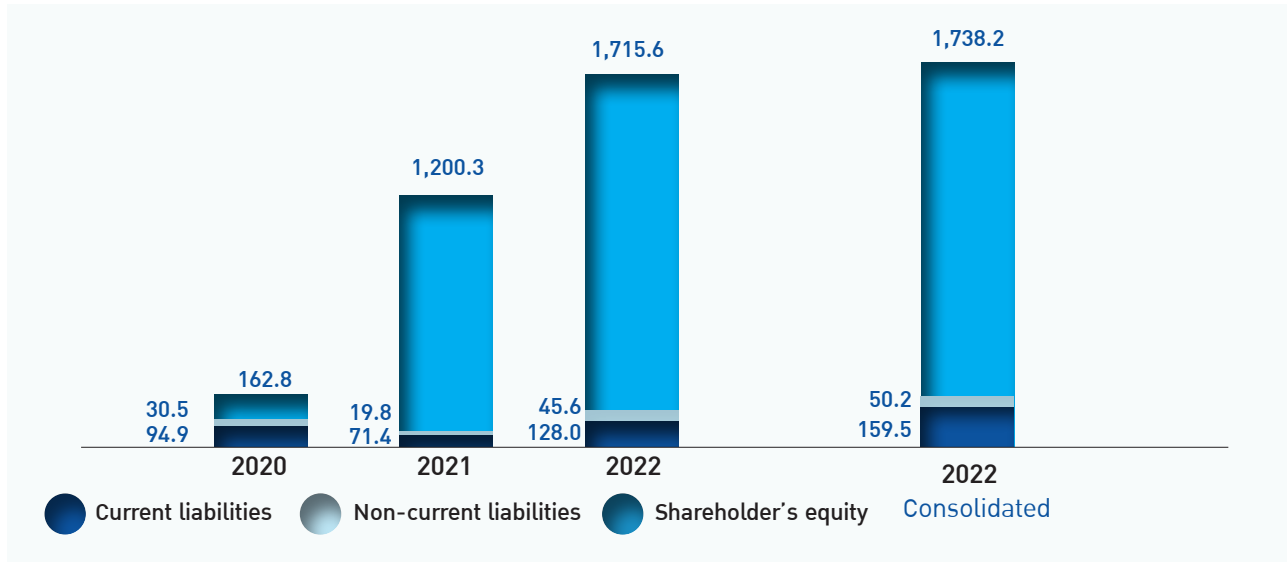
As of December 31, 2022 the Company's total assets amounted to Baht 1,889.2 million, which were comprised of Baht 1,529.6 million current assets and Baht 359.6 million non-current assets, compared to the Company's total assets in the amount of Baht 1,291.5 million as of December 2021 representing a Baht 597.7 million increase. The significant changes were from

- 1) Current assets increased by Baht 448.7 million, of which Baht 67.9 million was from trade and other receivables who received 30-day credit term from the Company, Baht 64.3 million increase of unbilled receivables, Baht 269.9 million increase of current financial assets netted of decrease in cash & cash equivalents, and Baht 46.6 million increase of other current assets.
- 2) Non-current assets increased by Baht 149.0 million, of which Baht 45.0 million was investment in a wholly owned subsidiary, Baht 38.3 million increase of right-of-use assets (office rental), Baht 32.5 million increase of retention receivables and Baht 33.2 million increase of other non-current assets.



## • Liabilities and shareholder's equity

(Unit: Million Baht)



### Liabilities

As of December 31, 2022, total liabilities per the Company and its subsidiary's consolidated financial statements were Baht 209.7 million comprising Baht 159.5 million of current liabilities and Baht 50.2 million of non-current liabilities due to the following reasons.

As of December 31, 2022, the Company's total liabilities amounted to Baht 173.5 million comprising Baht 128.0 million of current liabilities and Baht 45.5 million of non-current assets. Compared to outstanding balance of the same period prior year at Baht 91.2 million, the Company's total liabilities increased by Baht 82.3 million due to the followings

- 1) Current liabilities increased Baht 56.6 million from Baht 71.4 million in 2021 to Baht 128.0 million in 2022. The

major increase was from Baht 40.1 million increase in trade and other payables as construction project started with 30-day credit term granted to the Company, Baht 9.9 million increase of current lease liabilities and Baht 6.6 million increase of retention payables.

- 2) Non-current liabilities increased by Baht 25.7 million from Baht 19.8 million in 2021 to Baht 45.5 million in 2022. Major change of Baht 25.7 million was increase in lease liabilities incurred from office rental.

### Shareholders' equity

As of December 31, 2022, the Company and its subsidiary's shareholders' equity was Baht 1,738.2 million as the Company performance was profitable.

## • Key financial ratios

		2022	2021	2020
Liquidity ratio	(Times)	12.0	15.1	0.8
Quick ratio	(Times)	12.0	15.1	0.4
Debt to equity ratio	(Times)	0.1	0.1	0.8
Gross profit (loss) margin	%	63.3	-8.3	-14.0
Net profit (loss) margin	%	49.8	-141.6	-19.9
Return on assets	%	32.9	-8.0	-4.8
Return on equity	%	35.9	-9.3	-13.7

Remark: Ratios are based on separate financial statements with reclassification in financial statements of 2021



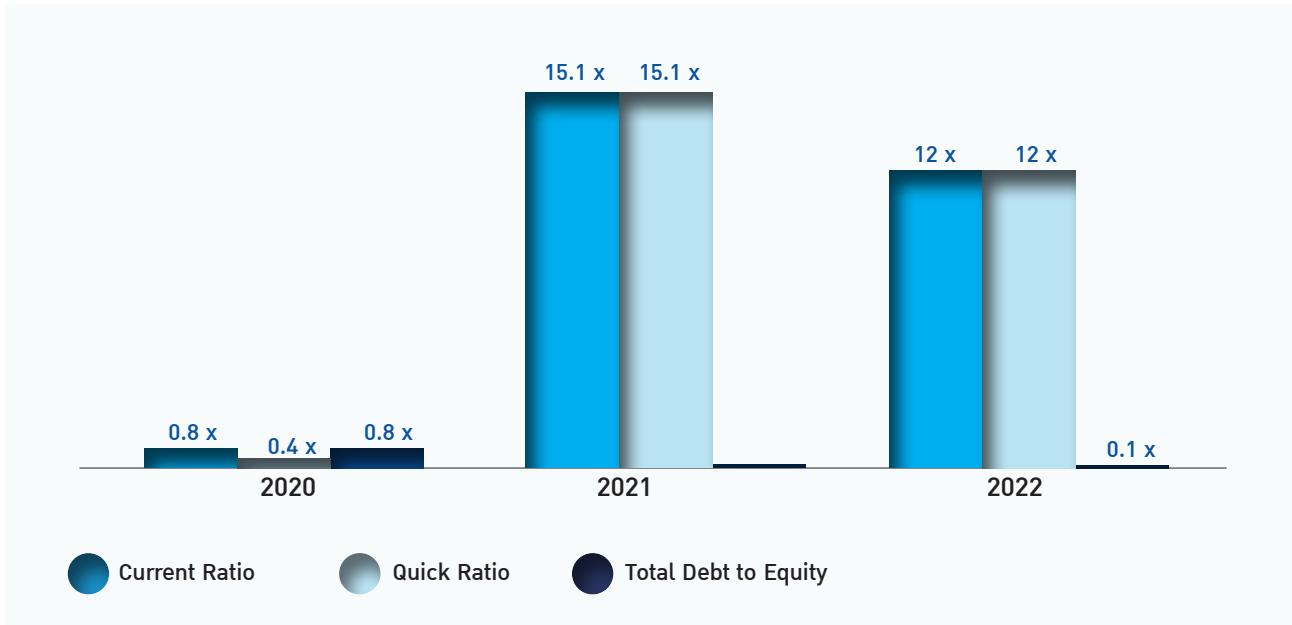


### Liquidity ratio

The Company's liquidity ratio and quick ratio in 2022 were 12.0 times. Quick ratio slightly decreased from it was in 2021. Nevertheless, the Company was profitable and was able to remain its liquidity in appropriate level resulting in sufficiency of working capital.

### Debt to equity ratio

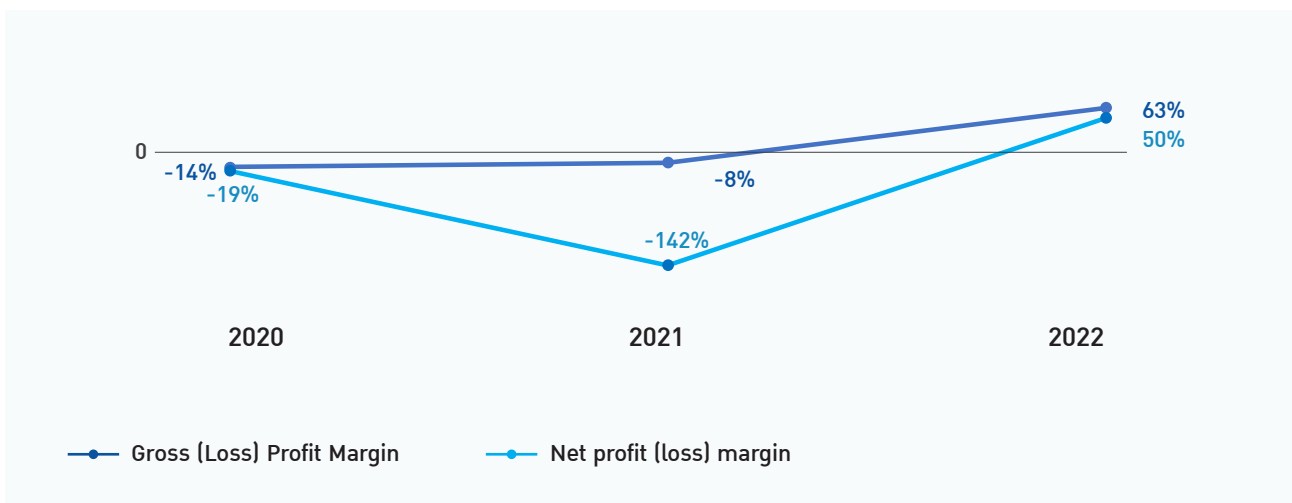
Debt to equity ratio in 2022 was 0.10 times which was the same level as that of 2021.



### Gross and Net profit margins

In 2022, the Company's gross profit margin was 63.3% and net profit margin was 49.8% compared to gross loss margin of -8.3% and net loss margin of -141.6% in 2021

as the Company started to recognize its income from construction project overseas, resulted in profitability.





## 4. Asset efficiency ratio

### • Asset quality

#### Trade accounts receivable

Summary of the Company's accounts receivable aging is shown below.

(Unit:: million Baht)

Age of trade receivables	Consolidated financial statements		Separate financial statements					
	2022		2022		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Not yet due	71.8	33.2	71.8	33.2	-	-	6.0	4.0
Past due up to 3 months	-	-	-	-	-	-	-	-
Past due 3-6 months	-	-	-	-	-	-	-	-
Past due 6-12 months	-	-	-	-	-	-	-	-
Past due over 12 months	144.5	66.8	144.5	66.8	144.5	100.0	144.5	96.0
<b>Total</b>	216.3	100.0	216.3	100.0	144.5	100.0	150.5	100.0
Allowance for expected credit losses	(144.5)	(66.8)	(144.5)	(66.8)	(144.5)	(100.0)	(144.5)	(96.0)
<b>Net trade receivables</b>	<b>71.8</b>	<b>33.2</b>	<b>71.8</b>	<b>33.2</b>	<b>-</b>	<b>-</b>	<b>6.0</b>	<b>4.0</b>

In 2022, the Company had accounts receivable past due over 12 months amounting to Baht 144.5 million as in the prior year. In 2020, the Company adopted TFRS 9 (Financial Instruments) first time and recorded allowance for expected credit loss in full to cover a full amount of long outstanding accounts receivable. No impact is expected on current accounts receivable.

## 5. Liquidity and adequacy capital

### • Contractual obligations

As of December 31, 2022, the Company had the following obligations.

- The Company and its subsidiary have future payments for lease agreements of office rentals and a service agreement of office equipment amounting to Baht 0.30 million.
- The Company and its subsidiary have commitments in respect of project construction service contracts amounting to US Dollar 12.8 million (Baht 447 million), and consulting fees for the feasibility study of a project

development in the amount of US Dollar 0.5 million (Baht 17.4 million).

- The Company had a letter of guarantee issued by a financial institution on behalf of the Company to support the normal course of business totaling Baht 13.5 million.

### • Cashflow analysis

As of December 31, 2022, the Company and its subsidiary recorded cash and cash equivalents totaled Baht 616.0 million.

As of December 31, 2022, the Company had cash and cash equivalents in amount of Baht 528.4 million. The Company had net cashflow used in operating activities



of Baht 452.9 million, Baht 387.5 million of which was for business operations and Baht 65.4 million of which was for taxes.

Net cashflow used in investing activities in 2022 totaled Baht 70.7 million, Baht 45.0 million was for establishment of its subsidiary, Baht 13.0 million was for office renovation and equipment, Baht 25.6 million was advance payment for future projects, Baht 10.2 million received from a sales of equipment and Baht 2.7 million received from return of restricted deposits.

Net cashflow used in financing activities in 2022 amounted to Baht 9.1 million, Baht 7.3 million was for financial lease agreement and its related interest of Baht 1.8 million.

#### **Auditor's fee**

In 2022, the Company appointed EY Office Limited as its auditor. An auditing fee was Baht 3,360,000.0 and other expenses of Baht 1,685.0.

## **6. Other material risk factors on future operations**

### **1) International business expansion**

In 2022, the Company established a subsidiary to operate construction contracting business in Lao PDR which was the Company's first international expansion. Legal complexities and different socio-economic characteristics of Lao PDR may also present risks to the Company's business in the future.

### **2) Geopolitical conflicts**

If conflicts between Russia and Ukraine and US and China persist, the likelihood of the global economy taking a hard hit is quite significant. This may result in energy price hikes which certainly would affect industries such as construction, transport, oil refinery and real estate.

### **3) Currency fluctuations**

As the Company operates overseas, recognizes income, and expenses in foreign currencies and presents profit/loss from exchange rates in its financial statements, any negative implications from currency fluctuations may not reflect favorably on its financial reporting.

### **4) Impacts of climate change**

The Company is assessing the commercial viability of the clean energy sector as part of an effort to diversify its business portfolio. It is particularly interested in clean energy and related projects, including pumped storage hydropower projects in Lao PDR. Any impacts from climate change which may potentially do harm to natural resources may also affect the Company's future business model and operations as well.

### **5) Relevant skills and competency of workforce to support business expansion.**

The Company has over 40 years of expertise in the construction sector and experienced personnel working for it. To ensure sustainability of its core business and support further business expansion, it is imperative that capacity building activities for current staff are carried out and new talent acquisition strategies are implemented. Thailand and countries around the world are struggling with talent shortages and new talents are in great demand resulting from social and technological changes.

### **6) New emerging diseases**

During the past few years, the Company has been operating at a loss due to an economic slowdown which has resulted from the COVID-19 pandemic. Due to lockdown measures imposed by the government, construction operations were suspended. If any new emerging diseases arise, it may adversely affect the Company's business operations.



# 5. General Information and Other Material facts

## 5.1 General Information

### 1. Company Information (as of December 31, 2022)

Company name	PSG Corporation Public Company Limited
Nature of business	Construction contracting services for the projects in the Engineering Procurement Construction (EPC), civil engineering work and engineering systems
Head office location	11/1 AIA Sathorn Tower 21st floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registration number	0107548000501
Registered capital	THB 64,992,438,156.00, with a par value of THB 1.00 per share
Paid-up capital	THB 64,992,438,156.00, with a par value of THB 1.00 per share
Total number of shares	64,992,438,156 shares
Website	<a href="http://www.psgcorp.co.th">www.psgcorp.co.th</a>
Telephone number	+66 2018 7190 – 8
Fax number	+66 2018 7199
Company secretary	Tel: +66 2018 7190 – 8 Fax: +66 2018 7199 Email: <a href="mailto:com.sec@psgcorp.co.th">com.sec@psgcorp.co.th</a>
Investor relations	Tel: +66 2018 7190 – 8 Fax: +66 2018 7199 Email: <a href="mailto:ir@psgcorp.co.th">ir@psgcorp.co.th</a>



## 2. Name and location of a company in which the Company holds at least 10% of total paid-up capital.

Information of legal entities in which the Company holds 10 percent or more shares are detailed in the caption of the Shareholding structure of the group

## 3. References

Securities Registrar	Thailand Securities Depository Co., Ltd. No. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: +66 2009 9000 Fax: +66 2009 9991
Auditor	EY Office Limited 193/136-137, 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110 Tel: +66 2264 0777, +66 2661 9190 Fax: +66 2264 0789-90

## 5.2 Other Material facts

- No information which was likely to materially affect the decision of investors was found.

## 5.3 Legal Dispute

**5.3.1** On July 24, 2012, the Company took legal action against a company (the “Contractor”) for breach of the construction contract with computable monetary value claims of Baht 100.2 million and such company sued a counterclaim against the Company in the same lawsuit with computable monetary value claims of Baht 281.0 million. However, as the Company disclosed information to the Electronic Listed Companies Information Disclosure (ELCID), the Supreme Court made the final judgment. The Contractor had to pay a net compensation of Baht 65.0 million to the Company plus interest 7.5 percent per annum from the date of prosecution until complete payment, and the Contractor had to return a total of 4 copies of letters of guarantee (contract collateral) and letters for advance guarantee to the Company. Currently, the case is in the process of execution by enforcement officers.

**5.3.2** On July 27, 2017, the Company was sued by 2 sub-contractors for breach of construction agreements and guarantee agreements due to termination made by the Company on July 13, 2017 with computable monetary value claims of Baht 14.1 million. Later, on October 11, 2017, the Company submitted a testimony and filed a counterclaim against the 2 sub-contractors with the claims of Baht 11.4 million. On November 27, 2018, the Civil Court rendered its judgment ordering the Company to make payments to the sub-contractors and return a letter of guarantee.





Subsequently, in May 2019, the Company received a notice of claim from the Legal Execution Department to sequester Baht 1.0 million from the Company's bank account, and the bank already submitted such cash to the Legal Execution Department. Subsequently, on May 26, 2020, the Appeal Court rendered its judgement to reverse the Civil Court's judgment ordering the sub-contractors to pay the Company Baht 11.4 million plus interest 7.5 percent per annum from the date of prosecution until complete payment.

On June 25, 2020, the Company submitted a petition to withdraw the execution warrant under the Civil Court judgment, whereby the court ordered the withdrawal of the execution warrant on July 1, 2020. On July 21, 2020, the Company already received sequestered money from the Legal Execution Department.

Later, on November 8, 2022, the Bangkok South Civil Court pronounced the Supreme Court's judgment ordering the Company to make repayments of Baht 5.9 million to the sub-contractors at interest rates as stipulated by the Civil and Commercial Code from the following date the lawsuit was filed until full repayments were made, totaling Baht 7.9 million, and to return a letter of guarantee. Since the Company had previously recorded the provisions for loss on litigations of Baht 2.3 million and liabilities in the related accounts of Baht 2.4 million, the Company set aside additional provision of Baht 3.2 million in the profit or loss in the current year. The Company completely paid the sub-contractors for the lawsuit damages on November 11, 2022.

**5.3.3** The Company was sued over a breach of contract relating to borrowings with claims of Baht 17.6 million. The case is currently under consideration of the Supreme Court. Meanwhile, the Company pledged land and buildings of the Company (Note 14) and cash of Baht 15.3 million as collateral to suspend the execution under the Appeal Court's judgment.

As of 31 December 2022, the Company recorded as provisions for losses on litigations amounting to Baht 7.1 million and liabilities in the related accounts of Baht 12.2 million. The Company has fully recorded the provision for such liabilities.

## 5.4 Secondary Market

The Company does not have any securities listed on any other country's stock exchanges.

## 5.5 Regular Contact Financial Institutions (only in case of debenture issuance)

The company does not issue debt instruments.



# Part 2

## Corporate Governance





## 6. Corporate Governance Policy

### Policy on Good Corporate Governance

The Board of Directors of PSG Corporation PCL (the “Company”) recognizes the deep importance of good corporate governance and understands the centrality of the latter to business operations. This is because the Company’s policy of good corporate governance helps to ensure that the Company is tightly and efficiently managed, performance is continuously monitored, business activities are guided by sound ethical principles, and data release is transparent, comprehensive and lawful. Beyond this, the policy also builds confidence in the Company, creates sustainable growth in shareholder returns, and deepens and improves relationships with stakeholders.

Given this, the Company has established a policy to guide its corporate governance that is in line with the guidelines laid out by the Stock Exchange of Thailand for publicly listed companies. This policy has the goal of helping directors, executives and staff to better understand and apply these principles when discharging their duties. These policy documents shall be reviewed at least one (1) time per year and shall be published on the Company website, where they may be consulted by shareholders, investors, stakeholders, and members of the public. The Company’s corporate governance policy is built on the following principles

- The Company shall treat all shareholders equally.
- The Company shall treat all stakeholders in the Company fairly.
- To generate the greatest shareholder value, the Company shall build long-term added value, operate with care and consideration, and meet its responsibilities fully and comprehensively. The Company shall also ensure that conflicts of interest do not arise, and that it takes full responsibility for its decisions and actions.
- Company operations shall be guided by the principles of transparency, ethics, and accountability. To guarantee that stakeholders and shareholders enjoy equal access

to Company news, information shall be released in a timely fashion. This shall extend to include both financial and non-financial information, and a dedicated department shall be responsible for managing the release of this to investors and to members of the public.

- Business operations shall also be carried out with care, especially with regard to risk management. The Company shall thus engage in an ongoing process of risk assessment and reduction.
- A code of conduct outlining the responsibilities and ethical standards required of executives and staff shall be available, and the Board of Directors, management, and staff shall be expected to adhere strictly to the principles outlined within this. This code of conduct underlines the importance of clients and customers, and because these are key to the Company’s success, products shall always and everywhere meet the highest standards, and aftersales services shall be honest, fair, and exemplary. In accordance with the requirements of the Stock Exchange of Thailand, the good corporate governance policy shall also underscore the importance of internal control and audit systems, and executive supervision shall ensure that the policy is tightly enforced. This shall thus help to ensure that the Company operates within the relevant legal and ethical framework, and that it generates long-term shareholder value.
- To ensure that they are fully apprised of the roles of and responsibilities incumbent on the Board of Directors and executives, members of the Board of Directors and other senior executives are encouraged to attend training sessions offered by the Thai Institute of Directors Association and other providers.

Note: The full Corporate Governance Policy is in Appendix 5 and [www.psgcorp.co.th](http://www.psgcorp.co.th).



## 6.1 Overview of the Policy and Guideline on Corporate Governance

The Company's Board of Directors recognizes the importance of corporate governance. It ensures that the Company's operations align with the principles set forth by the Stock Exchange of Thailand (SET). The Company has updated its Corporate Governance Policy to comply with the SET's 2017 Corporate Governance Code for Listed Companies, which includes guidelines from the Good Corporate Governance for listed companies developed in 2006 and 2012. This policy outlines eight key principles for the Board of Directors to follow.

- Principle 1** Recognize and acknowledge the roles and responsibilities of the Board of Directors in their position as leaders of an enterprise for which they sustainably create value
- Principle 2** Define sustainable business goals and objectives
- Principle 3** Develop and expand the effectiveness of the Board of Directors
- Principle 4** Recruit and develop senior executives and implement exemplary human resource management
- Principle 5** Promote innovation and responsible business leadership
- Principle 6** Ensure that appropriate internal controls and risk management systems are in place
- Principle 7** Maintain the Company's reputation for exemplary financial management and disclosure
- Principle 8** Support and encourage shareholder participation and maintain open channels of communication with these

### 6.1.1 Policies and Guidelines Concerning the Board of Directors

The Company's Board of Directors is composed of individuals with diverse qualifications and skills, including relevant experience and unique capabilities that are beneficial to the Company. The diversity of experience among the directors is expected to bring significant benefits to the business. All members of the Board are committed and perform their duties to the best of their ability. The shareholders appoint the Board of Directors, who then formulate policies, strategies, and guidelines for the Company's operations and establish sub-committees to oversee specific areas. The Board is also responsible for appointing the management team in charge of day-to-day operations and a Company Secretary to manage matters related to Company meetings, legal compliance, and the appointment of the Company's auditor.

Furthermore, the Board of Directors is accountable for ensuring that all directors and executives fulfill their responsibilities with due care and loyalty toward the Company. They must ensure that operations are in accordance with laws, regulations, and the resolutions made by the shareholders. The Board must also oversee the performance of directors and executives to ensure that they discharge their duties with responsibility, caution, and integrity.

#### **Nomination of Directors Independent Directors, Members of the Audit Committee**

The Company has a Nomination and Remuneration Committee (NRC) in place to identify and recruit suitable candidates for appointment as directors. In the event of a vacancy on the Board of Directors, the NRC will be responsible for sourcing and selecting a replacement. The selection criteria include a candidate's relevant knowledge, skills, business experience, and qualifications in compliance with the Public Company Limited Act, the Securities and Exchange Act, the Securities and Exchange Notifications, and the Stock Exchange of Thailand Notifications.





## Board structure

- The minimum number of directors on the Board of Directors is five, elected during a shareholders' meeting. At least half of the directors must be Thailand residents.
- The Company's Board of Directors is diverse, comprising qualified individuals with various skills, experiences, and unique capabilities that benefit the Company. Each director has relevant experience in the Company's primary business or industry. The term of service for each director is three years.
- The composition and qualifications of directors and independent directors are in line with the Good Corporate Governance principles and regulations established by the Stock Exchange and the Securities and Exchange Commission of Thailand.
- The Company has established clear policies and procedures that permit the Chief Executive Officer and senior executives to take on director positions at other companies as required, as long as such appointments do not interfere with their duties and responsibilities to the Company. Such appointments must be approved by either the Board of Directors or an authorized representative of the Company.
- At least one non-executive director must possess knowledge and experience relevant to the Company's business.
- To ensure a proper balance between management and good corporate governance, the Chairman of the Board of Directors is distinct from Chairman of the Executive Committee. At least one-third of the entire Board of Directors must consist of independent directors to establish a system of checks and balances, promote efficiency, and ensure transparency. The Company has clearly defined the roles and responsibilities of its directors to prevent any one individual from having undue influence.

## Directors' Qualifications

- The Company directors must meet the required qualifications and must not possess any characteristics prohibited by the Public Company Limited Act B.E. 2535 and the Securities and Exchange Act B.E. 2535.

They must also not have any characteristics that would be deemed unsuitable for managing publicly owned enterprises, in accordance with the Securities and Exchange Commission Notifications.

- The directors must have the knowledge, competency, skills, and work experience that are beneficial to the Company and must be able to devote sufficient time to perform their duties as outlined in their terms of reference. All directors will be evaluated objectively, regardless of gender, race, religion, age, or any other special abilities.
- A director may serve on the Board of Directors of no more than five listed companies registered with the Thailand Stock Exchange, including appointments as directors of other companies.
- The qualifications of independent directors must comply with the definition of independent directors as specified by the Company.

## Appointment of Directors

- At each annual general meeting of shareholders, one-third of the directors must resign from their positions. If the number of directors resigning does not exactly equal one-third, the closest number will resign. In the first and second years after the Company's registration, the directors to resign will be selected by lot. In subsequent years, the directors who have been in office the longest will retire. Directors who are retiring due to rotation may be re-elected.
- Directors are elected by a majority vote at the shareholders' meeting in accordance with the following rules and procedures:
  1. Each shareholder has a number of votes equivalent to the number of shares they own.
  2. Each shareholder must vote to elect one or more directors. If several directors are elected, the votes cannot be divided among them in any proportion.
  3. The candidates receiving the most votes in descending order are elected as directors based on the number of directors to be appointed at that time. In the event of a tie vote between the second-highest or lower-ranking candidates, the





presiding Chair shall have a deciding vote.

- If a director's position becomes vacant for reasons other than the end of their term, the NRC shall nominate a qualified individual who does not have any prohibited characteristics, to fill the vacancy. This nomination must be approved at the next Board of Directors' meeting unless the remaining term of the outgoing director is less than two months.
- The individual who replaces a resigned director will hold the position only for the remainder of the previous director's term. A resolution by the Board of Directors, consisting of no less than three-fourths of the votes of the remaining directors, will be considered valid.
- The shareholders' meeting may pass a resolution to remove a director from office before the end of their term with a vote of no less than three-fourths of the number of shareholders attending the meeting and eligible to vote, provided that these shareholders hold at least half of the total shares held by all eligible voting shareholders in attendance.

## Nomination of Independent Directors and Members of the Audit Committee

The term of service for independent directors and members of the Audit Committee (AC) is three years. Independent directors and Audit Committee members who retire due to rotation may be re-appointed. The Company mandates that independent directors must make up at least one-third of the total number of directors on the Board, but not fewer than three individuals. The AC must consist of a minimum of three independent directors.

To comply with the Stock Exchange of Thailand's corporate governance guidelines, the Company has established a requirement that independent directors may serve a maximum of nine consecutive years from the date of their first appointment. At present, none of the six independent directors has served for more than nine years (refer to Appendix 1 for more information).

As per the Securities and Exchange Commission and the Stock Exchange of Thailand Notifications, all independent directors must meet the following qualifications: -

An independent director is defined as a director who does not have any commercial or related interests that could compromise their ability to make impartial decisions. In accordance with the regulations of the Securities and Exchange Commission, independent directors must possess the following qualifications: -

- 1) Must not hold more than 1% of the total number of shares in the Company, its parent Company, subsidiary companies, associated companies, major shareholders, or entities that control the Company. The shareholdings of any related individuals of the independent director will also be considered.
- 2) Must not have been or currently be an executive director, employee, staff member, or advisor on payroll, or a controlling person of the Company, its parent Company, subsidiary companies, associated companies, same-level subsidiary companies, major shareholders, or entities that control the Company. This restriction does not apply if the individual has not held such positions for at least two years prior to the date of application to the SEC Office. However, this restriction does not apply to individuals who have previously served as government officials or advisors to a government unit that is a major shareholder of the Company or an entity controlling the Company.
- 3) Must not be a blood relative or legally registered as a parent, spouse, sibling, or child, including the spouse or child of any other directors, executives, major shareholders, controllers, or individuals nominated as directors, executives, or controlling persons of the Company or its subsidiaries.
- 4) Must not have or have had a business relationship with the Company, its parent Company, subsidiary companies, associated companies, major shareholders, or entities that control the Company that could impede the exercise of impartial judgment. This restriction does not apply if the individual has retired from such a position for at least two years prior to the date of application to the SEC Office.

A "business tie" as mentioned in the first paragraph, refers to any transaction that results in the Company or



its counterparty owing the other party an amount equal to or greater than three percent of the Company's net tangible assets or Baht 20 million, whichever is lower. This includes common business transactions such as renting or leasing real estate or assets, providing, or receiving financial assistance in the form of loans, guarantees, or using assets as collateral, and other similar transactions. The calculation of the value of such transactions is governed by the Capital Market Supervisory Board's Notification on Rules for Connected Transactions. Additionally, debt obligations incurred one year prior to the start of the commercial relationship with the same individual are also included in this calculation.

- 5) Must not have served as an auditor of the Company, its parent Company, subsidiary companies, associated companies, major shareholders, or entities that control the Company and must not be a shareholder, controlling entity, or partner of the contracted audit firm for the Company, its parent Company, subsidiary companies, associated companies, major shareholders, or entities that control the Company. This restriction does not apply if the individual has retired from such a position for at least two years prior to the date of application to the SEC Office.
- 6) Must not have provided professional services of any kind, such as legal or financial advice, and must not have received service fees of more than Baht 2 million per year from the Company, its parent Company, subsidiary companies, associated companies, major shareholders, or entities that control the Company. They must also not be a major shareholder, controlling person, or partner in such a service provider, unless they have ended such relationships for at least two years prior to the date of application for SEC approval.
- 7) Must not be a director appointed to represent the Company's directors, major shareholders, or shareholders affiliated with a major shareholder.
- 8) Must not operate a business that has the same nature as the Company or its subsidiaries and competes directly with them or must not be a significant partner in a partnership, director involved in management, staff member, employee, consultant receiving a regular

salary, or shareholder owning more than 1% of the total voting shares in other companies that conduct businesses similar to the Company or its subsidiaries.

- 9) Must not have any other qualities that prevent them from independently expressing opinions on the Company's operations.

The independent director may subsequently be assigned by the Board of Directors after being appointed as an Independent Director, with the characteristics specified in Clauses 1 to 9, to decide on the operation of the Company, a parent Company, a subsidiary Company, an associated Company, a same-level subsidiary, a major shareholder, or an entity controlling the Company, in the form of a collective decision.

After being appointed as an independent director and possessing the qualities specified in Clauses 1 to 9, the independent director may be assigned by the Board of Directors to participate in decision-making processes (collective decision) regarding the operations of the Company, its parent Company, subsidiary companies, associated companies, same-level subsidiary, major shareholders, or entities that control the Company.

## Conflict of Interest

To prevent conflicts of interest among the Company's stakeholders, the Board of Directors has established a clear policy and procedures to approve connected transactions. The Board is obligated to use its best independent judgment to identify transactions that present conflicts of interest and are considered connected transactions in accordance with ethical standards and the regulations set by the Stock Exchange of Thailand. This includes ensuring that the terms and price of the transactions are determined on an arm's length basis. In cases where a director has a conflict of interest in a particular agenda, they must abstain from participating in or voting on that matter. The Audit Committee is responsible for providing opinions on these transactions and ensuring that information about them is disclosed adequately. The connected transactions are disclosed in the Company's Annual Report under the Related Party Transactions section.



## Stakeholder Report

For transparency and to prevent conflicts of interest, the Board of Directors has established guidelines for reporting any conflicts of interest among Directors and Executives of the Company. These guidelines ensure that all stakeholders are aware of any potential conflicts of interest and can make informed decisions: -

- On the day they take office, Directors, and Executives, along with any family members who have a relationship with the Company or are shareholders, must submit a stakeholder report to the Company. The report must be reviewed annually or within seven days of any changes to the information.
- Directors and Executives must promptly report any changes in their holdings of the Company's securities to the Securities and Exchange Commission (SEC) within three days of such change.
- The Board of Directors has designated the Company Secretary as the responsible person for filing the reports.

## Self-evaluation of the Board of Directors

The Board of Directors carries out an annual self-evaluation of its individual members and sub-committees to assess the challenges and obstacles faced during the past year. This evaluation is performed both collectively and individually, and the Board adapts the evaluation method recommended by the Stock Exchange of Thailand to suit the needs of the Company's business operations. Details are as follows: -

Collective self-evaluation of the Board of Directors

- 1) Structure and qualifications of the Board of Directors
- 2) Board meeting
- 3) Roles, duties, and responsibilities of the Board of Directors
- 4) Relationship between Board of Directors and Executives and their self-development

Collective self-evaluation of the Sub-committees

- 1) Structure and qualifications of the Sub-Committee
- 2) Sub-committee meeting
- 3) Roles, duties, and responsibilities of sub-committees

Individual self-evaluation of the Board of Directors and the

Sub-committee

- 1) Structure and qualifications of the Board of Directors
- 2) Board meeting
- 3) Roles, duties, and responsibilities of the Board of Directors

## Professional Development of the Directors and Executives

- The Company emphasizes training and development opportunities to enhance the skills and abilities of all individuals involved in its corporate governance system. This focus helps to ensure the effective and efficient operation of the Company.
- The management has compiled a collection of relevant documents to assist new directors in performing their duties, understanding the business, and following established guidelines. These materials provide valuable information for onboarding and ensure a smooth transition into the role.
- A succession plan has been established to address the possibility of the Chief Executive Officer and/or senior management being unable to fulfill their responsibilities. The plan includes a management development plan to ensure seamless continuity of operations. The development and succession plans are designed to provide a clear path forward in the event of an unexpected absence of top executives and to promote the pipeline of future leaders within the organization.

## Board Reporting

The Board of Directors is responsible for disclosing its role in preparing financial statements, as outlined in the Company's annual report (Form 56-1 One Report), along with the auditor's report. The report must include, at a minimum, the information required by relevant laws, regulations, or requirements.

### 6.1.2 Policies and Guidelines Concerning Shareholders and Stakeholders

The Company recognizes the significance of its shareholders and stakeholders from all sectors and has therefore



established policies and guidelines for its directors, executives, and employees to follow when interacting with them. These guidelines ensure that all parties are treated fairly and respectfully in their dealings with the Company.

**Shareholders:** The Company acknowledges and upholds the fundamental rights of its shareholders and commits to not engage in any practices that would infringe upon or diminish these rights. It operates with integrity, openness, and accountability, adhering to the principles of good corporate governance, particularly regarding the protection of shareholder rights and fair treatment of all shareholders.

## Shareholders' rights

The Company recognizes and upholds the fundamental rights of its shareholders, including institutional shareholders, including the right to purchase, sell, or transfer shares, participate in the Company's profits, receive relevant business information, vote in shareholder meetings to appoint or remove directors, appoint auditors, and make decisions regarding important Company matters such as dividend distribution, amendment of the Company's articles and memorandum of association, capital reduction or increase, and approval of special transactions, among others. The Company is committed to not taking any actions that would violate or diminish these rights.

With this in mind, the Board of Directors has implemented a policy to promote and facilitate participation by all types of shareholders - Thai, foreign, retail, and institutional investors - in shareholder meetings. The policy details are as follows: -

Policy on Promoting and Enhancing Shareholder Participation in Meetings

## Shareholders' Meeting

- The Company shall hold an Annual General Meeting of Shareholders as needed, and convene Extraordinary Shareholder Meetings in accordance with Thai laws and regulations set by the Stock Exchange of Thailand.
- The Company actively encourages participation from all types of shareholders, including institutional

shareholders, in the shareholder meetings.

- The Company shall ensure that the meeting invitation package, along with its attachments, provides comprehensive information regarding the date, time, location, and agenda of the meeting, as well as the purpose and background of each agenda item and the opinions of the Board of Directors. The information should be presented to allow shareholders sufficient time to prepare for the meeting. The Company will dispatch the meeting invitation and related documents at least seven days prior to the meeting (or as required by law).
- The Company is committed to facilitating full exercise of shareholder rights to attend meetings and cast their votes. To this end, the Company will schedule meetings on working days at hotels or other locations in and around Bangkok that are easily accessible to shareholders.
- To preserve the rights of shareholders to attend the meeting or appoint a proxy, the Company includes information regarding the relevant rules and required documentation in the invitation letter to the shareholder meeting. This ensures that shareholders know and understand the necessary steps to participate in the meeting.
- If shareholders are unable to attend the meeting in person, the Company permits them to appoint independent directors or another representative to attend on their behalf using the appropriate proxy form (Form A, Form B, or Form C), which was included with the meeting invitation.

In response to the ongoing COVID-19 pandemic, the Company held its 2022 Annual General Meeting of Shareholders online to mitigate the risk of virus transmission.

## Procedures for the Meeting Day

- The Company will employ barcode technology and a specialized shareholders' meeting program to enhance the efficiency, accuracy, and precision of the registration, vote counting, and results display processes during the AGM.



- The Company shall allocate adequate time for shareholders to voice their opinions and ask questions during the meeting.
- All directors are expected to attend the shareholder meeting to provide an opportunity for shareholders to ask relevant questions.
- Before the meeting, the Company will clarify the voting process and method for presenting the voting results. If multiple agenda items are on the schedule, the Company will ensure that voting takes place separately for each item, such as the appointment of directors.
- The Company will compile a list of directors who attend or do not attend the meeting and the number of shareholders who approve, oppose, or abstain from voting on each agenda item. The Company will also record questions and answers, shareholder opinions, and the explanation of the voting process and presentation of the voting results prior to the meeting.

## Preparation of Meeting Minutes and Disclosure of Meeting Resolutions

- The Company will publicly disclose the voting results of each agenda item from the Annual General Meeting through the Stock Exchange of Thailand's information dissemination system and the Company's website the next business day.
- In accordance with regulations, the Company will prepare thorough minutes of the Annual General Meeting of Shareholders and submit them to the Stock Exchange of Thailand within 14 days of the meeting date. The Company will also publish the carefully documented meeting minutes, including the voting results and shareholder questions for each agenda item.

## Fair Treatment of Shareholders

The Company values the rights of all shareholders, including executives and non-executives, foreign shareholders, and minority shareholders. It is dedicated to ensuring fair and equal treatment of all stakeholders. To achieve this, the Board of Directors has implemented the following policies: -

- The shareholder meeting will be conducted according

to the agenda specified in the meeting notification. It will not include any unplanned or surprise agenda items, particularly those that require prior preparation time for shareholders or those proposed by the director or executive shareholders.

- The Company permits shareholders who cannot attend the meeting to appoint independent directors or another representative to attend on their behalf through proxy forms A, B, or C (as applicable), which will be sent with the meeting notification. For each agenda item, ballots will be created using a barcode system, and shareholders will be able to cast their votes as they choose. Prior to announcing the results, any pre-cast votes from the proxy forms will be added to the total votes collected on the day of the meeting. The Company will collect the cast ballots before announcing the voting results to ensure transparency and support future audits.
- The Company will ensure full protection of shareholder rights by allowing shareholders to register to attend the meeting even after the registration period has expired.
- In the agenda item for the appointment of directors, shareholders can exercise their voting rights to appoint individual directors.
- The Chairman of the Board of Directors, directors, relevant executives, and chairpersons of sub-committees are responsible for participating in the shareholder meeting and answering shareholder questions. The meeting minutes will document key questions and opinions for future reference.
- To prevent conflicts of interest with any of the Company's stakeholders, the Board of Directors has established a comprehensive policy and procedure for evaluating related transactions. The Board of Directors is responsible for making impartial decisions about the suitability of a related transaction within an ethical framework and in compliance with Stock Exchange of Thailand regulations regarding price and terms, as if it were conducting business with a third party (on an arm's length basis). Directors with conflicts of interest are prohibited from participating in or voting on the related transaction. Additionally, the Audit Committee is tasked with reviewing and commenting on related





transactions. The Company will disclose information regarding related transactions in its Annual Report under the section titled Related Party Transactions.

- The Company has implemented a policy to regulate the handling of inside information, which prohibits directors, executives, and those who have access to inside information from disclosing it to third parties without proper justification, and from using such information for personal gain. The policy also requires directors and executives to report any changes in securities holdings as mandated by the Securities and Exchange Commission. To ensure the proper use of inside information, the Company has established clear written rules and regulations (as outlined in the section on the supervision of inside information) and has disseminated these policies to employees at all levels. Additionally, directors and executives who are legally required to report their shareholdings must do so regularly and make this information public in the Annual Report (as detailed in the section on shares held by directors and executives).
- The Company will provide updated information about the Company to the Stock Exchange of Thailand and make it accessible on the Company's website in both Thai and English. The Company also establishes a communication channel with shareholders through its website, enabling shareholders to ask questions and receive information in an equitable manner.
- All directors and senior executives are required to disclose their interests to the Board of Directors for recognition.

## Monitoring the Handling of Confidential Information

The Company implements the following policies to regulate the handling of confidential information: -

- 1) Directors, executives, employees, and temporary workers of the Company are required to keep the Company's inside information confidential.
- 2) Directors, executives, employees, and temporary workers of the Company must not reveal confidential and/or inside information of the Company for personal advantage or to benefit any other individual, either

directly or indirectly, with or without compensation.

- 3) Directors, executives, and employees of the Company are forbidden from trading, transferring, or accepting transfers of the Company's securities using the Company's confidential and/or inside information. Additionally, they are prohibited from entering into any other legal agreement based on the Company's confidential and/or inside information that may harm the Company, either directly or indirectly.

In accordance with these policies, directors, executives, employees, and temporary workers within departments with access to confidential information should abstain from trading the Company's securities for one month before releasing financial statements to the public. This requirement extends to the spouses and minor children of the Company's directors, executives, employees, and temporary workers. Any violations of these regulations will be considered a serious offense.

- 4) As required by Section 59 of the Securities and Exchange Act B.E. 2535, directors and executives of the Company must report changes in securities holdings for themselves, their spouses, and minor children to the Securities and Exchange Commission.

Non-compliance with the regulations on the handling of confidential information will result in penalties as specified in the Public Company Act, the Securities and Exchange Act B.E. 2535, and other applicable laws, as well as Company announcements, rules, and regulations, and those of related agencies such as the Stock Exchange of Thailand and the Securities and Exchange Commission.

## Role of Stakeholders

The Company recognizes the importance of all its stakeholders. It has established a policy to treat each group fairly and with respect, in accordance with the law and any agreements with the Company. This includes customers, employees, business partners, shareholders and investors, creditors, and the communities where the Company operates, as well as competitors and independent auditors. The Company is committed to protecting the rights of all its stakeholders



and will not take any actions that violate those rights. The Company places a high value on and supports the safeguarding of stakeholders' rights under relevant laws.

The Company treats all stakeholder groups fairly, including customers, employees, business partners, shareholders or investors, creditors, the local community, society, government, competitors, and independent auditors. The Company will consider these groups' legal or contractual rights and will not take any actions that would violate their rights. The Company prioritizes and supports the protection of stakeholder rights. The Board of Directors has developed the following policy on equal treatment of key stakeholders: -

**Customer :** The Company prioritizes customer satisfaction and the protection of their confidentiality. The Company continually strives to meet customer needs through developing new services and implementing efficient systems and procedures throughout the procurement process, from project selection to after-delivery services. (See further details in the Procurement of Products and Services section).

The Company has established clear policies and guidelines as follows: -

- 1) The Company is committed to ethical marketing practices, providing customers with accurate and complete information about its services without using deceptive, unclear, or exaggerated advertisements. This is to guarantee that customers have the necessary and appropriate information to make informed choices.
- 2) The Company prioritizes customer safety and strives to deliver quality and safe services that meet international standards and comply with relevant safety regulations. The Company's service design, creation, and development processes are focused on meeting customer expectations for quality, standards, and safety.
- 3) Additionally, the Company has established a clear channel for customers to communicate their needs and provide feedback, including a customer service center and an online feedback form on its website.

The Company is dedicated to promptly addressing any customer concerns and continuously improving its services based on customer feedback.

- 4) The Company shall keep customer information confidential and will not misuse such information.
- 5) The Company engages in various initiatives to cultivate and maintain sustainable customer relationships.

**Business Partners/Creditors:** The Company procures goods and services from business partners in an equitable and fair manner, strictly adhering to the terms and agreements with its partners and trade creditors. The selection process for suppliers of raw materials, subcontractors, and rental of construction equipment has been established with clear policies and guidelines. (Please refer to the Procurement of Products and Services Section for more information.)

- 1) The Company prohibits any actions that infringe on intellectual property rights and encourages its executives and employees to use Company resources and assets effectively, utilize licensed products and services, and avoid practices that violate intellectual property rights.
- 2) The Company has established standardized procedures for conducting commercial transactions with both domestic and international partners, ensuring adherence to all commercial terms and requirements. This helps to promote fairness and transparency in all business dealings and protects the Company's and its partners' interests.

**Competitors:** The Company abides by the principle of fair competition, prioritizing quality and maximizing customer benefits. It adheres to standards of ethical competition and will not engage in any deceptive practices in competition.

**Intellectual Property and Copyright:** The Company has established a policy to ensure compliance with intellectual property and copyright laws. The Company will respect the intellectual property and copyright of third parties and will not use their work or information in any



way that infringes on their rights. The Board of Directors is responsible for ensuring that this policy is followed by all employees and stakeholders of the Company.

### **Community/Operation Area:**

The Company is committed to minimizing environmental and safety impacts caused by its construction activities in local communities.

**Society or Government:** The Company has established a policy to promote legal compliance and prevent corruption in its operations.

**Participation in Community or Social development :** Being socially responsible, the Company is committed to promptly and effectively addressing social and environmental impacts that may arise from its operations. The Company is dedicated to responding to events that affect the community, society, and the environment and encourages its employees to adopt a socially and environmentally responsible mindset.

## **6.2 Business Ethics**

### **Business Ethical Standards and Code of Conduct**

The Company's Business Ethics and Code of Conduct apply to Directors, Executives, and PSG Corporation Public Company Limited employees, who must abide by the principles outlined in the Code of Conduct.

#### **1) Business Ethical Standards**

- 1.1 The Company requires all to abide by its bylaws and regulations to ensure ethical and responsible business practices.
- 1.2 The Company requires all to protect the assets and interests of the Company.
- 1.3 The Company is committed to providing fair, transparent, and professionally ethical treatment to all stakeholders, including customers, employees, business partners, shareholders or investors, creditors, the community in which the Company operates, society, government, and

competitors, and independent auditors.

- 1.4 The Company respects the rights of stakeholders in accordance with relevant laws or agreements.
- 1.5 The Company prohibits its employees from engaging in business activities that compete with the Company or that would put the Company at a disadvantage in the marketplace.
- 1.6 The Company encourages its employees to abide by the laws and regulations and supports initiatives that align with this goal.
- 1.7 The Company strengthens the capacity of employees by providing training and development opportunities to enhance their skills and knowledge.

#### **2) Ethical Standards and Code of Conduct for Directors and Executives**

- 2.1 The Company's policy demands that its Directors and Executives uphold ethical, honest, and fair conduct in carrying out their responsibilities and oversee business operations in a transparent and trustworthy manner.
- 2.2 The Company requires its Directors and Executives to comply with all relevant laws, regulations, the Company's bylaws, and principles of good corporate governance.
- 2.3 The Company has established measures to ensure its policies' effective and efficient implementation.
- 2.4 The Company ensures that good judgment, independence, and ethics are maintained when making decisions on transactions involving conflicts of interest and related parties. It adheres to the regulations of the Stock Exchange of Thailand when considering prices and conditions as if dealing with an independent third party.
- 2.5 The Company is committed to ensuring the confidentiality and responsible use of the Company's confidential and inside information and refrains from any actions that may result in personal benefit or gain.



### 3) Ethical Standards and Code of Conduct for Employees

- 3.1 The employees of the Company are expected to carry out their duties with transparency and integrity.
- 3.2 The employees are expected to maintain the confidentiality of the Company's confidential and inside information and not misuse it for personal benefit or advantage.
- 3.3 The employees are expected to observe and comply with the laws, rules, regulations, good corporate governance principles, and related policies while performing their duties.
- 3.4 The Company requires its employees to be accountable and prudent and prioritize the Company's best interests in their actions and decisions.
- 3.5 The Company requires its employees to continuously improve the quality of work and take responsibility for the results of the work performed.

The complete Code of Business Conduct and its details can be found in Appendix 5 and on the Company's website at [www.psgcorp.co.th](http://www.psgcorp.co.th).

## 6.3 Key developments in policies, guidelines, and the corporate governance framework in the previous year

### 6.3.1 Significant changes and developments related to the review of policies, guidelines, and corporate governance systems or charter of the Board of Directors in the previous year

In the previous year, the Company reviewed all policies, practices, corporate governance framework, and subcommittee charters. This review was done to reflect any changes that took place and ensure compliance with the good corporate governance principles for listed companies in 2017.

### 6.3.2 Other guidelines according to the principles of good corporate governance

The Company remains committed to the principles of good corporate governance and accountability to its shareholders and stakeholders. As a result, the Company received a 'Very Good' ranking by the Thai Institute of Directors Association in its 2022 assessment of corporate governance practices among Thai listed companies.

### 6.3.3 Some Good Corporate Governance Not Practiced by the Company

While the Company was ranked "Very Good" by the Thai Institute of Directors Association for its compliance with good corporate governance principles for Thai listed companies in 2022, there were some practices that were not fully realized. The Company has implemented alternative measures to address these areas, as follows: -



**Principles of Good Corporate Governance**

**Clarification and Justification**

The Chairman of the Board is not considered an Independent Director.

The Company has a clear definition of the roles and responsibilities of the Chairman of the Board. This individual is responsible to the shareholders and all stakeholders and prioritizes the interests of the Company. Additionally, all Directors are encouraged to freely discuss and express their independent viewpoints during meetings. The performance of the Directors is evaluated on an annual basis to ensure accountability and effectiveness.

It is recommended that a Corporate Governance (CG) Committee be established.

The Board of Directors is responsible for monitoring CG matters and conducting an annual review of the implementation of the principles. Despite not having a formal CG Committee in place, the Board is committed to maintaining the highest standards of corporate governance.

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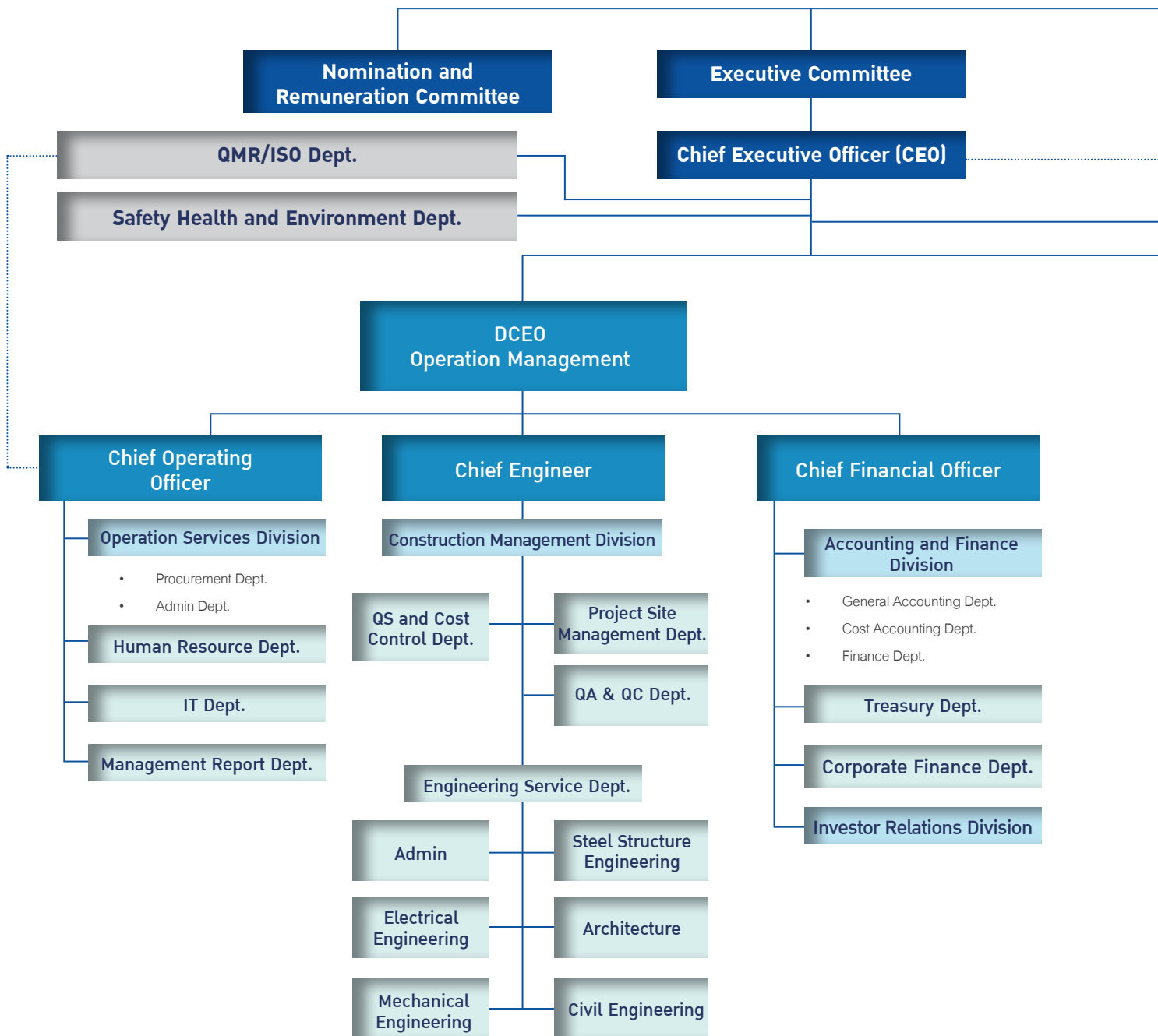
The Company acknowledges the significance of good corporate governance principles, despite some of them still being in the process of implementation. The Company remains committed to enhancing its practices and adapting to the evolving requirements of the business landscape.

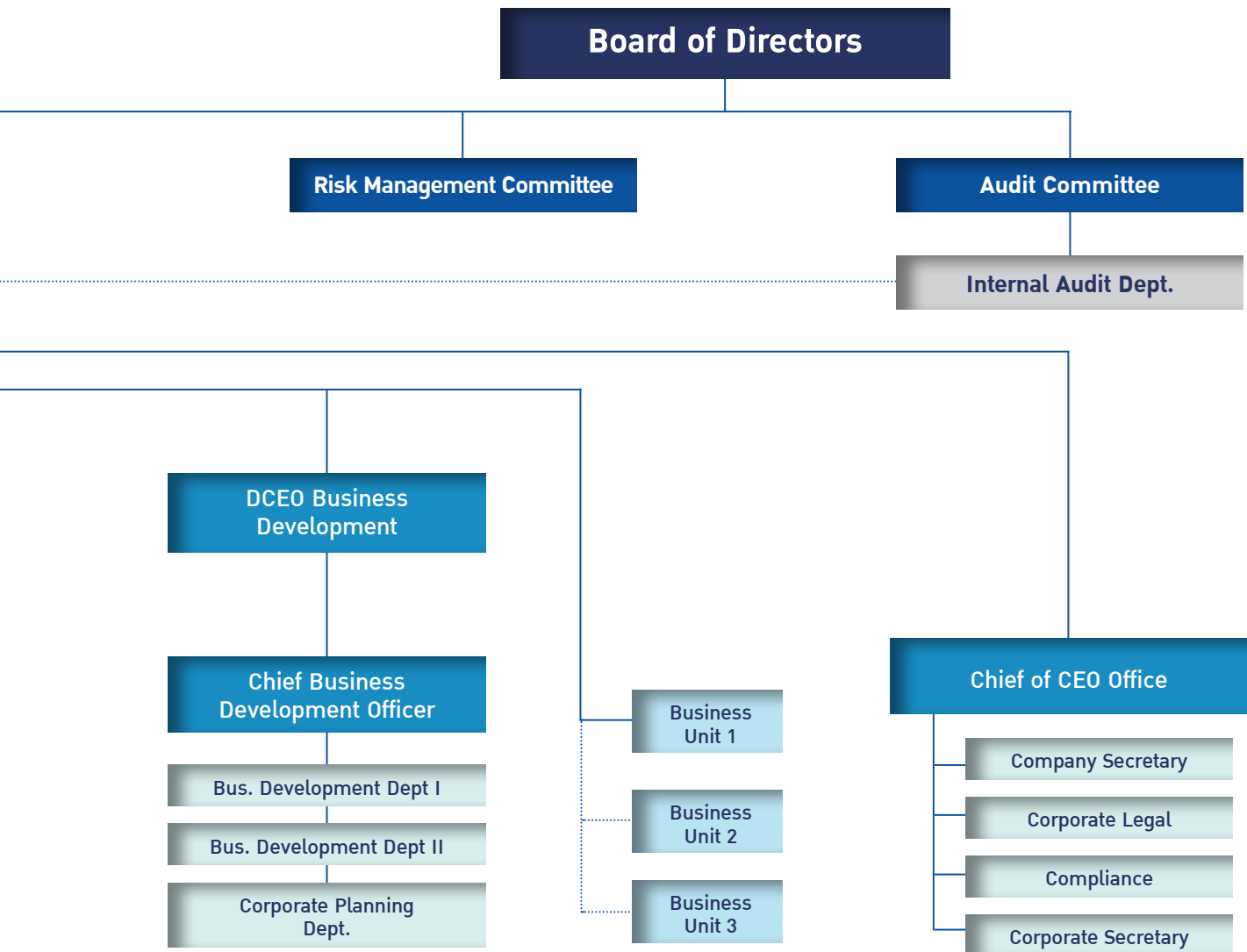




# 7. Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others

## 7.1 Corporate Governance Structure





Effective on May 17, 2022



## 7.2 Board of Directors

### 7.2.1 Composition of the Board of Directors

The BoD comprises individuals with diverse backgrounds, skills, and expertise, which are valuable to the Company's business. All members of the Board have significant and relevant experience in the industry and serve a three-year term. The number of directors is determined based on the size and complexity of the business, and the current BoD consists of ten members.

- 1.1. One Chief Executive Officer is employed full-time by the Company and is responsible for overseeing the day-to-day operations of the business.
2. The BoD of the Company is comprised of nine Non-Executive Directors, accounting for 90% of the total members on the Board.
3. The Company has six Independent Directors, who make up 60% of the Board of Directors. These Independent Directors bring an impartial and objective perspective to the board's decision-making process, and four of them are also members of the Audit Committee. Their proportion and qualifications follow regulations set by the Stock Exchange of Thailand and the Securities and Exchange Commission.
4. The Company ensures that the roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are separated to maintain a balance between good administration and corporate governance.

The policy and procedures of the Company clearly state that no one director may serve on the boards of more than five publicly listed companies. In 2021, none of the ten directors held more than five positions in publicly listed companies. The positions held by individual directors in other publicly listed companies are disclosed in Appendix 1.

The Company's policies and procedures state that top Executives are permitted to hold directorships in other companies as necessary. Still, these positions must not interfere with their responsibilities to the Company and must be approved beforehand by the Board of Directors or authorized individuals.

Most of the Board is made up of Independent Directors to promote transparency and accountability. The roles and responsibilities of each Director are clearly defined to prevent any one person from having excessive control.

The composition of the Board of Directors is such that at least one non-executive director holds knowledge and work experience related to the Company's business. As of December 31, 2022, nine non-executive directors are serving on the Board. Khammany Inthirath, Ph.D. and Chaiyod Chirabowornkul, Ph.D. possess the necessary knowledge and relevant work experience. Further details on their profiles can be found in Appendix 1.

The current members of the Board of Directors, including the Chief Executive Officer, possess the necessary experience, qualifications, and skills required by the Company.



## 7.2.2 Members of the Board of Directors

As of December 31, 2022, the Board of Directors of the Company comprises ten members:

Name - Surname	Position	Types of Directors
1. Mr. Van Hoang Dau	Chairman of the Board	Non-Executive Director and Authorized Director
2. Mr. David Van Dau	Director Chairman of the Executive Committee Member of the Nomination and Remuneration Committee Member of the Risk Management Committee	Executive Director and Authorized Director
3. Pol. Gen. Chaiwat Getvorachai, Ph.D.	Director Chairman of the Audit Committee	Independent Director Non-Executive Director
4. Khammany Inthirath, Ph.D.	Director Chairman of the Risk Management Committee Member of the Audit Committee	Independent Director Non-Executive Director
5. Souphanh Keomixay, Ph.D.	Director Chairman of the Nomination and Remuneration Committee	Independent Director Non-Executive Director
6. Mr. Prapas Vichakul	Director Member of the Audit Committee	Independent Director Non-Executive Director
7. Mr. Nopadol Intralib	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee	Independent Director Non-Executive Director
8. Damp Sukontasap, Ph.D.	Director Member of the Audit Committee	Independent Director Non-Executive Director
9. Mr. Dhana Bubphavanich	Director Member of the Executive Committee	Non-Executive Director
10. Chaiyod Chirabowornkul, Ph.D.	Director Member of the Executive Committee	Non-Executive Director

See profiles of the Directors in Appendix 1.

### Directors who have the authority to jointly sign and affix the Company's seal

Only Mr. Van Hoang Dau and Mr. David Van Dau are authorized to sign and use the Company's seal.



## 7.2.3 Roles and Responsibilities of the Board of Directors

### Roles, Duties and Responsibilities of the Board of Directors

- The BoD is authorized to conduct business within the boundaries of laws and regulations set forth by the Company and relevant agencies.
- The Company's written corporate governance policy has been established and reviewed as necessary to ensure its relevance and compliance with current regulations and best practices.
- The Company's Code of Conduct outlines the expectations for ethical and professional behavior for the Board of Directors and employees. By committing to this code in writing, they agree to carry out their duties with honesty, integrity, and fairness towards all stakeholders. The Company regularly monitors compliance with the Code of Conduct and may take disciplinary action against those who violate it.
- The Board of Directors and employees are responsible for independently and carefully assessing the appropriateness of transactions involving conflicts of interest and connected transactions. They must adhere to the principles of good ethics and comply with the regulations of the Stock Exchange of Thailand regarding pricing and terms, as if the transactions were being conducted with a third party (Arm's Length Basis). The Audit Committee is responsible for providing its opinion on these transactions and for properly disclosing information about them in the Annual Report, under the section on Related Party Transactions.
- The Company has established a clear and written internal control system at both the management and operational levels. The internal control system ensures the proper use of Company assets for maximum benefit, with a clear division of duties among working, monitoring, and evaluating levels to ensure effective checks and balances. The financial system is also subject to internal control, with a financial reporting system in place to keep line management informed.

The Company has engaged an independent auditing firm to offer internal audit and accounting system services. The firm is tasked with evaluating the Company's efficiency and compliance with laws and regulations. It provides recommendations on improving the Company's internal control system and submits its audit findings directly to the Audit Committee.

- The Company has a system in place to identify and assess business risks, including measures to prevent and manage such risks that could impact the Company's operations. An early warning system is established to monitor the Company's compliance with laws and regulations, and a risk management report is prepared to ensure that the Company is well-equipped to handle potential risks.
- The Board of Directors and Audit Committee regularly review the sufficiency of the internal control and risk management systems and express their opinions on their effectiveness. This information is disclosed.

### Scope of Authority of the Chairman of the Board of Directors

- 1) Has the authority to break ties in voting during Board of Directors meetings.
- 2) Preside over the meetings of the Board of Directors, ensuring that they are conducted efficiently and effectively, with participation from all members and independence maintained.
- 3) Oversee and ensure that the Shareholders' Meeting is conducted effectively, fairly, and in accordance with relevant laws and regulations.
- 4) Fulfill responsibilities with integrity and fairness while maximizing benefits for the Company, its shareholders, and other stakeholders in accordance with applicable laws and regulations.

### Scope of Authority of the Board of Directors

- 1) Perform duties in accordance with the law, objectives, the Company's bylaws, and resolutions of Shareholders' Meetings, except for matters that require approval from the shareholders' meeting, such as connected transactions, acquisition or disposal of assets, and





purchase or sale of significant assets. These actions must be conducted in accordance with the regulations of the Stock Exchange of Thailand or other governmental agencies.

- 2) Establish the policies, vision, mission, strategies, objectives, and overall business direction for the Company and to provide guidance and oversight for the executive team to ensure their performance aligns with established policies and plans, with the goal of maximizing shareholder value and promoting sustainable growth.
- 3) Establish reliable accounting systems, financial reporting systems, and auditing functions, and to ensure the effectiveness and appropriateness of the internal control and internal audit systems.
- 4) Appoint or make changes to the individuals authorized to sign on behalf of the Company.
- 5) Set up the Company's internal policies and procedures to ensure the effective and efficient operation of the business.
- 6) Consider and approve significant matters, including the Company's strategic direction, budget, major investment projects, delegation of authority, and any other elements required by law.
- 7) Review and approve the organizational structure, management delegation of authority, as well as performance evaluation and compensation of the executive team.
- 8) Review and approve the organizational structure and the appointment of the Board of Directors and the Chief Executive Officer. The Board may delegate authority to one or more members of the Board of Directors or other individuals to carry out actions on behalf of the Board, under its supervision. This delegated authority may be exercised within the time frame determined by the Board and may be altered, amended, or revoked as deemed necessary by the Board.

The Board of Directors' approval authority must not include situations where the designated person or persons have conflicts of interest or stand to gain or lose regarding the Company or its subsidiary companies (if any). However, they may approve transactions in the normal course of business under general commercial

terms, provided the amount and authority have been established beforehand, and in accordance with the guidelines, conditions, and procedures set by the Stock Exchange of Thailand regarding connected transactions, asset acquisition or disposal, and the regulations of the Securities and Exchange Commission of Thailand.

In addition, the authorization given to the Board of Directors must be in accordance with the laws and regulations of the Company and relevant agencies, such as the Stock Exchange of Thailand and the Securities and Exchange Commission. Directors or other individuals who may have conflicts of interest with the Company or its subsidiary are prohibited from voting on any related matter.

- 9) Be responsible for overseeing the performance and conducting of the executive team and performing their duties with diligence and caution.
- 10) Ensure that there is no conflict of interest between the stakeholders and the Company, the Board of Directors is responsible for preventing such conflicts.
- 11) The following authorities must be approved by the Shareholders Meeting, and directors or individuals with conflicts of interest must abstain from voting on those items. For items iii-viii, a majority vote of directors present at the meeting and at least three-fourths of votes from shareholders present and entitled to vote at the shareholders' meeting are required for approval.
  - i. Matters must be approved by the Shareholders' Meeting as required by laws.
  - ii. Transactions in which a director has a conflict of interest and fall within the scope of the laws or the regulations of the Thai Stock Exchange, which require approval by a Shareholders' Meeting.
  - iii. The sale or transfer of a significant portion of the Company's assets to other parties.
  - iv. The purchase or acceptance of transfer of a business from another Company.
  - v. Execution, amendment, or termination of a lease that covers the entire or a significant portion of the Company's operations, as well as the appointment of another party to manage the Company's business



- or a merger of the Company's business with another with the aim of sharing profit and loss, require approval from the Shareholders' Meeting.
- vi. An additional amendment to the Company's memorandum of association or articles of association.
- vii. Capital increases and decreases, debt issuance, mergers, and acquisitions, or the dissolution of the Company require approval from the shareholders' meeting.
- viii. Other matters defined by securities laws and/or regulations of the Stock Exchange of Thailand that must be resolved by a meeting of the Board of Directors and Shareholders, using the previously established voting criteria.
- 12) The Board of Directors must promptly inform the Company of any direct or indirect benefits or losses from a contract related to the Company's operations
- or any changes in ownership of the Company's shares or other securities.
- 13) The Annual Report must clearly state the Board of Directors' responsibilities in preparing the financial reports, along with the auditor's report. This should address key issues as outlined in the codes of conduct for the Board of a listed Company on the Stock Exchange of Thailand.
- 14) The responsibility of the Board of Directors to prepare and provide the audited balance sheet and income statement of the Company at the end of each fiscal year is outlined in the Annual Report, along with the auditor's report. This review and approval process is proposed for consideration at the Shareholders' Meeting.
- 15) The annual general meeting of shareholders must be held within four months after the end of the Company's fiscal year.
- 16) The Board of Directors must hold a meeting at least once every three months.

## Report on Securities Holdings of Directors and Executives

Name - Surname		No. of Share As of December 31, 2022	%
<b>Board of Directors</b>			
1.	Mr. Van Hoang Dau (Indirect)	- -	- -
2.	Mr. David Van Dau (Indirect)	- 51,994,000,000	- 80.00
3.	Pol. Gen. Chaiwat Getvorachai, Ph.D. (Indirect)	21,800,000 -	0.03 -
4.	Khammany Inthirath, Ph.D. (Indirect)	- -	- -
5.	Souphanh Keomixay, Ph.D. (Indirect)	- -	- -
6.	Mr. Prapas Vichakul (Indirect)	- -	- -
7.	Mr. Nopadol Intralib (Indirect)	25,000,000 -	0.04 -
8.	Darmp Sukontasap, Ph.D. (Indirect)	- -	- -
9.	Mr. Dhana Bubphavanich (Indirect)	- -	- -
10.	Chaiyod Chirabowornkul, Ph.D. (Indirect)	238,493,700 -	0.37 -



Name - Surname	No. of Share As of December 31, 2022	%
<b>Executives</b>		
1. Ms. Somruedee Halilamien (Indirect)	-	-
2. Mr. Rassamee Youpanich (Indirect)	-	-
3. Ms. Pathamakorn Buranasin (Indirect)	24,312,787	0.04
4. Mr. Nattapong Pangsupa (Indirect)	-	-

## 7.3 The Sub-committees

### 7.3.1 The Sub-committees

The Company has established five committees: the Board of Directors (BoD), the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

- The Executive Committee (EC) has been appointed by the Board of Directors to assist with examining policies, directions, business strategies, organizational structure, business plan, and annual budget. They are also tasked with monitoring and governing the implementation of the approved strategic plan, tasks, and projects. The Committee's responsibilities include the review of financial performance, risk management, and other operational aspects as assigned by the Board of Directors.
- The Audit Committee (AC) is responsible for providing oversight and support to the executive team and is comprised of four Independent Directors who serve three-year terms. The Committee meets regularly with the internal audit firm, internal auditors, and executives from the Company, and at least one member must have expertise in accounting and finance. The Committee's purpose is to help ensure that the financial reporting process is transparent, accurate, and in compliance with laws and regulations.-

- The Nomination and Remuneration Committee (NRC) of the Company has been established to evaluate potential candidates for appointment to the Board of Directors. This committee is tasked with ensuring that individuals with the right expertise, skills, experience, vision, and decision-making ability are selected to fill any vacancies, in the best interest of the Company and its shareholders. The Nomination and Remuneration Committee also reviews remuneration guidelines for directors and top executives, with all committee remuneration packages subject to approval by the Shareholders' Meeting.
- The Risk Management Committee (RMC) has been established by the Board of Directors to develop a comprehensive risk management policy for the entire organization. Its responsibility includes monitoring and controlling risk management systems or procedures to effectively mitigate the impacts on the Company's business.



## 7.3.2 Members of sub-committees

### Audit Committee Members

The Audit Committee, as of December 31, 2022, comprised four members.

Name - Surname	Position
1. Pol. Gen. Chaiwat Getvorachai, Ph.D.	Chairman of the Audit Committee
2. Mr. Prapas Vichakul	Member of the Audit Committee
3. Khammany Inthirath, Ph.D.	Member of the Audit Committee
4. Darnp Sukontasap, Ph.D.	Member of the Audit Committee

Darnp Sukontasap, Ph.D. has the necessary expertise and experience to analyze and verify financial reports. Ms. Somruedee Halilamien, Chief Financial Officer, serves as the secretary of the Audit Committee.

### Scope of Authorities and Responsibilities of the Audit Committee

- Provide oversight to ensure the accuracy and completeness of the Company's financial reports, by collaborating with the external auditor and financial reporting executives. They may offer suggestions and insights for the auditor to review or examine any transactions that warrant attention during the audit process.
- Ensure the appropriateness and effectiveness of the internal control and internal audit systems by collaborating with external auditors and the internal audit team, preserving the independence of the internal audit unit, and giving approval for the appointment, transfer, and termination of the internal audit leader or any other units related to internal audit.
- Ensure that the Company's operations follow the Securities and Exchange Act, the rules and regulations of the Stock Exchange of Thailand, and any other applicable laws relevant to the Company's operations.
- Select, appoint, and dismiss the Company's external auditors, determine the audit fee, and consider factors such as the auditors' credibility, availability of resources, experience of lead auditors, and independence. The AC must then make recommendations to the BoD for approval at the annual Shareholders' Meeting. Additionally, the AC must hold an annual meeting with the external auditors without the presence of the executive team.
- Consider the disclosure of information regarding connected transactions or transactions that may result in conflicts of interest and provide recommendations on these transactions to be presented to the Board of Directors' Meeting and/or Shareholders' Meeting.
- Review and evaluate the Company's financial and risk management policies. The policies must be in line with the guidelines set by the Board and must be approved by the AC.
- Include the Audit Committee's activities in the Annual Report, which must be signed off by the AC Chairman and consists of the following information: -
  - Opinion on the adequacy and effectiveness of the internal control and internal audit systems.
  - Opinions on the effectiveness of the Company's internal control system.
  - Evidence in support of reappointing the external auditor for another term.
  - Opinion on the Company's compliance with laws and regulations, including the Securities and Exchange Act, the Stock Exchange of Thailand's rules, and other relevant laws and regulations.
  - Opinions on transactions involving conflicts of interest.
  - The number of Audit Committee meetings and each member's attendance at those meetings.
  - Opinion or overall observations received by the Audit Committee during the performance of its duties as mandated by its charter.
  - Any other relevant issues that the Board of Directors believes shareholders and investors should be aware of while carrying out their responsibilities and authorities.



8. Report the performance of the Audit Committee to the Board of Directors at least annually.
  1. Prepare a report on corporate governance to be included in the Company's annual report, which must be signed by the Chairman of the Audit Committee. The report should provide information on the Committee's performance and activities related to corporate governance.
  2. Carry out additional tasks as directed by the Board of Directors with the approval of the Audit Committee.

The Audit Committee is entrusted to call meetings with the executive team, executives, or employees and require them to provide reports and opinions, attend meetings, or submit necessary and relevant documents. The Board of Directors has the authority to modify the Audit Committee's responsibilities and authority as appropriate.

The Audit Committee holds regular meetings at least once every quarter. In 2022, the Committee conducted five meetings with external auditors, internal auditors, accounting and finance management, and executive teams responsible for reviewing quarterly financial statements. The Audit Committee then presents a report to the Board of Directors.

## Board of Directors

As of December 31, 2022, the Executive Committee comprised four members, listed below.

Name - Surname	Position
1. Mr. David Van Dau	Chairman of the Executive Committee
2. Mr. Dhana Bubphavanich	Executive Committee
3. Chaiyod Chirabowomkul, Ph.D.	Executive Committee
4. Ms. Somruedee Halilamien	Member of the Executive Committee

## Scope of Authorities and Responsibilities of the Executive Committee

The EC is responsible for managing the Company's business operations and management, including developing policies, business plans, budgets, administrative structures, and management structures, and proposing appropriate business strategies to the Board of Directors for consideration, approval, and/or resolution. Additionally, the EC monitors and follows up on the Company's performance in line with its policies. The committee's roles and responsibilities are summarized as follows: -

1. Develop the Company's business policies, vision, mission, values, strategies, and goals, including the management structure, to be presented to the Board of Directors for approval.
2. Prepare the Company's business plan, budget, and administrative authority for approval by the Board of Directors.
3. Control, supervise and monitor the Company's business operations in accordance with the business policy, plan, and strategy authorized by the Board of Directors.
4. Consider and approve the Company's projects and its subsidiaries and report progress to the Board of Directors for acknowledgment.
5. Appoint a working group or independent consultant to advise and assist the Executive Committee in making decisions.
6. Perform any other duties assigned by the Board of Directors or required by law and/or regulations of relevant agencies.

The Executive Committee may grant power of attorney to employees in the Company's executive level the financial approval authority in some or many of the issues deemed acceptable.

The financial approval authority granted by the Executive Committee through a power of attorney must not permit approval of issues that may pose conflicts of interest or result in gain or loss to the Company or its subsidiaries, except for those approved under general commercial terms and in the ordinary course of business, subject to pre-defined amounts





and authority set by the Board of Directors in accordance with the Stock Exchange of Thailand's guidelines, conditions, and procedures. The Board of Directors is authorized to modify and adjust the extent of the Executive Committee's authority and responsibility as needed or appropriate, as per applicable regulations of the Securities and Exchange Commission of Thailand.

## Nomination and Remuneration Committee

As of December 31, 2022, the Committee consisted of three members as follows: -

Name - Surname	Position
1. Souphanh Keomixay, Ph.D.	Chairman of the Nomination and Remuneration Committee
2. Mr. David Van Dau	Member of the Nomination and Remuneration Committee
3. Mr. Nopadol Intralib	Member of the Nomination and Remuneration Committee

## Scope of authority and responsibilities of the Nomination and Remuneration Committee

The NRC carries out activities assigned by the Board of Directors, with the following roles and responsibilities: -

### Recruitment

- Determine the appropriate structure of the Board of Directors, including the optimal number of directors based on the Company's size, type, and complexity of the business. The NRC also establishes the necessary qualifications for each director, such as relevant skills, experience, and competencies specific to the core business or industry in which the Company operates.
- Ensure that prospective Independent Director candidates possess the most suitable qualifications required by the Company and comply with the rules specified by the SEC Office regarding the independence of candidates.

- Develop criteria and policies for the selection of the Board of Directors and sub-committees, in addition to determining the qualifications required for the members of each committee.
- Source, select, and nominate eligible individuals to fill positions on the Company's Board of Directors in the event of a term coming to an end, a vacancy occurring, or the need for additional appointments.
- Carry out any other duties delegated by the Board of Directors.
- Evaluate the performance of the executives' performance and propose recommendations for approval to the Board of Directors' meeting.

### Compensation

- Develop criteria and policies for determining remuneration for the Board of Directors, sub-committee members, and Company executives.
- Determine the necessary and appropriate remuneration, including both monetary and non-monetary benefits, for each member of the Board of Directors, based on factors such as their duties, responsibilities, performance, benchmarking with similar organizations, and expected contribution.
- Publish the remuneration policies and rates in various formats and include the Nomination and Remuneration Committee Report in the Company's annual report.
- Perform any other tasks related to remuneration as assigned by the Board of Directors.

The Nomination and Remuneration Committee reports its performance directly to the Board of Directors and is accountable to the Board of Directors in carrying out its duties.

The NRC held two meetings in 2022. The first meeting was to nominate suitable persons to be appointed as directors to replace those who retired by rotation. The second meeting was to review the remuneration of directors for the year 2022 and consider the performance evaluation of the executives.



## Risk Management Committee

As of December 31, 2022, the Committee consisted of three members. three members.

Name - Surname	Position
1.KhammanyInthirath, Ph.D.	Chairman of the Risk Management Committee
2. Mr. David Van Dau	Member of the Risk Management Committee
3. Mr. Nopadol Intalib	Member of the Risk Management Committee

## Scope of Authorities and Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for developing risk management policies for the entire organization and ensuring that risk management methods or procedures are in place to minimize the impact on the Company's operations. The following outlines the scope of authority and responsibilities of the Committee: -

1. Establish appropriate and efficient risk management policies and guidelines.
2. Implement the Company's risk management plans and processes.

3. Monitor and assess the Company's compliance with the risk management framework.
4. Perform any other duties as assigned by the Board of Directors related to the Company's risk management.
5. Report its performance to the Board of Directors for acknowledgement and prepare a report on risk management to be included in the Company's annual information disclosure form or annual report. The report should be signed off by the Chairman of the Risk Management Committee.

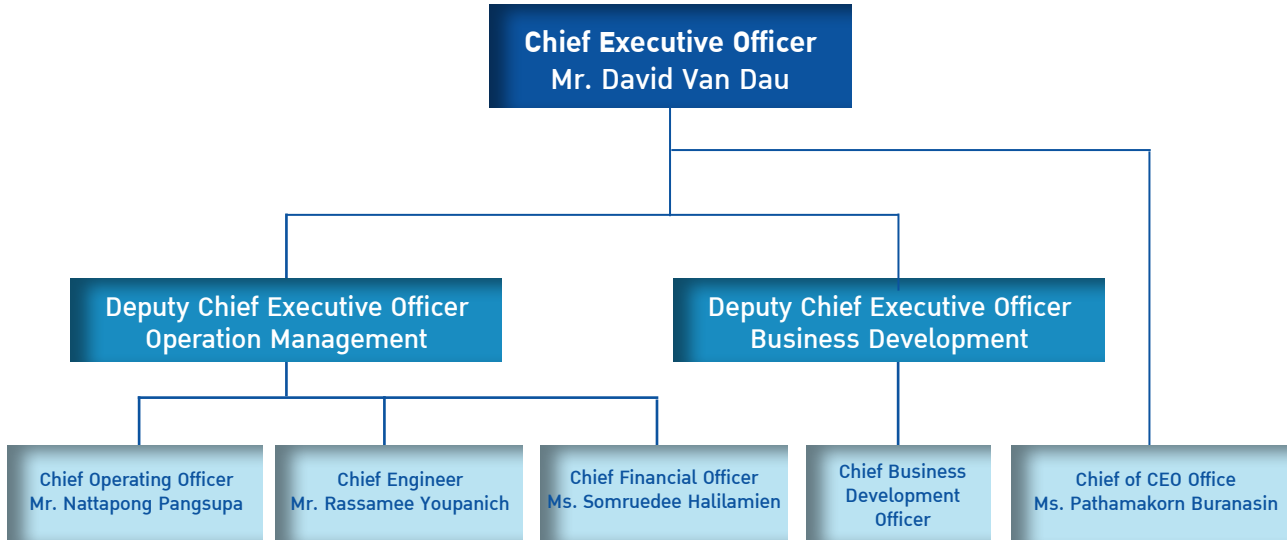
The Risk Management Committee held two meetings in 2022 to monitor and evaluate the implementation of the Company's risk management plan.





## 7.4 Executives

### 7.4.1 Members of the Executive Team



As of December 31, 2022, the Company had five executives who meet the definitions specified in the Notifications of the Securities and Exchange Commission relating to the issuance and offer for securities.

Name - Surname	Position
1. Mr. David Van Dau	Chief Executive Officer
2. Ms. Somruedee Halilamien	Chief Financial Officer
3. Mr. Rassamee <sup>1</sup> Youpanich	Chief Engineering
4. Ms. Pathamakorn Buranasin	Chief of CEO Office
5. Mr. Nattapong <sup>2</sup> Pangsupa	Chief Operating Officer

Remarks: <sup>1</sup> Resigned on February 1, 2023, Appointed Mr. Kunakorn Bunyanon on February 16, 2023.

<sup>2</sup> Appointed on July 1, 2022, replacing Ms. Pothida Ratanashodi who had resigned during the year.

Executive profiles can be found in Appendix 1.

### 7.4.2 Remuneration Policy for the Executive Team

#### (1) Monetary Remuneration

- The Nomination and Remuneration Committee reviews and establishes the appropriate remuneration for the Chief Executive Officer and executives of the Company, based on predetermined standards and specific guidelines that serve the best interests of the Company.
- The Company's executive remuneration is determined by the principles and rules established by the Board of Directors, which are linked to the Company's operational and individual executive performance. The Company uses Key Performance Index (KPIs) to evaluate the performance of its executive team.
- Directors are remunerated with a meeting allowance. However, if a director is also an executive of the Company and receives a salary from the Company, they are not eligible to receive a meeting allowance.
- Remuneration for the executives typically consists of a combination of salary, bonus, and various welfare benefits.



## (2) Compensation and other benefits

- Other Remuneration for Executive Directors  
-Not available-
- Provident fund is a form of retirement savings plan that may be offered to executives as part of their long-term compensation package.

## 7.4.3 Total Remuneration for the Management Team

### (1) Monetary Remuneration

In 2022, the Company granted a total of Baht 140,000 in meeting allowances to the executive director and paid out Baht 18,002,850 in compensation to the executives, including those who resigned during the year.

### (2) Other compensation

In 2022, the Company contributed a total of Baht 530,400 to the provident fund for four executive members.

## 7.5 Employee Information

Department	Number of Employees (Person)		
	December 31, 2022	December 31, 2021	December 31, 2020
1. Finance Operations	7	3	6
2. Engineering	26	34	44
3. Business Development	3		
4. Office of Chief Executive Officer	2	-	-
5. Operations	11	15	20
- Temporary staff	-	15	14
<b>Total employees</b>	<b>49</b>	<b>67</b>	<b>84</b>

Remarks: - In 2022, the Company underwent a restructuring and changes in operations following the capital increase.  
- The number of employees at PSGC (Laos) Sole Co., Ltd. (a subsidiary Company) was 22.

### Significant changes in the number of employees in the past three years

In 2022, the Company experienced a decrease of about 62% in its number of employees compared to the average number of employees over the past three years. In 2021, there were 67 employees, in 2020 there were 84 employees, and in 2019 there were 265 employees. This decrease was partially attributed to organizational restructuring between 2020 and mid-2022, changes in the engineering work system, and the change in the policy on selecting construction projects.

### Major labor disputes in the past three years

-No disputes-



## Employee Remuneration

Remuneration Type	Amount (Unit : Million Baht)		
	2022	2021	2020
Salary	48.1	43.1	43.9
Bonus	7.3	2.3	-
Provident fund contribution	1.8	1.3	1.5
Others*	4.6	1.7	5.8
<b>Total</b>	<b>69.8</b>	<b>48.4</b>	<b>51.2</b>

Remarks: \* refers to social security payment, overtime pay, allowances, and other benefits, etc.

### Provident Fund

All employees, regardless of their level, are eligible to participate in the provident fund. They can contribute a portion of their salary, ranging from 3% to 15%, to the fund, and the Company will also make contributions proportional to their length of service at a rate of 3% to 10% of their salary. In 2022, the employees who passed their probation period participated in the Provident Fund with a portion of 98% of all the employees who passed the probation period.

## 7.6 Other Material Facts

### 7.6.1 List of Assignees

#### Accounting Supervisor

On July 8, 2022, Ms. Somruedee Halilamien was appointed as the Chief Financial Officer, with the highest level of authority in Accounting and Finance. Ms. Sukol Homsuwan replaced Miss Vimonrat Siribumvannakul and was named the Controller and Supervisor of the Company's Bookkeeping. Additional information on the profiles of the executives can be found in Appendix 1.

#### Company Secretary

The Board of Directors appointed Ms. Pathamakorn Buranasin as the Company Secretary. Further details on the Company Secretary can be found in Appendix 1.

#### Duties and Responsibilities of the Company Secretary

- Create and save documents
  - Director registration
  - Director's meeting notice, Board meeting minutes, and annual report
  - Invitation letter for the shareholders' meeting and minutes of the Annual General Meeting of Shareholders
  - Store reports of stakeholders analysis submitted by directors or executives.
- Undertake any other actions as stipulated by the Capital Market Supervisory Board.
- Submit a copy of the stakeholders analysis report under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within seven business days from the date the report had been received.
- Communicate with shareholders including the Stock Exchange of Thailand and relevant regulatory bodies.

Note: The Board of Directors' Meeting No. 4/2022 held on May 17, 2022 resolved to appoint Ms. Pathamakorn Buranasin as the Company Secretary, replacing Ms. Somruedee Halilamien, effective from May 18, 2022.

#### Head of Compliance

The Company designated Ms. Pathamakorn Buranasin to take the position of Chief of CEO Office, to supervise the Company's compliance with the applicable rules. Appendix 3 contains her profile.





## Head of Internal Audit

In 2022, the Audit Committee appointed Dharmniti Internal Audit Co., Ltd. as the Company's internal auditor, working in conjunction with the Company's internal audit department and directly reporting the internal audit results to the Audit Committee. Ms. Somjaree Keekomdee, Executive Director and Internal Audit Manager, was designated as the responsible person for this matter. Her profile can be found in Appendix 3.

## 7.6.2 Head of Investor Relations and Contact Information

The Company has established the Investor Relations Department, which is responsible for communicating with institutional investors, shareholders, analysts, and governmental agencies. Mr. Chanchalerm Chukaviroj has been assigned to manage this department. Investors can obtain Company information by contacting the department via phone at 02 018 7190-8 or email at [ir@psgcorp.co.th](mailto:ir@psgcorp.co.th).

## 7.6.2 Audit Fee

In 2022, the Company appointed EY Co., Ltd. as the Company's auditor for the first year with remuneration as follows: -

### 1 Audit Fee

In 2022, the Company paid for the annual audit fee and quarterly review fee of the Company and its subsidiaries per the following details

- Baht 3,360,000 for Company's auditor and other expenses of Baht 1,685.0
- The Company did not pay any fees to the auditing firm that employs the auditor(s), or to individuals and businesses associated with the auditor(s) and the accounting firm that employs the auditor(s) in 2022.

### 2 Service fees other than audit work (non-audit fee)

- Not paid -

The Company's auditors meet the qualifications required by the Stock Exchange of Thailand and the Securities and Exchange Commission, and are independent of the Company, its subsidiaries, executives, key shareholders, and related parties. There are no material links or conflicts of interest that would compromise the auditors' ability to provide an objective opinion on the Company's financial reports



## 8. Report on Key Operating Performance Related to Corporate Governance

### 8.1 Summary of the Board of Directors Performance

Performance of the Board of Directors in the past year can be summarized as follows: -

- Approving the organizational and management structure to align with the Company's operations
- Approving the review of the Company's vision, mission, values, and quality policy to be consistent with the operations.
- Reviewing the Charters of various committees, including the policy of good corporate governance.
- Approving the Company's budget for the year 2022.
- Approving the establishment of a subsidiary.
- Endorsing the selection and appointment of auditors and determining an appropriate remuneration as proposed by the Audit Committee, to be presented to the shareholders at the annual general meeting for approval.
- Endorsing the appointment of the directors who retire due to rotation to be re-appointed and determining an appropriate remuneration as proposed by the NRC, to be presented to the shareholders at the annual general meeting for approval
- Approving the report on the adequacy and appropriateness of the Company's internal control system, as proposed by the Audit Committee, based on the internal audit report for the period ended on December 31, 2021.
- Reviewing the financial statements and operating results for the year 2021 as presented by the Audit Committee, to be presented to the shareholders at the annual general meeting for approval and review the financial statements for the first three quarters of 2022.
- The bidding for the Turnkey Contract for the XPPL Expansion Phase 1 Project has been approved with Xekong Power Plant Company Limited.
- The Company has approved the signing of a binding Memorandum of Understanding with the Government of Lao PDR to investigate the feasibility of developing a Pumped Storage Hydroelectric Power Project in the country.
- The Company has approved the signing of a Memorandum of Understanding with Keppel Energy Pte Ltd (KE) to jointly evaluate the feasibility of exporting renewable energy from the Lao People's Democratic Republic (Laos) to the Republic of Singapore.



## 8.1.1 Nomination, Development and Performance Evaluation of the Board of Directors

The Nomination and Remuneration Committee is tasked with identifying suitable candidates for appointment as directors of the Company. Candidates must meet the qualifications required by the Public Limited Companies Act B.E. 2535 and possess the characteristics necessary to manage a publicly owned business as outlined in the Securities and Exchange Act. The NRC will nominate individuals who possess the necessary knowledge, expertise, experience, and dedication to the best interests of the Company, without regard to gender, race, religion, age, or any other personal characteristics. The nominations made by the NRC will be reviewed and approved by the Board of Directors, or further reviewed and approved at the shareholder's meeting as necessary.

The selection, development, and performance evaluation of the Board of Directors are crucial for the Company's good corporate governance practices. The Board is responsible for adhering to the provisions outlined in the Board of Directors Charter regarding these processes. For more information, please refer to section 6.1.1 of the annual report.

### Independent Director Selection Criteria

The Company mandates that a minimum of one-third of the total number of directors, but no fewer than three individuals, must be independent directors. The Nomination and Remuneration Committee will propose the nomination of independent directors to the Board of Directors for consideration and approval or to the shareholders for approval, as appropriate. The nominations will be made in accordance with relevant legal requirements and the provisions outlined in the Board of Directors Charter. The candidates must meet the qualifications required by the Securities and Exchange Commission and the Stock Exchange of Thailand, as stated in the Notification of

Nomination of Independent Directors and Audit Committee Members, in this Annual Registration Statement/Annual Report.

Please be advised that the qualifications and definition of independent directors are consistent with those defined by the Securities and Exchange Commission and the Stock Exchange of Thailand.

### Nomination of Chief Executive Officer and Senior Management

The Nomination and Remuneration Committee is responsible for nominating and selecting the Chief Executive Officer and senior management for appointment by the Board of Directors. The candidates must possess the necessary knowledge, expertise, and experience to successfully manage the Company and achieve the objectives set by the Board of Directors. Additionally, the candidates should have a thorough understanding of the Company's business operations.

The Company has implemented a succession plan for the Chief Executive Officer and senior management positions to ensure a smooth and appropriate replacement process in the event of any future vacancies. Candidates will be selected based on the Company's strategic direction and qualifications.

The full version of the Succession Policy can be accessed at [www.psgcorp.co.th](http://www.psgcorp.co.th).

## 8.1.2 Meeting Attendance and Individual Remuneration

### Attendance of the Board of Directors' Meetings and Subsidiaries

Information of the meeting attendance of the Company's Board of Directors and Sub-committees is shown below: -

Name - Surname	Meeting attendance				
	BoD (6 meetings)	AC (5 meetings)	RMC (2 meeting)	NRC (2 meetings)	Ex Com (5 meetings)
1. Mr.Van Hoang Dau	6/6				
2. Mr. David Van Dau	6/6		2/2	2/2	5/5
3. Pol.Gen. Chaiwat Getvorachai, Ph.D.	6/6	5/5			
4. Khammany Inthirath, Ph.D.	6/6	5/5	2/2		
5. Souphanh Keomixay, Ph.D.	6/6			2/2	
6. Mr. Prapas Vichakul	6/6	5/5			
7. Mr. Nopadol Intralib	5/6		2/2	2/2	
8. Darnp Sukontasap, Ph.D.	6/6	5/5			
9. Mr. Dhana Bubphavanich	6/6				5/5
10. Chaiyod Chirabowornkul, Ph.D.	6/6				5/5

### Remuneration for Directors

- Remuneration for Company directors consists of meeting allowances.
- Other remuneration for directors -None-
- In 2022, the total monetary remuneration for the Board of Directors, which included meeting allowances, was Baht 2,858,000.0. Please see below.

Name - Surname	Meeting allowance (Baht)*				
	BoD	AC	RMC	NRC	ExCom**
1. Mr.Van Hoang Dau	270,000.0	-	-	-	-
2. Mr. David Van Dau	210,000.0	-	28,000.0	28,000.0	-
3. Pol.Gen. Chaiwat Getvorachai, Ph.D.	210,000.0	125,000.0	-	-	-
4. Khammany Inthirath, Ph.D.	210,000.0	100,000.0	28,000.0	-	-
5. Souphanh Keomixay, Ph.D.	210,000.0	-	-	28,000.0	-
6. Mr. Prapas Vichakul	210,000.0	100,000.0	-	-	-
7. Mr. Nopadol Intralib	175,000.0	-	28,000.0	28,000.0	-
8. Darnp Sukontasap, Ph.D.	210,000.0	100,000.0	-	-	-
9. Mr. Dhana Bubphavanich	210,000.0	-	-	-	70,000.0
10. Chaiyod Chirabowornkul, Ph.D.	210,000.0	-	-	-	70,000.0
<b>Total</b>	<b>2,125,000.0</b>	<b>425,000.0</b>	<b>84,000.0</b>	<b>84,000.0</b>	<b>140,000.0</b>

Note:

\* Please note that directors who were not present at the meeting did not receive meeting allowances.

\*\* Please be advised that executive directors who are on the payroll did not receive meeting allowances for the Executive Committee.



### 8.1.3 Supervision of Subsidiaries and Associated Companies

The Board of Directors has established a mechanism to oversee the policies and operations of the Company's subsidiaries in alignment with the Company's primary business plan. This mechanism includes ensuring compliance with regulations set by the Stock Exchange of Thailand. Details are shown below.

1. The BoD Regularly monitors and supervises the operations of the Company's subsidiaries.
2. The BoD appoints representatives to hold positions as directors or executives in the subsidiaries, proportional to their shareholding, to oversee the management and ensure compliance with the Company's policies. The Board also determines the scope of duties and responsibilities of these directors and executives and ensures proper control and participation in the development of key business policies. These appointments require approval at a Board of Directors meeting.
3. The BoD has established guidelines for the supervision of subsidiaries to ensure efficient and streamlined business operations.
4. The BoD supervises the subsidiaries' business operations in accordance with approved policies, goals, operational plans, strategy, and budget.
5. The BoD has the authority to approve the budget for investments, acquisitions or dispositions of assets.
6. The Audit Committee is responsible for reviewing the accuracy and credibility of financial reports and reporting of connected transactions.

As of December 31, 2022, the Company did not have any associated companies.

Shareholder agreements that are significant to the operation of the Group, the management, and the distribution of returns in addition to returns proportional to regular shareholding.

-None-

### Structure of the Director of Subsidiaries

As of December 31, 2022, the Board of Directors of PSGC (Lao) Sole Company Limited (subsidiary) consists of

- 1) Mr. Van Hoang Dau President
- 2) Mr. David Van Dau Vice President

### 8.1.4 Enforcement of the Corporate Governance Policies and Guidelines

The Company recognizes the significance of good corporate governance and has established relevant practices in its Corporate Governance Policy and Code of Business Conduct. There is an emphasis on enforcing these guidelines to ensure their implementation and to build trust among all stakeholders.

Furthermore, the Company will continue to monitor and ensure compliance with four key areas of Corporate Governance: -

#### (1) Prevention of conflicts of interest

The Company has established a policy to ensure that the Board of Directors, executives, and employees carry out their responsibilities in the best interests of the Company. If an individual has a conflict of interest in a transaction under consideration, they must disclose this to the person in charge and refrain from participating in the decision-making process.

During the previous year, the Company evaluated potential conflicts of interest. The internal auditor conducted a review of transactions with business partners exceeding one million Baht and found no transactions that were connected to the Company's Board of Directors, executives, or employees.

#### (2) Prohibition against the use of inside information for personal gains.

The Company has a clear policy prohibiting the use of inside information for personal gain or trading in the Company's securities (Blackout Period). Directors, executives, and employees who have access to internal information are not permitted to trade in the





Company's securities for 30 days prior to the announcement of operating results but may do so 24 hours after the announcement. Additionally, they are prohibited from using non-public information to trade the Company's securities. In the previous year, no instances of directors or executives trading shares during the Blackout period were found.

### **(3) Anti-Corruption**

The Company has implemented the following measures to enforce its anti-fraud and anti-corruption policy: -

- The Company has instructed all employees, including directors and executives, to strictly follow all procedures within the bounds of the law. Any errors or negligence in work execution will be subject to penalties under applicable laws.
- The Company reviews its corruption risk management plans and fraud and corruption risk manual at least annually. The risk of fraud and corruption is assessed, and operations are monitored through the corruption risk management framework. The results of these reviews are presented to the Risk Management Committee for endorsement.
- The Company has established mechanisms for reporting any suspected violations, fraud, or corruption and has implemented measures to protect whistleblowers.
- The Board of Directors has reviewed the relevancy of the Anti-Corruption Policy at least once a year.

While the Company has not yet participated in the Thai Private Sector Collective Action Against Corruption (CAC) project, the Anti-Corruption Policy remains a priority for the Company.

In the past year, the Company has not encountered any instances of fraud, corruption, or ethical violations. The

Anti-Corruption Policy is available on the Company's website, [www.psgcorp.co.th](http://www.psgcorp.co.th), under the section on corporate governance.

### **(4) Whistleblowing**

The Company has established methods for stakeholders to report and file grievances via e-mail and phone. In case of a complaint, an independent investigative committee will be formed to investigate the case.

There were no reports or complaints about corruption or violations of corporate governance guidelines in the previous year.

The Complaint and Whistleblowing Policy and Whistleblowing Protection Policy, including the Anti-Corruption Policy is published on [www.psgcorp.co.th](http://www.psgcorp.co.th) under the topic of corporate governance.



## 8.2 Performance of the Audit Committee

### 8.2.1 Meeting Attendance

Please see 8.1.2 Meeting Attendance for more information.

### 8.2.2 Performance of the Audit Committee

Please see the report of the Audit Committee in Appendix 6, Annual Registration Statement.

## 8.3 Performance of Other Sub-Committees

### 8.3.1 Meeting Attendance

Please see detail in 8.1.2 Meeting Attendance.

### 8.3.2 Performance of Sub-Committees

#### Nomination and Remuneration Committee

In 2022, the Nomination and Remuneration Committee held a total of two meetings. A summary of the NRC's activities in 2022 is as follows: -

1. The NRC reviewed the remuneration packages for the Board of Directors and the Chief Executive Officer. Based on their review, the NRC made recommendations regarding the remuneration structure for the Board of Directors and the CEO for approval by the Board.
2. The NRC approved salary adjustments and annual bonuses for top executives and employees.
3. The NRC identified and recommended suitable candidates to fill director positions that were left vacant due to the retirement of directors by rotation. The NRC also determined the appropriate remuneration for these candidates and presented it for approval at the Annual General Meeting.

4. The NRC nominated eligible candidates for the Board's consideration to replace those who had retired by rotation or resigned.
5. The NRC made recommendations to the Board of Directors regarding the structure of the Board and its sub-committees.
6. The NRC developed a succession plan and made recommendations for identifying successors in top executive positions.
7. The NRC worked to improve the annual performance evaluation form for the Board of Directors and made recommendations for the individual performance results of each director, as well as the overall performance result.

#### Risk Management Committee

In 2022, the Risk Management Committee held a total of two meetings in which all directors were in attendance. A summary of the RMC's activities in 2022 is as follows: -

1. Established policies and made recommendations on various risk management guidelines related to the Company's business operations to improve efficiency and effectiveness.
2. Appointed a risk management working group
3. Developed risk management plans and procedures.
4. Certified the results of the corporate risk assessment.
5. Monitored and evaluated the operating performance across the Company within the scope of risk management.
6. Established a corruption risk management plan by developing a manual and certifying the results of the risk assessment.



# 9. Internal Control and Connected Transactions

## 9.1 Internal control

### Opinions of the Board of Directors on Internal Control

The Board of Directors at the Company recognizes the importance of having proper internal controls in place for operational efficiency, effectiveness, accountability, and compliance with relevant laws and regulations. To maintain good corporate governance and improve the internal control system, the Company has engaged an external firm specializing in internal audit services. This firm will conduct an internal audit and provide recommendations for establishing, streamlining, and improving the Company's internal control system.

As a result of this collaboration, the Company has created an internal audit unit to monitor and design work systems that ensure compliance with the Company's requirements and regulations.

To assess the effectiveness and relevance of the internal control system, the Management has engaged the same external firm to collaborate with the internal audit unit. The Audit Committee has been tasked with reviewing and evaluating the internal audit results and presenting its findings to the Board of Directors.



### 9.1.1 Adequacy and Suitability of Internal Control System

In 2022, the Audit Committee engaged Dharmniti Internal Audit Co., Ltd., an external firm, as Company's internal auditor. The Executive Director and Internal Audit Manager of Dharmniti, Ms. Somjaree Kaewkormdee, will work closely with the Company's internal audit unit. The findings of the internal audits will be presented directly to the Audit Committee. To ensure the evaluations are conducted in accordance with international standards, the Company has adopted an evaluation framework based on the five components outlined by COSO.

#### 1. Control Environment

- 1) The organization upholds the principles of integrity and ethics.
- 2) The Board of Directors has a separate and distinct role from the executives and is responsible for overseeing and evaluating the performance of internal audits.
- 3) The executives have established a transparent chain of command to delegate authority and responsibility effectively, ensuring that the organization can achieve its objectives while being monitored by the Board of Directors.
- 4) The organization is committed to fostering, developing, and retaining highly skilled and knowledgeable personnel.
- 5) The personnel roles and responsibilities related to internal control have been clearly defined to support achieving the organization's goals.

#### 2. Risk Assessment

- 1) The organization has established clear objectives for identifying and assessing the risks to achieving its business goals.
- 2) The organization has thoroughly identified and analyzed all types of risks that could impede attaining its goals.

- 3) To ensure the business's success, the Company has considered the potential for corruption as a risk factor.
- 4) The organization is capable of recognizing and evaluating any changes that may impact the internal control system.

#### 3. Control Activities

- 1) The Company has put in place control measures to reduce the risk of not achieving its goals to an acceptable level.
- 2) To support its objectives, the Company has selected and implemented broad internal control processes using technology systems.
- 3) The organization enforces control activities through policies that clearly outline expectations and the steps necessary to implement the policies.

#### 4. Information and Communication

- 1) The Company has adequate and high-quality resources to support and enhance the proper functioning of internal control.
- 2) The Company has effectively communicated its objectives and accountability throughout the organization, enabling internal control to operate as intended.
- 3) The Company has informed external units of any issues that could impact internal control.

#### 5. Monitoring Activities

- 1) The Company regularly monitors and assesses the results of its internal controls to ensure that they are being carried out thoroughly and accurately.
- 2) The Company promptly identifies and reports any shortcomings in the internal control system to those in positions of authority, including senior executives and the Board of Directors.



## 9.1.2 Internal Control System Defect and Correction

An external audit of the Company's internal control system revealed no deficiencies.

## 9.1.3 Opinions of the Audit Committee in case they are different from the Company's Board of Directors or the auditor's

Independent directors serving on the Audit Committee attended the first Board of Directors Meeting of the year on February 24, 2023. The Board of Directors was presented with the 2022 Internal Audit Report, which had been reviewed and evaluated by Dharmniti Internal Audit Co., Ltd., the Company's auditor. Both the Board of Directors and the Audit Committee agreed that the Company's internal control was reasonable and appropriate for its business operations, based on the evaluation of the internal control system for the year 2022. The Company has also implemented the ISO 9001:2015 quality management system, which has improved the internal control system by promoting clarity, transparency, systematic work standards, and credibility/reliability. This implementation has also ensured that the Company's risk management is effective through ongoing risk management and corporate governance.”

## 9.1.4 Profile of Internal Audit Supervisor and Compliance Supervisor

In 2022, the Board of Directors appointed Dharmniti Internal Audit Co., Ltd., an external firm, as the Company's internal auditor. The Audit Committee conducted a screening process and selected Ms. Somjaree Kaewkormdee, Executive Director and Internal Audit Manager, to serve as the Company's internal auditor. Ms. Kaewkormdee holds a Certified Professional Internal Auditor of Thailand (CPIAT) certification from the Institute of Internal Auditors Thailand and has extensive experience in internal audit in similar firms and industries. The Audit Committee reviewed her qualifications and determined that she was fully qualified to perform the duties of the primary individual responsible for evaluating the Company's internal control system.

Additionally, the Company appointed Mr. Chaiyasak Naosuwan as its in-house internal auditor to manage and oversee all work operations in accordance with internal control and risk management practices. For further details, refer to the internal auditor's profile in Appendix 3.

### Head of Compliance

The Company designated Ms. Pathamakorn Buranasin, Chief of CEO Office as the Head of Compliance to oversee activities in line with the standards set by the governmental agencies governing the Company's business operations. The qualifications of the Head of Compliance can be found in Appendix 3.





## 9.2 Connected Transactions

Since the Company recognizes the importance of good corporate governance, connected transaction policy is established. The policy includes the scope of transactions, the definition of connected person, types of connected transaction, the calculation of the transaction size and the guideline of operation as well as the disclosure in accordance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission together with the Announcement of Capital Market Supervisory Board (CMSB) Tor. Jor. 21/2551 on connected transaction rules.

### 9.2.1 Related Party Transactions

From 2020 to 2022, the Company and its subsidiary conducted normal business transactions and normal business-support transactions with connected persons as the following details.

Person/ Juristic person	Relationship	Description of Transaction	Value of Connected Transaction			Necessity/Reason
			2022	2021	2020	
Transaction 1 Phonesack Group Company Limited	The juristic person connecting with the Company's director	Expenses on visa and work permit operations	0.50	0.07	-	Expenditure on coordinating with agencies and institutions in Lao PDR such as visa and work permit fees which was operated by the project owner.
Transaction 2 The White Space Company Limited	The juristic person connecting with the Company's director	Expenses on phone number supply and phone bills of executives in November 2021	-	0.02	-	It was occasional transaction which has not been continued in the future.
Transaction 3 Master Car Rental Company Limited <sup>1</sup>	The juristic person connecting with the Company's director	The Company's car rental agreement	-	0.14	-	It was the agreement signed before there was the change of new Board of Director and it was defined in connected transaction since March 2021.
Transaction 4 Xekong Power Plant Company Limited ("XPPL")	The juristic person connecting with the Company's director	1. Income per construction contract 2. Accounts receivable 3. Fuel and public utility cost 4. Equipment rental fee 5. Other creditors	1,024.37 71.80 0.26 0.34 0.18	-	-	XPPL hired the Company to undertake construction project per contract.  To facilitate and provide service on public utility and equipment, the Company used XPPL's service; and its price was reasonable, compared to the service fee charged by other providers.

Note: <sup>1</sup>It started to be connected transaction on October 27th, 2021.



Person/ Juristic person	Relationship	Description of Transaction	Value of Connected Transaction			Necessity/Reason
			2022	2021	2020	
Transaction 5 PSGC (Lao) Sole Company Limited ("PSGC Lao")	The Company's subsidiary holding 100% stakes	Subcontracting	333.07	-	-	The Company hired PSGC Lao work as a sub-contractor.
		1. Labor cost	0.56			
		2. Vehicle rental fee	44.09			
		3. Accounts payable	0.09			
		4. Other creditors				
Transaction 6 PT Sole Company Limited	The juristic person connecting with the Company's director	Office rental fee and public utility cost	0.28	-	-	PSGC Lao has rented office space on the 6th floor from PT Sole Company Limited. The rental fee and public utility cost were the normal rate and its price was reasonable, compared to the service fee charged by other service providers.

## 9.2.2 Necessity and reasonability of connected transaction

The Company and its subsidiary have made the connected transactions, especially according to necessity and all the transactions were made for the sake of the Company's highest benefit. Audit Committee provided an opinion that these connected transactions were ordinary business support transactions under general commercial conditions, proven to be fair and did not lead to the benefit transfer. The description of connected transaction in 2022 were as follows.

Phonesack Group Company Limited:

The Company paid to Phonesack Group Company Limited for the expenses regarding coordinating with agencies and institutions in Lao PDR such as visa and work permit fee, which was operated by the project owner, and it was normal business-support transaction. Its price was reasonable compared to the service fee charged by other service providers.

- Xekong Power Plant Company Limited ("XPPL"): XPPL hired the Company to conduct construction contracting project. The price charged per contract was under general commercial condition. In addition to this charge, the Company's construction team

purchased fuel from XPPL for the operations of the project since Lao PDR has encountered the issue on domestic fuel supply and other fuel sources were far from the project site as well as the fuel price of XPPL was according to market price. The rental of equipment used at the beginning of the construction project was charged properly and reasonably compared to other entrepreneurs.

- PSGC (Lao) Sole Company Limited ("PSGC Lao"): The Company signed an agreement with PSGC Lao to undertake subcontracting by providing contractors to conduct the construction project. The price charged was under general commercial condition. Furthermore, PSGC Lao facilitated the Company with vehicles support as the construction site was remote. The price for vehicles support was reasonable and was defined as ordinary business support transaction.
- PT Sole Company Limited ("PT Sole"): PSGC Lao rented office space on the 6th floor from PT Sole with reasonable rental fee and public utility cost compared to that of other landlords.



### 9.2.3 Measure or procedure of connected transaction approval

In case the connected transactions of the Company and its subsidiary are made with juristic person or person who may lead to conflict of interest in the future, the Company sets the approval process of connected transaction as follows:

1. The Company will consider whether the connected transaction between the Company and/or its subsidiary and juristic person/person may lead to conflict of interest as defined by Securities and Exchange Commission (SEC).
2. In case it is related transaction, the Company will calculate value of related transaction and compare with net tangible assets (NTA) of the Company to calculate the transaction size as specified by SEC. SEC categorizes connected transaction into 5 types: 1) Normal business transaction 2) Normal business-support transaction 3) Transaction on offering short-term real estate rental 4) Transaction relating to products and services and 5) Transaction on offering or receiving financial assistance.
3. In case the related transactions are normal business transaction and normal business-support transaction, the Board of Directors empowers the Management to consider the process and price. Such transaction must be under general commercial conditions which consist of fair price and do not lead to benefit transfer. The Management is required to perform the report of such transaction to present to Audit Committee and the Board of Directors for acknowledgement quarterly.
4. In case of other connected transactions in addition to the transaction mentioned above, the Company follows the measure and procedure of connected transaction approval for the sake of the Company highest benefit, similarly to arm's length transaction to be transparent, no conflict of interest and offering highest benefit to the Company and shareholders. The Company measures the size of transaction and follows the instructions imposed by Securities and Exchange Commission, to present to Audit Committee for gaining opinion on the

necessity and suitability of such transaction. In case the AC has no expertise on certain transactions, the Company will appoint independent expert/specialist or the Company's auditor to provide opinion on such transaction for the BoD or shareholders' making decision. The director who holds stake with such connected transaction is unable to approve or vote for the resolution on the relevant matter.

### 9.2.4 Policy or plan on future connected transaction

The Company will consider undertaking only the connected transactions that are vital or categorized in business support. The price measurement follows criteria and guideline of general commercial price measurement. The Company abides by measure and process of connected transaction approval together with the opinion of Audit Committee on the necessity and suitability of the transaction in case the AC has no expertise on certain transactions, the Company will appoint independent expert/specialist or the Company's auditor to provide opinion on such transaction for the BoD or shareholders' making decision.

In addition, the Company has its policy to strictly comply with announcement, rules and regulations of the Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC) as well as accounting standard by Thai Accountant Association and Certified Public Accountant. Moreover, the Company will disclose the description of connected transaction in note to financial statement reviewed and audited by the Company's auditor, including in the Company's Annual Report. The Company also has no policy to designate representative to conduct any non-transparent transactions on behalf of the Company.



# Part 3

## Financial Statements





## Board of Director's Responsibility for Financial Reports

The Board of Directors has mandated the preparation of financial statements to show the financial position and performance of the Company for 2022, following relevant legal requirements and financial reporting standards. The Board recognizes its responsibilities and obligations as registered directors of the Company in overseeing the Company's financial management, including the financial information presented in the annual report for 2022. The financial statements have been prepared under generally accepted accounting principles and consistently applied and exercised with due care and judgment. The Company has also disclosed sufficient vital information to support the financial statements to benefit shareholders and general investors transparently.

In addition, the Company's Board of Directors has established and maintained an effective risk management and internal control system to ensure accounting records' accuracy and safeguard the Company's assets. Such a system ensures that the financial information is recorded accurately and entirely and prevents any significant irregularities or misconduct.

The Board of Directors has established an independent audit committee to review the Company's financial reports and internal control systems. The opinions of the Audit Committee regarding these matters are reflected in the Audit Committee's report, which is included in this annual report.

The Company's overall internal control system is satisfactory. It provides reasonable assurance that the Company's financial statements for the year ended December 31, 2022, including the balance sheet, income statement, and cash flow, have been prepared following significant accounting principles.

**Mr. Van Hoang Dau**  
Chairman and  
Authorized Director

**Mr. David Van Dau**  
Chief Executive Officer and  
Authorized Director





## Independent Auditor's Report

### To the Shareholders of PSG Corporation Public Company Limited

#### Opinion

I have audited the accompanying consolidated statement of financial position of PSG Corporation Public Company Limited and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of PSG Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PSG Corporation Public Company Limited and its subsidiary and of PSG Corporation Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## Key Audit Matter

Key audit matters are those matters that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### *Recognition of revenue from construction contracts*

The Group disclosed its policies on recognition of revenue from construction contracts and estimation of construction project costs in Note 4 and Note 5 to the financial statements.

I identified the recognition of revenue from construction contracts to be area of significant risk in audit. This is because the amount of revenue from construction contracts that the Group recognises in each period forms a significant portion of the Group's total revenue.

In addition, the process of measurement and the determination of appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion of construction work. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction contracts.



I examined the recognition of revenue from construction contracts by made enquiry of responsible person and gained an understanding of the operational procedure for the procurement process, the estimation of project costs and revisions thereto, the recognition of revenue and the estimation of percentage of work completion and possible losses from construction projects. I also read the construction contracts to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, checked estimates of project costs to the project budgets. I checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual construction costs incurred, performed analytical procedures on gross margins of construction projects and compared the percentage of completion as evaluated by the project engineer to the percentage of completion based on actual construction costs incurred.

#### **Other matter**

The financial statements of PSG Corporation Public Company Limited for the year ended 31 December 2021, presented herein as comparative information, were audited by another auditor who, under her report dated 23 February 2022, expressed an unmodified opinion with emphasis of matters on 3 litigations on those financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 24 February 2023





## PSG Corporation Public Company limited and its subsidiary

### Statement of financial position

#### As at December 31, 2022

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	616,022,046	528,359,726	1,061,092,029
Trade and other receivables	6, 8	77,749,150	74,392,343	6,515,588
Contract assets	10	76,008,612	76,008,612	11,740,174
Current tax assets		43,967,467	43,967,467	496,680
Other current financial assets	11	802,727,760	802,727,760	-
Other current assets		4,136,678	4,118,671	1,085,299
<b>Total current assets</b>		<b>1,620,611,713</b>	<b>1,529,574,579</b>	<b>1,080,929,770</b>
<b>Non-current assets</b>				
Restricted bank deposits	9	15,501,500	15,501,500	18,191,500
Other non-current financial assets	11	23,211,477	23,211,477	32,810,530
Investments in subsidiary	12	-	45,000,000	-
Investment properties	13	66,876,000	66,876,000	66,876,000
Property, plant and equipment	14	26,904,044	25,139,569	20,208,789
Right-of-use assets	18	51,473,275	40,630,538	2,346,468
Retention receivables	10	46,312,991	46,312,991	13,836,437
Intangible assets		615,101	598,356	1,449,568
Deferred tax assets	26	93,689	50,310	-
Other non-current assets	15	96,283,588	96,283,588	54,898,276
<b>Total non-current assets</b>		<b>327,271,665</b>	<b>359,604,329</b>	<b>210,617,568</b>
<b>Total assets</b>		<b>1,947,883,378</b>	<b>1,889,178,908</b>	<b>1,291,547,338</b>

The accompanying notes are an integral part of the financial statements.



## PSG Corporation Public Company limited and its subsidiary

### Statement of financial position

#### As at December 31, 2022

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	6,16	95,802,596	66,374,512	26,269,561
Current portion of lease liabilities	18	13,231,740	10,574,661	733,311
Other short-term borrowing	17	12,235,690	12,235,690	12,235,690
Income tax payable		2,640,747	-	-
Retention payables		22,881,440	26,078,078	19,489,014
Provision for expected loss on construction contract		-	-	482,579
Provision for penalty arising from delay on construction contract		-	-	837,000
Other current provisions		800,334	800,334	772,020
Other current liabilities		11,899,447	11,899,447	10,595,635
<b>Total current liabilities</b>		<b>159,491,994</b>	<b>127,962,722</b>	<b>71,414,810</b>
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	18	31,925,809	27,487,592	1,675,977
Provision for decommissioning		4,671,967	4,671,967	-
Provision for long-term employee benefits	19	6,489,467	6,272,574	5,487,938
Deferred tax liabilities	26	-	-	5,023,935
Provisions for loss on litigations	30.3	7,139,661	7,139,661	7,603,230
<b>Total non-current liabilities</b>		<b>50,226,904</b>	<b>45,571,794</b>	<b>19,791,080</b>
<b>Total liabilities</b>		<b>209,718,898</b>	<b>173,534,516</b>	<b>91,205,890</b>

The accompanying notes are an integral part of the financial statements.



## PSG Corporation Public Company limited and its subsidiary

### Statement of financial position

#### As at December 31, 2022

(Unit: Baht)

	<b>Consolidated</b>		
	<b>financial statements</b>	<b>Separate financial statements</b>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
64,992,438,156 ordinary shares of Baht 1 each	<u>64,992,438,156</u>	<u>64,992,438,156</u>	<u>64,992,438,156</u>
Issued and fully paid			
64,992,438,156 ordinary shares of Baht 1 each	21 64,992,438,156	64,992,438,156	64,992,438,156
Share discount	23 (62,272,362,796)	(62,272,362,796)	(62,272,362,796)
Expired warrant surplus	24 7,859,252	7,859,252	7,859,252
Retained earnings (Deficit)			
Appropriated - statutory reserve	22 5,526,839	5,526,839	5,526,839
Unappropriated (Deficit)	(1,006,614,297)	(1,023,999,256)	(1,546,748,469)
Other components of shareholders' equity	<u>11,317,326</u>	<u>6,182,197</u>	<u>13,628,466</u>
<b>Total shareholders' equity</b>	<u>1,738,164,480</u>	<u>1,715,644,392</u>	<u>1,200,341,448</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,947,883,378</u>	<u>1,889,178,908</u>	<u>1,291,547,338</u>
	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors



## PSG Corporation Public Company limited and its subsidiary Statement of comprehensive income For the year ended December 31, 2022

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from construction contracts	6	1,029,748,212	1,029,748,212	18,493,885
Other income		20,550,445	20,550,269	26,088,220
<b>Total revenues</b>		<u>1,050,298,657</u>	<u>1,050,298,481</u>	<u>44,582,105</u>
<b>Expenses</b>				
Cost of construction contracts	6	336,619,984	377,898,880	20,031,681
Administrative expenses		122,983,679	113,149,499	84,619,585
Exchange losses		27,741,302	16,850,435	-
<b>Total expenses</b>		<u>487,344,965</u>	<u>507,898,814</u>	<u>104,651,266</u>
<b>Operating profit (loss)</b>		562,953,692	542,399,667	(60,069,161)
Finance costs		(3,433,702)	(2,890,422)	(1,734,247)
<b>Profit (loss) before income tax expenses</b>		559,519,990	539,509,245	(61,803,408)
Income tax expenses	26	(19,063,516)	(16,437,730)	(1,325,600)
<b>Profit (loss) for the year</b>		<u>540,456,474</u>	<u>523,071,515</u>	<u>(63,129,008)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements				
in foreign currency		5,135,129	-	-
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Gain (loss) on changes in value of equity instruments designated				
at fair value through other comprehensive income		(9,599,054)	(9,599,054)	19,297,090
Add: Income tax effect		2,152,785	2,152,785	-
Actuarial gain		121,645	121,645	961,695
Less: Income tax effect		(443,947)	(443,947)	-
Changes in revaluation of assets		-	-	(530,000)
Add: Income tax effect		-	-	106,000
<b>Other comprehensive income for the year</b>		<u>(2,633,442)</u>	<u>(7,768,571)</u>	<u>19,834,785</u>
<b>Total comprehensive income for the year</b>		<u>537,823,032</u>	<u>515,302,944</u>	<u>(43,294,223)</u>
<b>Earnings (loss) per share</b>				
Basic earnings (loss) per share/Diluted earnings (loss) per share	27	0.0083	0.0080	(0.0030)

The accompanying notes are an integral part of the financial statements.



# PSG Corporation Public Company limited and its subsidiary

## Statement of changes in shareholders' equity

### For the year ended December 31, 2022

(Unit: Baht)

	Consolidated financial statements																
	Issued and fully paid share capital		Share discount		Expired warrant surplus		Retained earnings (Deficit)		Exchange differences on translation of financial statements in foreign currency		Surplus on revaluation of assets		Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income		Total other components of shareholders' equity		Total shareholders' equity
	Balance as at 1 January 2022	Profit for the year	Other comprehensive income for the year	Total comprehensive income for the year	Balance as at 31 December 2022	Appropriated - statutory reserve	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	Unappropriated	
64,992,438,156	-	-	-	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	-	-	14,793,339	(1,164,873)	13,628,466	1,200,341,448				
-	-	-	-	-	-	540,456,474	540,456,474	5,135,129	5,135,129	-	(7,446,269)	(2,311,140)	540,456,474				
-	-	-	-	-	-	(322,302)	(322,302)	-	-	-	7,446,269	(2,311,140)	(2,633,442)				
-	-	-	-	-	-	-	540,134,172	5,135,129	5,135,129	-	(7,446,269)	(2,311,140)	537,823,032				
64,992,438,156	-	-	-	(62,272,362,796)	7,859,252	5,526,839	(1,006,614,297)	5,135,129	5,135,129	14,793,339	(8,611,142)	11,317,326	1,738,164,480				

The accompanying notes are an integral part of the financial statements.



## PSG Corporation Public Company limited and its subsidiary Statement of changes in shareholders' equity For the year ended December 31, 2022

(Unit: Baht)

	Separate financial statements									
	Issued and fully paid share capital	Share discount	Expired warrant surplus	Appropriated - statutory reserve	Retained earnings (Deficit)	Surplus on revaluation of assets	Other components of shareholders' equity			Total shareholders' equity
							Unappropriated	Gain (loss) on investment in equity instruments designated at fair value through other comprehensive income	Total other components of shareholders' equity	
<b>Balance as at 1 January 2021</b>	10,948,438,156	(9,309,242,796)	7,859,252	5,526,839	(1,478,455,352)	15,217,339	(26,587,767)	(11,370,428)		162,755,671
Loss for the year	-	-	-	-	(63,129,008)	-	-	-	-	(63,129,008)
Increase share capital (Note 21)	54,044,000,000	(52,963,120,000)	-	-	-	-	-	-	-	1,080,880,000
Transfer loss on changes in fair value of equity instruments sold to retained earnings	-	-	-	-	(6,125,804)	-	6,125,804	6,125,804	6,125,804	-
Other comprehensive income for the year	-	-	-	-	961,695	(424,000)	19,297,090	18,873,090	18,873,090	19,834,785
Total comprehensive income for the year	54,044,000,000	(52,963,120,000)	-	-	(68,293,117)	(424,000)	25,422,894	24,998,894	24,998,894	1,037,585,777
<b>Balance as at 31 December 2021</b>	64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	14,793,339	(1,164,873)	13,628,466		1,200,341,448
<b>Balance as at 1 January 2022</b>	64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	14,793,339	(1,164,873)	13,628,466		1,200,341,448
Profit for the year	-	-	-	-	523,071,515	-	-	-	-	523,071,515
Other comprehensive income for the year	-	-	-	-	(322,302)	-	(7,446,269)	(7,446,269)	(7,446,269)	(7,768,571)
Total comprehensive income for the year	-	-	-	-	522,749,213	-	(7,446,269)	(7,446,269)	(7,446,269)	515,302,944
<b>Balance as at 31 December 2022</b>	64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,023,999,256)	14,793,339	(8,611,142)	6,182,197		1,715,644,392

The accompanying notes are an integral part of the financial statements.





## PSG Corporation Public Company limited and its subsidiary Cash flow Statement For the year ended December 31, 2022

(Unit: Baht)

	<b>Consolidated</b>		
	<b>financial statements</b>	<b>Separate financial statements</b>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	559,519,990	539,509,245	(61,803,408)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	15,393,360	14,032,469	3,458,283
Allowance for impairment of loss on asset	108,000	108,000	-
Provision for long-term employee benefits	1,123,174	906,281	481,140
Reversal of trade and other payables	(119,171)	(119,171)	(4,705,618)
Other current provisions	82,573	82,573	10,341
Provision for expected loss on construction contract (reversal)	(482,579)	(482,579)	482,579
Provision for penalty arising from delay on construction contract (reversal)	(837,000)	(837,000)	837,000
Write-off of financial assets	-	-	61,433
Write-off of guarantees	-	-	205,188
Reversal of allowance for expected credit losses	-	-	(43,822)
Reversal of retention payables	(183,619)	(183,619)	(1,733,575)
Reversal of provisions for loss on litigations	(463,569)	(463,569)	(9,559)
Increase in fair value of investment properties	-	-	(6,628,000)
Loss (gain) on disposal of equipments	(6,198,422)	(6,198,422)	14,758
Unrealised loss on exchange	4,357,132	4,357,132	-
Gain on fair value adjustments of other current financial assets	(2,727,760)	(2,727,760)	-
Interest income	(436,190)	(436,190)	(268,039)
Bank fees	860,609	860,609	528,046
Interest expenses	2,573,093	2,029,813	1,206,201
Profit (loss) from operating activities before changes in operating assets and liabilities	572,569,621	550,437,812	(67,907,052)

The accompanying notes are an integral part of the financial statements.



## PSG Corporation Public Company limited and its subsidiary

### Cash flow Statement

#### For the year ended December 31, 2022

(Unit: Baht)

	<b>Consolidated</b>		
	<b>financial statements</b>	<b>Separate financial statements</b>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Operating assets (increase) decrease			
Trade and other receivables	(72,063,547)	(68,706,740)	10,361,183
Contract assets	(64,268,438)	(64,268,438)	(8,711,234)
Other current financial assets	(800,000,000)	(800,000,000)	4,466,080
Other current assets	(3,051,379)	(3,033,372)	2,761,992
Retention receivables	(35,394,498)	(35,394,498)	23,083,073
Other non-current assets	(15,338,632)	(15,338,632)	(2,963,086)
Operating liabilities increase (decrease)			
Trade and other payables	70,164,587	40,271,412	(15,467,507)
Retention payables	4,430,547	7,627,185	(14,308,963)
Other current provisions	(54,259)	(54,259)	(1,752,466)
Other current liabilities	1,303,812	1,303,812	(420,759)
Cash paid for long-term employee benefits	-	-	(731,093)
Cash flows used in operating activities	(341,702,186)	(387,155,718)	(71,589,832)
Interest received	475,583	475,583	256,860
Bank fees paid	(861,034)	(861,034)	(527,622)
Cash received for refund of withholding tax	-	-	25,720,597
Cash paid for income tax	(65,361,717)	(65,361,717)	(496,680)
<b>Net cash flows used in operating activities</b>	<b>(407,449,354)</b>	<b>(452,902,886)</b>	<b>(46,636,677)</b>

The accompanying notes are an integral part of the financial statements.



## PSG Corporation Public Company limited and its subsidiary

### Cash flow Statement

#### For the year ended December 31, 2022

(Unit: Baht)

	<b>Consolidated</b>		
	<b>financial statements</b>	<b>Separate financial statements</b>	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>			
Decrease (increase) in restricted bank deposits	2,690,000	2,690,000	(2,330,000)
Cash received from sales of other non-current financial assets	-	-	14,864,660
Cash paid for advances for future projects	(25,550,000)	(25,550,000)	-
Proceed from sales of equipments	10,169,873	10,169,873	-
Cash paid for acquisitions of building improvement and equipment	(14,894,880)	(12,987,214)	(3,363,350)
Cash paid for acquisitions of intangible assets	(18,835)	-	-
Cash paid for purchases of investment in subsidiary (Note 12)	-	(45,000,000)	-
<b>Net cash flows from (used in) investing activities</b>	<u>(27,603,842)</u>	<u>(70,677,341)</u>	<u>9,171,310</u>
<b>Cash flows from financing activities</b>			
Cash received from long-term borrowing from banks	-	-	30,000,000
Cash paid for long-term borrowing from banks	-	-	(30,000,000)
Cash paid under lease liabilities	(12,426,901)	(7,327,007)	(714,619)
Cash received from increase in share capital	-	-	1,080,880,000
Interest paid	(2,368,349)	(1,825,069)	(678,579)
<b>Net cash flows from (used in) financing activities</b>	<u>(14,795,250)</u>	<u>(9,152,076)</u>	<u>1,079,486,802</u>
<b>Increase in translation adjustments</b>	<u>4,778,463</u>		<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(445,069,983)	(532,732,303)	1,042,021,435
Cash and cash equivalents at the beginning of the year	<u>1,061,092,029</u>	<u>1,061,092,029</u>	<u>19,070,594</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>616,022,046</u></u>	<u><u>528,359,726</u></u>	<u><u>1,061,092,029</u></u>
	-	-	
<b>Supplemental cash flow information:</b>			
Non-cash transactions			
Acquisitions of equipment for which no cash has been paid	41,150	41,150	-
Increase in right-of-use assets from lease liabilities	55,288,992	42,979,972	-
Increase in right-of-use assets from provision for decommissioning	4,467,223	4,467,223	-

The accompanying notes are an integral part of the financial statements.



# PSG Corporation Public Company limited and its subsidiary

## Notes to consolidated financial statements

### For the year ended December 31, 2022

#### Notes to consolidated financial statements

#### For the year ended 31 December 2022

### 1. General information

#### 1.1 Corporate information

PSG Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is engaged in turnkey Engineering Procurement Construction (“EPC”) and large-scale construction projects.

In April 2022, the Company changed office location and the registered office of the Company at 242 and 244, Krung Thonburi Road, Klong Ton Sai, Khlong San District, Bangkok to be located at 11/1 AIA Sathorn Tower Building, 21st Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok.

#### 1.2 Going Concern

As at 31 December 2022, the Company had a deficit of Baht 1,024.4 million (2021: Baht 1,546.7 million), which decreased by Baht 522.3 million from the year ended of 2021. The Company’s management believed that the preparation of the financial statements on the going concern basis is still appropriate. Due to the following reasons:

The Company continues to engage in construction business and has a plan to expand its business submitting bids for construction projects in neighboring countries to seek for more business opportunities and generate higher profits since the competition in the construction industry in neighboring countries is not as stiff as that in the local industry. In addition, the Company has interest in submitting bids for large projects due to greater potential of having sufficient funding sources in addition to established business expertise.

Moreover, on 12 January 2022, the Company informed the Stock Exchange of Thailand for the construction bidding outcome, in which the Company was selected as a winning bidder for a construction project of USD 264 million or Baht 8,895 million. The construction project has a construction period of approximately 32 months. The Company entered into the construction contract on 1 April 2022. The Company is currently in the process of construction of this project, which has the progress according to the project schedule plans. As a result, the Company has a better operating performance and financial stability.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements included the financial statements of PSG Corporation Public Company Limited (“the Company”) and its subsidiary (“the subsidiary”) (collectively as “the Group”). During the year, there was changes in the composition of the Group as follows:

- The establishment of a new subsidiary (PSGC (Laos) Sole Company Limited), as discussed in Note 12 to the financial statements.

b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) The subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary and associate under the cost method.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### *Revenues from construction contracts*

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

##### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

##### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

##### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Contract assets/Contract liabilities and Retention receivables**

##### *Contract assets*

A contract asset is the excess of cumulative revenue earned over the billings to date. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

##### *Contract liabilities*

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

Retention receivables are non-interest bearing, unsecured and relate to construction contracts and classified as non-current asset based on the contractual terms of respective contract. Retention receivables were derived from the amount deducted at the agreed rate from the service fees paid to the Group by its customers for each payment. These retention receivables shall be returned when the Group meets obligations and conditions stipulated in service contracts.

#### **4.4 Investments in subsidiary**

Investments in subsidiary are accounted for in the separate financial statements using the cost method.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5 - 20 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.7 Intangible assets**

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets of the Group with finite useful lives is computer software, and have useful lives of 5 years.

#### **4.8 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	4 years
Motor vehicles	3 - 4 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.9 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Group.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investments in subsidiary, investment properties and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where land were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

#### 4.12 Employee benefits

##### Post-employment benefits

##### *Defined contribution plans*

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

##### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **4.13 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for losses on projects is made in the accounts in full when the possibility of loss is ascertained.

#### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

#### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include security investments held for trading and equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **Classification and measurement of financial liabilities**

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

#### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

#### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

##### 5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

###### **Revenue from construction contracts**

The Group recognises revenue from construction contracts over time. To reflect the satisfaction of the performance obligation, the management determines the stage of completion using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. Significant judgements is required in determining the contract costs incurred for work performed to date, estimated total contract revenue and construction costs, and the recoverability of the contract costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies past experience, historical information and information from the project engineers or the work of specialists (if any).

###### **Estimated construction project costs**

The Group estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

###### **Provision for losses on projects**

Management applied judgement in estimating the loss they expect to be realised on each project, based on estimates of anticipated costs, taking into account the progress of the project and actual costs incurred to date, together with fluctuations in cost of labour and the current situation.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **Allowance for expected credit losses of trade receivables and contract assets**

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

#### **Investment properties**

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the market approach for land. The valuation involves certain estimates.

#### **Property plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent appraiser using the market approach. The valuation involves certain estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated	Separate		Transfer pricing policy
	financial statements	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>	
<b><u>Transactions with subsidiary</u></b>				
(eliminated from the consolidated financial statements)				
Subcontractor cost	-	334	-	Contract price
<b><u>Transactions with related parties</u></b>				
Revenues from construction contracts	1,024	1,024	-	Contract price
Other expenses	1	1	-	Contract price or Agreed price

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated	Separate	
	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related party (Note 8)</u></b>			
Related party (the Company's related persons)	71,797	71,797	-
Total trade receivables - related party	71,797	71,797	-
<b><u>Trade and other payables - related party</u></b>			
<b><u>Trade payables - related party (Note 16)</u></b>			
Subsidiary	-	44,088	-
Total Trade payables - related party	-	44,088	-
<b><u>Other payables - related parties (Note 16)</u></b>			
Subsidiary	-	95	-
Related parties (the Company's related persons)	179	179	-
Total other payables - related parties	179	274	-
Total trade and other payables - related parties	179	44,362	-





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	21,253	18,533	11,698
Post-employment benefits	602	454	20
Directors remuneration	2,858	2,858	4,327
<b>Total</b>	<b>24,713</b>	<b>21,845</b>	<b>16,045</b>

#### **7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Cash	271	185	15
Bank deposits	615,751	528,175	1,061,077
<b>Total</b>	<b>616,022</b>	<b>528,360</b>	<b>1,061,092</b>

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.15 to 0.53 percent per annum (2021: between 0.05 to 0.38 percent per annum).



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b><u>Trade receivables - related parties (Note 6)</u></b>			
Aged on the basis of due dates			
Not yet due	71,797	71,797	-
Total trade receivables - related parties	71,797	71,797	-
<b><u>Trade receivables - unrelated parties</u></b>			
Aged on the basis of due dates			
Not yet due	-	-	-
Past due			
Up to 3 months	-	-	-
3 - 6 months	-	-	-
6 - 12 months	-	-	-
Over 12 months	144,532	144,532	144,532
Total	144,532	144,532	144,532
Less: Allowance for expected credit losses	(144,532)	(144,532)	(144,532)
Total trade receivables - unrelated parties	-	-	-
Total trade receivables, net	71,797	71,797	-
<b><u>Other receivables</u></b>			
Other receivables	5,435	5,435	5,550
The Revenue Department receivable	5,716	2,371	2,985
Advance payments	-	-	178
Prepaid expenses	215	203	941
Advance payments for construction	-	-	2,276
Total other receivables	11,366	8,009	11,930
Less: Allowance for expected credit losses	(5,414)	(5,414)	(5,414)
Total other receivables, net	5,952	2,595	6,516
Total trade and other receivable, net	77,749	74,392	6,516

The normal credit term is 30 days.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 9. Restricted bank deposits

The outstanding balances represent bank deposit accounts which have been pledged with banks to secure the issuance of bank guarantees for construction contracts and credit facilities of the Group.

#### 10. Contract assets / Retention receivables

##### 10.1 Contract balances

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Contract assets</b>			
Unbilled receivables	114,327	114,327	50,058
Less: Allowance for expected credit losses	(38,318)	(38,318)	(38,318)
<b>Contract assets, net</b>	<b>76,009</b>	<b>76,009</b>	<b>11,740</b>
<b>Retention receivables</b>	94,349	94,349	61,872
Less: Allowance for expected credit losses	(48,036)	(48,036)	(48,036)
<b>Retention receivables, net</b>	<b>46,313</b>	<b>46,313</b>	<b>13,836</b>

As at 31 December 2022, the Company has the balances of unbilled receivables amounted to approximately Baht 76.0 million (2021: Baht 11.7 million) is expected to bill with customers within 1 year.

##### 10.2 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Revenue recognised from changes in variable considerations of performance obligations satisfied in previous years	691	691	(94)



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 10.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling USD 211.1 million or Baht 7,347.7 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied) (the Company only: USD 211.1 million or Baht 7,347.7 million (2021: Baht 4.9 million)). The Group expects to satisfy these performance obligations within 2 years (the Company only: 2 year (2021: 1 year)).

#### 11. Other financial assets

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b><u>Other current financial assets</u></b>			
<b>Debt instruments at fair value through profit or loss</b>			
Investment in fixed income open-ended funds	802,728	802,728	-
Total other current financial assets	<u>802,728</u>	<u>802,728</u>	<u>-</u>
<b><u>Other non-current financial assets</u></b>			
<b>Equity instruments designated at fair value through other comprehensive income</b>			
Equity instruments of listed companies	23,211	23,211	32,811
Total other non-current financial assets	<u>23,211</u>	<u>23,211</u>	<u>32,811</u>

In 2021, the Company sold some parts of its equity instruments of listed companies which have the fair value on the date of sales of Baht 14.9 million. The accumulated loss recognised in other comprehensive income of Baht 6.1 million, was transferred to the Company's retained earnings.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 12. Investments in a subsidiary

Detail of investments in a subsidiary as presented in the separate financial statements is as follow:

Company's name	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Cost	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			(Percent)	(Percent)		
PSGC (Lao) Sole Company Limited	45,000	-	100	-	45,000	-
Total					45,000	-

On 23 February 2022, the Company's Board of Directors' Meeting No. 3/2022 passed a resolution approving the registration of PSGC (Lao) Sole Company Limited, which is engaged in a plant and building construction and other related services, as a juristic entity in the Lao People's Democratic Republic with a registered capital of LAK 16,000 million or Baht 45 million. The Company already paid for the shares on 11 May 2022.

#### 13. Investment properties

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	66,876	66,876	60,248
Net gain from a fair value adjustment	-	-	6,628
Net book value at end of year*	66,876	66,876	66,876

\* Fair values of investment properties as at 31 December 2022 and 2021 were not significantly different. The Group, therefore, considered not to recognise changes in such fair values.

The investment properties of the Group is land not being used in operations.

Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the market approach.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 14. Property, plant and equipment

Movements of the property, plant and equipment account during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis	Cost basis				
	Land	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
<b>Cost/ Revalued amount:</b>						
1 January 2022	12,190	4,734	32,893	13,505	13,593	76,915
Additions	-	2,909	8,064	3,963	-	14,936
Disposals/write-off	-	-	(31,364)	(2,982)	(10,305)	(44,651)
Translation adjustment	-	-	-	(58)	-	(58)
31 December 2022	12,190	7,643	9,593	14,428	3,288	47,142
<b>Accumulated depreciation:</b>						
1 January 2022	-	2,953	29,147	11,783	12,823	56,706
Depreciation for the year	-	871	2,340	893	2	4,106
Depreciation on disposals/write-off	-	-	(27,710)	(2,929)	(10,041)	(40,680)
Translation adjustment	-	-	-	(2)	-	(2)
31 December 2022	-	3,824	3,777	9,745	2,784	20,130
<b>Allowance for impairment loss:</b>						
1 January 2022	-	-	-	-	-	-
Increase during the year	-	-	-	-	108	108
31 December 2022	-	-	-	-	108	108
<b>Net book value:</b>						
31 December 2022	12,190	3,819	5,816	4,683	396	26,904
<b>Depreciation for the year</b>						
2022 (Baht 2.5 million included in cost of construction contracts, and the balance in administrative expenses)						4,106





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

(Unit: Thousand Baht)

	Separate financial statements					
	Revaluation	Cost basis				
	basis					
	Land	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Total
<b>Cost/ Revalued amount:</b>						
1 January 2021	12,720	4,287	32,842	12,100	13,593	75,542
Additions	-	1,652	52	1,660	-	3,364
Disposals/write-off	-	(1,205)	(1)	(255)	-	(1,461)
Revaluations	(530)	-	-	-	-	(530)
31 December 2021	12,190	4,734	32,893	13,505	13,593	76,915
Additions	-	2,257	8,063	2,708	-	13,028
Disposals/write-off	-	-	(31,364)	(2,982)	(10,305)	(44,651)
31 December 2022	12,190	6,991	9,592	13,231	3,288	45,292
<b>Accumulated depreciation:</b>						
1 January 2021	-	3,640	28,394	11,499	12,816	56,349
Depreciation for the year	-	518	754	525	7	1,804
Depreciation on disposals/write-off	-	(1,205)	(1)	(241)	-	(1,447)
31 December 2021	-	2,953	29,147	11,783	12,823	56,706
Depreciation for the year	-	870	2,340	806	2	4,018
Depreciation on disposals/write-off	-	-	(27,710)	(2,929)	(10,041)	(40,680)
31 December 2022	-	3,823	3,777	9,660	2,784	20,044
<b>Allowance for impairment loss:</b>						
31 December 2021	-	-	-	-	-	-
Increase during the year	-	-	-	-	108	108
31 December 2022	-	-	-	-	108	108
<b>Net book value:</b>						
31 December 2021	12,190	1,781	3,746	1,722	770	20,209
31 December 2022	12,190	3,168	5,815	3,571	396	25,140
<b>Depreciation for the year</b>						
2021 (Baht 0.6 million included in cost of construction contracts, and the balance in administrative expenses)						1,804
2022 (Baht 2.5 million included in cost of construction contracts, and the balance in administrative expenses)						4,018

The Group arranged for an independent professional valuer to appraise the value of land in 2021.

The revaluation was based on market approach.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

Had the land been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2022 and 2021 would have been as follows.

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Land	3,984	3,984	3,984

As at 31 December 2022, certain plant, equipment and vehicle items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 13.8 million (the Company only: Baht 13.8 million (2021: Baht 49.4 million)).

The Company has pledged land and buildings in net book value as at 31 December 2022 approximately Baht 13.5 million (2021: Baht 14.0 million), as collateral for the bail contract to suspend the execution under the judgment of the Appeal Court as described in Note 30.3 to the financial statements.

#### 15. Other non-current assets

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Advances for future projects	25,550	25,550	-
Guarantees and deposits	18,376	18,376	3,037
Withholding tax	52,358	52,358	51,861
<b>Total</b>	<b>96,284</b>	<b>96,284</b>	<b>54,898</b>

#### 16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	-	44,088	-
Trade payables - unrelated parties	82,430	9,330	16,202
Other payables - related parties (Note 6)	179	274	-
Other payables - unrelated parties	8,113	7,640	6,116
Accrued expenses	5,081	5,043	3,952
<b>Total</b>	<b>95,803</b>	<b>66,375</b>	<b>26,270</b>



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 17. Other short-term borrowing

Other short-term borrowing is a borrowing from the Company's former director without a written agreement and no collateral, and is repayable at call with the interest rate of minimum loan rate (MLR).

#### 18. Leases

##### The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 3 - 4 years.

##### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Building and improvement	Motor vehicles	Total
As at 1 January 2022	-	2,346	2,346
Additions	47,447	12,309	59,756
Depreciation for the year	(8,402)	(2,032)	(10,434)
Translation adjustment	-	(195)	(195)
As at 31 December 2022	39,045	12,428	51,473

(Unit: Thousand Baht)

	Separate financial statements		
	Building and improvement	Motor vehicles	Total
As at 1 January 2021	-	78	78
Additions	-	3,044	3,044
Depreciation for the year	-	(776)	(776)
As at 1 January 2022	-	2,346	2,346
Additions	47,447	-	47,447
Depreciation for the year	(8,402)	(761)	(9,163)
As at 31 December 2022	39,045	1,585	40,630



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Lease payments	50,293	42,088	2,644
Less: Deferred interest expenses	(5,135)	(4,026)	(235)
Total	45,158	38,062	2,409
Less: Portion due within one year	(13,232)	(10,575)	(733)
Lease liabilities - net of current portion	31,926	27,487	1,676

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	2,409	2,409	80
Additions	55,289	42,980	3,044
Accretion of interest	2,368	1,825	151
Repayments	(14,795)	(9,152)	(866)
Translation adjustment	(113)	-	-
Balance at end of year	45,158	38,062	2,409

A maturity analysis of lease payments is disclosed in Note 32.1 to the consolidated financial statements under the liquidity risk.

#### c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	10,434	9,163	698
Interest expense on lease liabilities	2,368	1,825	151
Expense relating to short-term leases	356	956	549
Expense relating to leases of low-value assets	165	165	180



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 12.0 million (the Company only: Baht 10.2 million (2021: Baht 0.7 million)) including the cash outflow related to short-term lease, leases of low-value assets.

#### 19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Provision for long-term employee</b>			
<b>benefits at beginning of year</b>	5,488	5,488	6,700
Included in profit or loss:			
Current service cost	1,018	801	405
Interest cost	105	105	76
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Financial assumptions changes	(206)	(206)	(257)
Experience adjustments	85	85	(705)
Benefits paid during the year	-	-	(731)
<b>Provisions for long-term employee</b>			
<b>benefits at end of year</b>	<u>6,490</u>	<u>6,273</u>	<u>5,488</u>

The Group expects to pay Baht 1.7 million of long-term employee benefits during the next year (the Company only: Baht 1.7 million (2021: Nil)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 9 - 16 years (the Company only: 9 years (2021: 9 years)).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Discount rate	2.5 - 3.5	2.5	1.9
Salary increase rate	3.0	3.0	3.0
Turnover rate	2.9 - 34.4	10.2 - 34.4	10.0 - 34.0



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

As at 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.35)	0.39	(0.32)	0.35
Salary increase rate	0.38	(0.35)	0.35	(0.32)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(0.77)	0.97	(0.75)	0.94

(Unit: Million Baht)

As at 31 December 2021

	Separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(0.33)	0.36
Salary increase rate	0.35	(0.33)
	Increase 20%	Decrease 20%
Turnover rate	(0.75)	0.94

#### 20. Provident funds

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contribute to the funds monthly at the rate of 3 to 10 percent of basic salary and 3 to 15 percent of basic salary, respectively. The funds, which are managed by two asset management companies will be paid to employees upon termination in accordance with the fund rules. The contribution for the years 2022 were recognised as expenses amounting to Baht 2.3 million (the Company only: Baht 2.3 million (2021: Baht 1.3 million)).





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **21. Share Capital**

**21.1** On 28 April 2021, the Annual General Meeting of Shareholders passed a resolution to approve the decrease of the registered share capital from the amount of Baht 12,826,431,971 to Baht 10,948,438,156 by decreasing the unissued registered shares capital of 1,877,993,815 shares at the par value of Baht 1 each which were the result of the remaining from cancelling the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders in accordance with their shareholding ratio (Rights Offering) of 1,011,493,815 shares and offering to Private Placement of 866,500,000 shares. The Company registered the decrease in registered share capital with the Ministry of Commerce on 19 May 2021.

**21.2** On 12 October 2021, the Extraordinary General Meeting of Shareholders passed a resolution to increase of the registered share capital from the amount of Baht 10,948,438,156 to Baht 64,992,438,156 by issuing new ordinary shares of 54,044,000,000 shares at the par value of Baht 1 each for offering to Private Placement in the price of Baht 0.02 each totaling Baht 1,080.88 million. The Company received the payment of such increased ordinary shares in whole amount on 26 October 2021 and then registered the increase in paid-up share capital with the Department of Business Development on 27 October 2021.

#### **22. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve equal to at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend payment.

#### **23. Share discount**

Section 52 of the Public Limited Company Act B.E. 2535, requires if the Company which has been in operation for not less than one year suffers a loss, it may offer its shares for sale at a price lower than the registered par value, provided; approval is granted at the meeting of shareholders, the fixed discount rate shall be definitely determined and specified in the prospectus.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 24. Warrants

The Annual General Meeting of Shareholders held on 25 April 2013, had the resolution to approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees and the Extraordinary General Meeting of Shareholders held on 17 November 2014 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio.

Holders of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at 14 May 2018 which was the last exercised date were 8,140,000 units and the Company transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings (deficit) in the statement of financial position.

#### 25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Subcontractor cost	320,261	360,979	9,593
Salaries and wages and other employee benefits	85,104	78,669	54,907
Depreciation and amortisation expenses	15,393	14,032	3,458
Professional fee and consultant expenses	11,709	11,709	14,963
Loss on litigations	7,370	7,370	-



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 26. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>			
Current income tax charge	22,472	19,803	-
<b>Deferred tax:</b>			
Deferred tax relating to origination and reversal of temporary differences	(3,408)	(3,365)	1,326
<b>Income tax expense reported in profit or loss</b>	<b>19,064</b>	<b>16,438</b>	<b>1,326</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to			
Loss on changes in value of equity investments designated at fair value through other comprehensive income	(2,153)	(2,153)	-
Loss on revaluation of assets	-	-	(106)
Actuarial gain	444	444	-
	<b>(1,709)</b>	<b>(1,709)</b>	<b>(106)</b>



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	559,520	539,509	(61,803)
Applicable tax rate	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	111,904	107,902	(12,361)
Unrecognised deferred tax assets on unused tax losses	-	-	15,426
Previously unrecognised tax losses that is used to reduce current tax expense	(88,105)	(88,105)	-
Recognised deferred tax assets of previous year	(2,661)	(2,661)	-
Effects of:			
Non-deductible expenses	322	322	-
Exemption of income	(1,376)	-	(1,739)
Additional expense deductions allowed	(568)	(568)	-
Other	(452)	(452)	-
Total	(2,074)	(698)	(1,739)
Income tax expenses reported in profit or loss	19,064	16,438	1,326

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Deferred tax assets</b>			
Allowance for asset impairment	22	22	-
Provision for long-term employee benefits	1,298	1,254	-
Unrealised fair value loss on investments	1,607	1,607	-
Other current provisions	160	160	-
Provision for decommissioning	1,135	1,135	-
Provisions for loss on litigations	1,428	1,428	-
Total	5,650	5,606	-



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
<b>Deferred tax liabilities</b>			
Revaluation surplus of assets	(5,024)	(5,024)	(5,024)
Lease liabilities	(532)	(532)	-
Total	<u>(5,556)</u>	<u>(5,556)</u>	<u>(5,024)</u>
<b>Deferred tax assets (liabilities) - net</b>	<u>94</u>	<u>50</u>	<u>(5,024)</u>

As at 31 December 2021, the Company has unused tax losses totaling Baht 88.0 million, on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2022, the Group have no unused tax losses (the Company only: Nil (2021: Baht 440.1 million)).

#### 27. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31 December		
	Consolidated	Separate financial statements	
	financial statements	<u>2022</u>	<u>2021</u>
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the year (Thousand Baht)	540,456	523,072	(63,129)
Weighted average number of ordinary shares (Thousand shares)	64,992,438	64,992,438	20,868,844
Basic earnings (loss) per share (Baht per share)	0.0083	0.0080	(0.0030)

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. However, for the years ended 31 December 2022 and 2021, there is no warrant which are able to exercise to ordinary shares. Therefore, diluted earnings (loss) per share is equivalent to basic earnings (loss) per share.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

The Group is principally engaged in construction, and the two geographic areas in which these activities are carried on are Thailand and the Lao People's Democratic Republic.

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

	(Unit: Million Baht)
	Consolidated
	financial statements
	<u>2022</u>
Revenue from external customers	
Thailand	6
Lao People's Democratic Republic	1,024
Total	<u>1,030</u>

	(Unit: Million Baht)
	Consolidated
	financial statements
	<u>2022</u>
Non-current assets*	
Thailand	230
Lao People's Democratic Republic	12
Total	<u>242</u>

\*Other than financial instruments and deferred tax assets.

Major customers

For the year 2022, the Group has revenue from one major customers in amount of Baht 1,024.4 million, arising from construction contracts (2021: Baht 18.5 million derived from one major customer, arising from construction contracts).





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **29. Commitments and contingent liabilities**

##### **29.1 Lease commitments**

As at 31 December 2022, future minimum lease payments of the Group required under short-term leases and leases of low-value assets contracts are totaling Baht 0.3 million (the Company only: Baht 0.7 million) (2564: Baht 0.7 million)).

As at 31 December 2021, the Company's future payments for lease and service agreements with the landlord for the period of three years from 16 April 2022 to 15 April 2025 totaled Baht 35 million.

##### **29.2 Service commitments**

As at 31 December 2022, the Group has the following service commitments:

- 1) The Group has commitments totaling USD 12.8 million or Baht 447 million (the Company only: USD 17.3 million or Baht 602 million) in respect of cost of construction contracts, for which the Group had already entered into agreements.
- 2) The Company has commitments totaling USD 0.5 million or Baht 17.4 million, in respect of consulting fees for a feasibility study on project development, which the Company had already entered into agreements.

##### **29.3 Guarantees and others**

- 1) As at 31 December 2022, the Company had outstanding bank guarantees of approximately Baht 13.5 million issued by banks as required in the normal course of business.
- 2) During the year 2021, the Company entered into a borrowing agreement with a financial institution to increase liquidity. The Company pledged its land as collateral and repaid such borrowing in full amount in December 2021. Later, on 25 February 2022, the Company already redeemed the collateral.
- 3) During the year 2018, the Company submitted a bid for construction with a local company and was selected as a winning bidder. However, the Company was unable to enter into a construction contract with the local company within a specified date. Subsequently, such local company announced changes to a list of winning bidders, and the construction was already completed in May 2020. Subsequently, the Company received a letter from the Comptroller General's Department, the Ministry of Finance, informing that the Company was on a list of contractors abandoning work. The Company submitted an appeal against the decision on 25 February 2022. The Comptroller General's Department, the Ministry of Finance, provided a written letter dismissing the Company's appeal on 17 May 2022. However, the Company's management believed that there is no material impact to the financial statements.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **30. Litigation**

**30.1** On 24 July 2012, the Company sued a company (the “Contractor”) for breach of the construction contract with computable monetary value claims of Baht 100.2 million and such company sued a counterclaim against the Company in the same lawsuit with computable monetary value claims of Baht 281.0 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID), the Supreme Court made the final judgment. The Contractor had to pay a net compensation of Baht 65.0 million to the Company plus interest 7.5 percent per annum from the date of prosecution until complete payment, and the Contractor had to return a total of 4 copies of letters of guarantee (contract collateral) and letters for advance guarantee to the Company. Currently, the case is in the process of execution by enforcement officers.

**30.2** On 27 July 2017, the Company was sued by 2 sub-contractors for breach of construction agreements and guarantee agreements due to termination made by the Company on 13 July 2017 with computable monetary value claims of Baht 14.1 million. Later, on 11 October 2017, the Company submitted a testimony and filed a counterclaim against the 2 sub-contractors with the claims of Baht 11.4 million. On 27 November 2018, the Civil Court rendered its judgment ordering the Company to make payments to the sub-contractors and return a letter of guarantee.

Subsequently, in May 2019, the Company received a notice of claim from the Legal Execution Department to sequester Baht 1.0 million from the Company’s bank account, and the bank already submitted such cash to the Legal Execution Department. Subsequently, on 26 May 2020, the Appeal Court rendered its judgement to reverse the Civil Court’s judgment ordering the sub-contractors to pay the Company Baht 11.4 million plus interest 7.5 percent per annum from the date of prosecution until complete payment.

On 25 June 2020, the Company submitted a petition to withdraw the execution warrant under the Civil Court judgment, whereby the court ordered the withdrawal of the execution warrant on 1 July 2020. On 21 July 2020, the Company already received sequestered money from the Legal Execution Department.

Later, on 8 November 2022, the Bangkok South Civil Court pronounced the Supreme Court’s judgment ordering the Company to make repayments of Baht 5.9 million to the sub-contractors at interest rates as stipulated by the Civil and Commercial Code from the following date the lawsuit was filed until full repayments were made, totaling Baht 7.9 million, and to return a letter of guarantee. Since the Company had previously recorded the provisions for loss on litigations of Baht 2.3 million and liabilities in the related accounts of Baht 2.4 million, the Company set aside additional provision of Baht 3.2 million in the profit or loss in the current year. Since the Company has already paid the sub-contractors for the lawsuit damages on 11 November 2022.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

**30.3** The Company was sued over a breach of contract relating to borrowings with claims of Baht 17.6 million. The case is currently under consideration of the Supreme Court. Meanwhile, the Company pledged land and buildings of the Company (Note 14) and cash of Baht 15.3 million as collateral to suspend the execution under the Appeal Court's judgment.

As at 31 December 2022, the Company recorded as provisions for losses on litigations amounting to Baht 7.1 million and liabilities in the related accounts of Baht 12.2 million. The Company has fully recorded the provision for such liabilities.

#### **31. Fair value hierarchy**

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Investment in fixed income				
open-end funds	-	802,728	-	802,728
Financial assets measured at FVOCI				
Equity instruments of listed				
companies	23,211	-	-	23,211
Property plant and equipment	-	12,190	-	12,190
Investment property	-	66,876	-	66,876

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Equity instruments of listed				
companies	32,811	-	-	32,811
Property plant and equipment	-	12,190	-	12,190
Investment property	-	66,876	-	66,876



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

### **32. Financial instruments**

#### **32.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, other non-current financial assets, trade and other payables, other short-term borrowing and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

##### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, contract assets and cash and cash equivalents. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

##### ***Trade receivables and contract assets***

The Group manages the credit risk relates to trade receivables and contract assets by most of the Group's construction contracts are with large private companies that are creditworthy and have low credit risk. The Group considers other receivables to be transactions with companies that have low credit risk and the ability to service debt. In addition, the Group regularly monitors their debt service capability; therefore, the Group does not expect to incur any significant losses in respect of these allowance for expected credit losses.

##### ***Bank deposits and investments in fixed income open-ended fund***

The Group manages the credit risk of bank deposits and investments in fixed income open-ended fund by entering into agreements with counterparties that are banks and financial institutions with high credit ratings assigned by international credit-rating agencies.

##### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk as follows.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **Foreign currency risk**

The Group's exposure to foreign currency risk arises mainly from construction contracts and sub-contractor cost that are denominated in foreign currencies.

The balances of financial assets and liabilities of the Group denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements		
	Financial assets as at 31 December	Financial liabilities as at 31 December	Average exchange rate as at 31 December
	<u>2022</u> (Million)	<u>2022</u> (Million)	<u>2022</u> (Baht per 1 foreign currency unit)
USD	19.8	2.7	34.5624

Foreign currency	Separate financial statements				
	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December
	<u>2022</u> (Million)	<u>2021</u> (Million)	<u>2022</u> (Million)	<u>2021</u> (Million)	<u>2022</u> <u>2021</u> (Baht per 1 foreign currency unit)
USD	18.3	-	1.7	-	34.5624 33.4199

#### **Foreign currency sensitivity**

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2022 and 2021.

	(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>

#### **Impact to profit before tax**

THB against USD

- Increase 5 %	29,414	28,547	-
- Decrease 5 %	(29,414)	(28,547)	-

This information is not a forecast or prediction of future market conditions and should be used with care.



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its cash at banks, other financial assets, restricted bank deposits, other short-term borrowing and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						Effective interest rate (% per annum)
	As at 31 December 2022						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	527	89	616	0.15 - 0.53
Trade and other receivables	-	-	-	-	74	74	-
Restricted bank deposits	16	-	-	-	-	16	0.35 - 0.53
Other financial assets	-	-	-	-	826	826	-
Retention receivables	-	-	-	-	46	46	-
	<b>16</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>1,035</b>	<b>1,578</b>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	96	96	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	13	32	-	-	-	45	5.99 - 12.00
Retention payables	-	-	-	-	23	23	-
	<b>13</b>	<b>32</b>	<b>-</b>	<b>12</b>	<b>119</b>	<b>176</b>	





## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	527	1	528	0.15 - 0.53
Trade and other receivables	-	-	-	-	74	74	-
Restricted bank deposits	16	-	-	-	-	16	0.35 - 0.53
Other financial assets	-	-	-	-	826	826	-
Retention receivables	-	-	-	-	46	46	-
	<b>16</b>	<b>-</b>	<b>-</b>	<b>527</b>	<b>947</b>	<b>1,490</b>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	66	66	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	11	27	-	-	-	38	5.99
Retention payables	-	-	-	-	26	26	-
	<b>11</b>	<b>27</b>	<b>-</b>	<b>12</b>	<b>92</b>	<b>142</b>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,061	-	1,061	0.05 - 0.38
Trade and other receivables	-	-	-	-	7	7	-
Restricted bank deposits	18	-	-	-	-	18	0.05 - 0.38
Other financial assets	-	-	-	-	33	33	-
Retention receivables	-	-	-	-	14	14	-
	<b>18</b>	<b>-</b>	<b>-</b>	<b>1,061</b>	<b>54</b>	<b>1,133</b>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	26	26	-
Other short-term borrowing	-	-	-	12	-	12	MLR
Lease liabilities	1	1	-	-	-	2	5.99
Retention payables	-	-	-	-	19	19	-
	<b>1</b>	<b>1</b>	<b>-</b>	<b>12</b>	<b>45</b>	<b>59</b>	



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

##### *Analysis of interest rate sensitivity*

The Group considers that the sensitivity of the Group's profit (loss) before tax to a reasonably possible change in interest rates on that portion of floating rate loans from affected as at 31 December 2022 and 2021 is not material.

##### **Liquidity risk**

The Group gives high priority to liquidity management by holding appropriate levels of cash and cash equivalents along with other liquid assets and arranging sufficient credit facilities with financial institutions. In addition, the Group has access to a wide range of funding sources. The Group regularly monitors the adequacy of liquidity and adjusts its liquidity management strategy on a timely basis.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	95,803	-	-	95,803
Other short-term borrowing	19,375	-	-	-	19,375
Lease liabilities	-	15,923	34,370	-	50,293
Retention payables	12,110	-	10,771	-	22,881
<b>Total non-derivatives</b>	<b>31,485</b>	<b>111,726</b>	<b>45,141</b>	<b>-</b>	<b>188,352</b>

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	66,375	-	-	66,375
Other short-term borrowing	19,375	-	-	-	19,375
Lease liabilities	-	12,568	29,520	-	42,088
Retention payables	12,110	-	13,968	-	26,078
<b>Total non-derivatives</b>	<b>31,485</b>	<b>78,943</b>	<b>43,488</b>	<b>-</b>	<b>153,916</b>



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	26,270	-	-	26,270
Other short-term borrowing	17,581	-	-	-	17,581
Lease liabilities	-	858	1,787	-	2,645
Retention payables	11,606	7,883	-	-	19,489
<b>Total non-derivatives</b>	<b>29,187</b>	<b>35,011</b>	<b>1,787</b>	<b>-</b>	<b>65,985</b>

### 32.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statement of financial position.

### 33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.14:1 and the Company's was 0.12:1 (2021: 0.08:1).



## PSG Corporation Public Company limited and its subsidiary

### Notes to consolidated financial statements

#### For the year ended December 31, 2022

#### 34. Reclassification

The Company has reclassified line items in the statements of financial position as at 31 December 2021 and 1 January 2021 to conform with the current year's classification. The reclassifications had no effect to previously reported net loss or shareholders' equity, details are as follows:

(Unit: Thousand Baht)

	As at 31 December 2021		As at 1 January 2021	
	As previously reported		As previously reported	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other receivables	6,516	-	16,883	-
Trade and other current receivables	-	4,164	-	14,585
Trade and other non-current receivables	-	2,352	-	2,298
Contract assets	11,740	-	3,029	-
Current contract assets	-	11,740	-	3,029
Non-current contract assets	-	-	-	-
Retention payables	19,489	-	35,531	-
Current retention payables	-	11,576	-	22,340
Non-current retention payables	-	7,913	-	13,191

#### 35. Approval of interim financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.



# Part 4

## Certification of Information





## Certification of Information

The Company has reviewed the information on this 2022 annual registration statement/annual report (Form 56-1 One Report) with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

- (1) The financial statements and financial information summarized in this annual registration statement/annual report 2022 (56-1 One Report) show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and its subsidiaries;
- (2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;
- (3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment on February 24, 2023 to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and its subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Ms. Pathamakorn Buranasin to sign on every page of the documents, and the absence of the authorized signature of Ms. Pathamakorn Buranasin on any document shall be deemed that such unsigned document has not been certified by the Company.

**Mr. Van Hoang Dau**  
Chairman and  
Authorized Director

**Mr. David Van Dau**  
Chief Executive Officer and  
Authorized Director

**Authorized signature**

**Ms. Pathamakorn Buranasin**  
Chief of CEO Office





# Part 5

## Appendix







# **Appendix 1**

## **Profiles of the Board of Directors and Executives**



## Mr. Van Hoang Dau

<b>Title</b>	Chairman of the Board of Directors Authorized Director
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	Age 63 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	Father of Mr. David Van Dau

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

- General, Atlanta Technical School, GA, USA

### Training

-None-

### Work Experience

#### Position in Other Listed Company

- 2016 - 2020 Director  
CK Power Public  
Company Limited

#### Position in Other Non-listed Company

- 2018 - present Director  
Luang Prabang Power  
Company Limited
- 2012 - present Director  
Lao Coca-Cola Bottling  
Company Limited
- 2008 - present President  
PT Sole Company Limited
- 2010 - 2020 Director  
Xayaburi Power  
Company Limited
- 2008 - 2020 Director  
Nam Ngum 2 Hydroelectric  
Power Company Limited
- 2008 - 2020 Director  
Southeast Asia Energy  
Company Limited



## Mr. David Van Dau

### Title

Director  
Chairman of Executive Committee  
Member of Risk Management  
Committee  
Member of Nomination and  
Remuneration Committee  
Authorized Director  
Chief Executive Officer

### Date of appointment

October 27, 2021

### Age

39 years old

### Shareholding proportion (%)

-

(as of December 31, 2022)

### Family relationship between the director and the management

Son of Mr. Van Hoang Dau

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Bachelor's degree

- Bachelor's degree of Economics, Emory University, GA, USA.

### Training

- Director Accreditation Program# 173/2020 (DAP) (English Program), Thai Institute of Directors (IOD)

### Work Experience

#### Position in Other Listed Company

- 2020 - present Director  
CK Power Public  
Company Limited

#### Position in Other Non-listed Company

- 2020 - present Director, Executive Committee  
Nam Ngum 2 Hydroelectric  
Power Company Limited
- 2020 - present Director, Executive Committee  
Southeast Asia Energy  
Company Limited  
Executive Committee
- 2020 - present Director  
2019 - present Managing Director  
2018 - 2020 Luang Prabang Power  
Company Limited
- 2015 - present Director  
Lao Coca-Cola Bottling  
Company Limited  
Chief Executive Officer  
PT Sole Company Limited
- 2020 - 2021 Director, Executive Committee  
Xayaburi Power Company  
Limited



## Pol. Gen. Chaiwat Getvorachai, Ph.D.

<b>Title</b>	Independent Director Chairman of Audit Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	62 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	0.03
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Doctoral degree

- Ph.D. in Criminal Justice Administration and Society, Suan Dusit Rajabhat University

#### Master's degree

- Master of Arts (Political Science#2), Ramkhamhaeng University

#### Bachelor's degree

- Bachelor of Public Administration, Royal Police Cadet Academy

### Training

- Director Certification Program (DCP) # 2009, Thai Institute of Directors (IOD)

### Work Experience

#### Position in Other Listed Company

-None-

#### Position in Other Non-listed Company

- Jan. 2022 - Present Chairman of the Nomination and Remuneration Committee  
Millennium Group Corporation (Asia) Public Company Limited
- Dec. 2021 - Present Director  
Millennium Group Corporation (Asia) Public Company Limited
- Jul. 2017 - Present Qualified Director  
Broadcasting and Telecommunications Research and Development Fund for Public Interest  
Deputy Chief of Police  
Royal Thai Police
- 2018 - 2020 Assistant Commissioner General  
Royal Thai Police
- 2016 - 2018 Commissioner of Provincial Police 1  
Royal Thai Police
- 2015 - 2016



## Khammany Inthirath, Ph.D.

<b>Title</b>	Independent Director Chairman of Risk Management Committee Member of Audit Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	67 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Doctoral degree

- Doctor of Development Economics  
(Investment Economics), National Economics  
University of the Socialist Republic of Vietnam

#### Master's degree

- Master of Electrical Engineering, Krasnodar  
University, Soviet Union Former

### Training

-None-

### Work Experience

#### Position in Other Listed Company

-None-

#### Position in Other Non-listed Company

- 2015 - 2021 Minister of Energy and  
Mines  
Lao People's Democratic  
Republic
- 2011 - 2015 Vice Minister of Energy and  
Mines  
Lao People's Democratic  
Republic
- 2009 - 2011 Managing Director  
EDL-Generation Public  
Company
- 2007 - 2009 Acting Managing Director  
EDL-Generation Public  
Company
- 2006 - 2007 Deputy General Managing  
EDL-Generation Public  
Company



## Souphanh Keomixay, Ph.D.

<b>Title</b>	Independent Director Chairman of Nomination and Remuneration Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	71 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Doctoral degree

- Ph.D. in Economics, Social-Science  
Academy of Moscow, USSR

#### Master's degree

- Master in economics, University of Donetsk, USSR

### Training

-None-

### Work Experience

#### Position in Other Listed Company

-None-

#### Position in Other Non-listed Company

- 2016 - 2020  
Minister of Planning and  
Investment  
Lao People's Democratic  
Republic
- 2010 - 2016  
Governor of Savanna khet  
Lao People's Democratic  
Republic
- 2005 - 2010  
Vice Governor  
of Savanna khet  
Lao People's Democratic  
Republic



## Mr. Prapas Vichakul

<b>Title</b>	Independent Director Member of Audit Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	67 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Master's degree

- M. Sc. (Geology), New Mexico Institute of Mining and Technology, New Mexico, USA

#### Bachelor's degree

- B.Sc. (Geology), Chulalongkorn University

### Training

- Director Certification Program (DCP)# 186/2014, Thai Institute of Directors (IOD)

### Work Experience

#### Position in Other Listed Company

- 2018 - present Independent Director  
Sahakol Equipment PCL (SQ)

#### Position in Other Non-listed Company

-None-





## Mr. Nopadol Intralib

**Title**

Independent Director  
Member of Nomination and  
Remuneration Committee  
Member of Risk Management  
Committee

**Date of appointment**

November 9, 2021

**Age**

73 years old

**Shareholding proportion (%)**

0.04

(as of December 31, 2022)

**Family relationship between the  
director and the management** -**Qualified according to the law on public  
limited companies and does not have  
prohibited characteristics**

- Qualified -

**Current position in other business which may  
have a conflict of interest with the Company**

-None-

**Education****Master's degree**

- Barrister-at-Law, Gray's Inn, London, England
- Barrister-at-Law, Thai Bar Association

**Bachelor's degree**

- Faculty of Law, Chulalongkorn University (First-Class Honors)

**Training**

-None-

**Work Experience****Position in Other Listed Company**

-None-

**Position in Other Non-listed Company**

- 2003 - present      Lawyer/ Managing Director/  
Partner  
The Legists Group Ltd.
- 1989 - present      Interpreter and Translator  
Specialist  
Court of Justice
- Present              Director  
Schmidt Electronics  
(Thailand) Company Limited  
Schmidt Biomedtech  
(Thailand) Company Limited  
Potters (Thailand) Company  
Limited  
ETP Services Company  
Limited  
EPG (Thailand) Company  
Limited  
SMKT (Thailand) Company  
Limited  
Aeroservices Company  
(Thailand) Limited  
Emhart Teknologies  
(Thailand) Company Limited  
Black and Decker  
(Thailand) Company Limited



## Darmp Sukontasap, Ph.D.

<b>Title</b>	Independent Director Member of Audit Committee
<b>Date of appointment</b>	November 9, 2021
<b>Age</b>	65 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Doctoral degree

- Ph.D. (International Law), Fletcher School, Tufts University

#### Master's degree

- Master of Arts in Law and Diplomacy, Fletcher School, Tufts University

#### Bachelor's degree

- B.A. (Political Science), Chulalongkorn University

### Certificate

- Managing Global Business Program for Senior Executives, INSEAD, France
- National Defense Course, class of 23/2010, National Defense College

### Training

- Corporate Governance for Director and Senior Executive (Regulator) of State Enterprises and Public Organization (PDI) 21/2019
- Financial Statements for Directors (FSD) 39/2019
- Director Accreditation Program (DAP) 153/2018, Thai Institute of Directors
- IT Governance and Cyber Resilience Program 8/2018, Thai Institute of Directors

### Work Experience

#### Position in Other Listed Company

- 2023 - present Director, Chairman Krungdhep Sophon Public Company Limited
- 2017 Director, Chief Executive Officer Capital Engineering Network Public Company Limited

#### Position in Other Non-listed Company

- 2019 - present Director International Institute for Trade and Development-ITD (Public Organization)
- 2007 - present Director, Chairman Black Ink Group (Thailand) Company Limited
- 2017 - 2022 Director, Chairman of the Executive Board Export-Import Bank of Thailand (Exim Bank)
- Present Director International Institute for Trade and Development-ITD (Public Organization)



## Mr. Dhana Bubphavanich

<b>Title</b>	Director Member of Executive Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	55 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Master's degree

- Master of Finance, Pace University, USA

#### Bachelor's degree

- Bachelor's degree in Finance, Thammasat University

### Training

- Director Accreditation Program# 173/2563 (DAP) (English Program), Thai Institute of Directors (IOD)

### Work Experience

#### Position in Other Listed Company

- 2015 - present Independent Director and Member of Audit Committee Semsang Power Corporation Plc.
- 2022 - present Member of Nomination and Remuneration Committee Semsang Power Corporation Plc.
- 2017 - 2018 Vice President (Accounting), Director Kulthorn Kirby Public Company Limited

#### Position in Other Non-listed Company

- 2022 - present Senior Vice President (Finance) ThaiNamthip Corporation Company Limited
- 2018 - present Senior Vice President (Finance) ThaiNamthip Company Limited
- 2011 - 2022 Director Master Car Rental Company Limited
- 2015 - 2022 Director The Whitespace Company Limited
- 2017 - 2018 Director Kulthorn Premier Company Limited  
Kulthorn Kirby Foundry Company Limited  
Kulthorn Steel Company Limited  
Kulthorn Materials and Controls Company Limited  
Kulthorn Metal Products Company Limited  
Kulthorn Research and Development Company Limited
- 2016 - 2017 Director Bevpro Asia Company Limited



## Chaiyod Chirabowornkul, Ph.D.

<b>Title</b>	Director Member of Executive Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	55 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	0.37
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Doctoral degree

- PhD. in Business Administration, Kasetsart University

#### Master's degree

- MS.in Engineering Management, University of Missouri-Rolla (Missouri, USA)
- Ms. in Electrical Engineering, Louisiana State University (Louisiana, USA)

#### Bachelor's degree

- BE. in Electrical Engineering, Chulalongkorn University

### Training

- Director Accreditation Program# 173/2563 (DAP) (English Program), Thai Institute of Directors (IOD)
- National Defense Course, 2018, National Defense College
- Capital Market Academy, class of 20, 2015

### Work Experience

#### Position in Other Listed Company

- 2011 - 2015 Chief Customer Officer
- 2007 - 2015 Management Committee  
Total Access  
Communication Public  
Company Limited

#### Position in Other Non-listed Company

- 2015 - present Director
- 2015 - 2021 Chief Executive Officer  
The Whitespace Company  
Limited



# Appendix 1

## Profiles of the Board of Directors and Executives



## Mr. David Van Dau

<b>Title</b>	Director Chairman of Executive Committee Member of Risk Management Committee Member of Nomination and Remuneration Committee Authorized Director Chief Executive Officer
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	39 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	Son of Mr. Van Hoang Dau

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Bachelor's degree

- Bachelor's degree of Economics, Emory University, GA, USA.

### Training

- Director Accreditation Program# 173/2020 (DAP) (English Program), Thai Institute of Directors (IOD)

### Work Experience

#### Position in Other Listed Company

- 2020 - present Director  
CK Power Public Company Limited

#### Position in Other Non-listed Company

- 2020 - present Director, Executive Committee  
Nam Ngum 2 Hydroelectric Power Company Limited
- 2020 - present Director, Executive Committee  
Southeast Asia Energy Company Limited
- 2020 - present Executive Committee
- 2019 - present Director  
Managing Director  
Luang Prabang Power Company Limited
- 2015 - present Director  
Lao Coca-Cola Bottling Company Limited
- 2010 - present Chief Executive Officer  
PT Sole Company Limited
- 2020 - 2021 Director, Executive Committee  
Xayaburi Power Company Limited





## Miss Somruedee Halilamien

<b>Title</b>	Chief Financial Officer/ Member of Executive Committee
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	52 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Master's degree

- Master of Finance, the University of Colorado, USA

#### Bachelor's degree

- B.Sc. in Statistics, the Faculty of Commerce and Accountancy, Chulalongkorn University

### Training

- Company Secretary Program (CSP)  
# gen 125/2022
- CFO Refresher 2022
- Financial Advisor License, Passing CFA Level 1 Examination

### Work Experience

#### Position in Other Listed Company

- 2018 - 2019 SVP, Finance & Business Development  
SVP, Finance & Accounting  
Prukso Real Estate Public Company Limited

#### Position in Other Non-listed Company

- 2018 - 2019 Director Vimut Hospital Company Limited
- 2016 - 2017 Head of Corporate Finance and Business Development (SEA)  
Ek-Chai Distribution System Company Limited





## Mr. Rassamee Youpanich

<b>Title</b>	Chief Engineer
<b>Date of appointment</b>	October 27, 2021
<b>Age</b>	62 years old
<b>Shareholding proportion (%)</b>	-
(as of December 31, 2022)	
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Bachelor's degree

- Bachelor of Engineering, Rajamangala University of Technology Thewet

### Training

-None-

### Work Experience

#### Position in Other Listed Company

-None-

#### Position in Other Non-listed Company

- Aug 2021 - Oct 2021 Technical Advisor  
PT Sol Company Limited
- Jan 2020 - Jan 2021 Technical Advisor  
Hongsa Power Company Limited
- 2016 - 2020 Head of O&M  
Hongsa Power Company Limited
- 2011 - 2016 Head of Construction  
Hongsa Power Company Limited



## Miss Pathamakorn Buranasin

<b>Title</b>	Chief of CEO Office Company Secretary
<b>Date of appointment</b>	November 19, 2021
<b>Age</b>	42 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	0.04
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Master's degree

- Master of Law (LLM) in International and Comparative law, The George Washington University, U.S.A.

#### Bachelor's degree

- Bachelor of Law (Second Class Honors), Chulalongkorn University

### Training

- Institute of Legal Education of the Thai Bar
- Director Certification Program (DCP) # 220/2559, Thai Institute of Directors (IOD)
- Ultra Wealth Program #Gen 2 by Ultra Wealth Co., Ltd.
- Digital Transformation for CEO # Gen 2 by Nation Group

### Work Experience

#### Position in Other Listed Company

- 2015 - Nov 2021 Director, Member of Executive Committee
- Mar 2021 - Nov 2021 Managing Director
- 2015 - Mar 2021 Deputy Managing Director (Central Administration Division)
- 2016- Nov 2021 Company Secretary T Engineering Corporation Public Company Limited (The current name is "PSG Corporation Public Company Limited")

#### Position in Other Non-listed Company

- 2017 - 2018 Director T Asset Management Company Limited
- 2009 - 2015 Legal Advisor Weerawong, Chinnavat & Peangpanor Limited



## Mr. Nattapong Pangsupa

<b>Title</b>	Chief Operating Officer
<b>Date of appointment</b>	July 1, 2022
<b>Age</b>	39 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

### Current position in other business which may have a conflict of interest with the Company

-None-

### Education

#### Master's degree

- Master of Science Program in Information Technology Management (ITM), National Institute of Development Administration (NIDA)

#### Bachelor's degree

- Bachelor of Business Administration Program, majoring in Business Computer, Naresuan University

### Training

- Climate & Sustainability Program, BCG Leadership Institute
- Risk Management and Internal Control Program, Thai Listed Companies Association

### Work Experience

#### Position in Other Listed Company

-None-

#### Position in Other Non-listed Company

- 2020 - 2022 FAVP  
Audit Strategy and Development, Krunsrri Consumer Company Limited
- 2017 - 2020 Manager  
New Business Management, Thai Namthip Company Limited



## Management Resignation During the Year

### Miss Potida Ratanashodi

<b>Title</b>	Chief Operating Officer
<b>Date of appointment</b>	October 27, 2021 (Resigned on March 31,2022)
<b>Age</b>	54 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

#### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

#### Current position in other business which may have a conflict of interest with the Company

-None-

#### Education

##### Master's degree

- Master of Finance, The University of Colorado, USA

##### Bachelor's degree

- Bachelor's degree in Accounting, Thammasat University

#### Training

-None-

#### Work Experience

##### Position in Other Listed Company

- Jul 2012 - Mar 2021 SVP - Business Operation Division, Sales Group Business Operation Total Access Communication Public Company Limited

##### Position in Other Non-listed Company

-None-



## Profile of the person assigned to take direct responsibility for accounting supervision.

### Miss Sukol Homsuwan

<b>Title</b>	Director of Accounting and Finance
<b>Date of appointment</b>	January 10, 2022
<b>Date of appointment to take direct responsibility for accounting supervision</b>	July 8, 2022
<b>Age</b>	49 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	-
<b>Family relationship between the director and the management</b>	-

#### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

#### Current position in other business which may have a conflict of interest with the Company

-None-

#### Education

##### Master's degree

- Master of Business Administrative, Assumption University

##### Bachelor's degree

- Bachelor of Accounting, University of the Thai Chamber of Commerce

#### Training

- CFO's challenge with the financial reporting during the economic volatility
- Digital Transformation for Accountant
- Business Consolidation and the preparation of consolidated financial statement (Workshop)
- Fundamental of TFRS 9

- Summary of changes and key issues of TFRS / (revised 2021)
- Director Accreditation Program (DAP89/2011)
- Company Secretary Program (CSP115/2021)
- Certified Public Accountant (CPA)
- Financial Advisor License (FA)

#### Work Experience

##### Position in Other Listed Company

- 2020 - 2021 Chief Operating Officer  
TQR Public Company Limited

##### Position in Other Non-listed Company

- 2010 - 2020 Finance and Accounting  
Director  
Jardine Lloyd Thompson  
Company Limited

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, set against a clear blue sky. The buildings are partially obscured by a semi-transparent blue overlay.

# Appendix 2

## Details of the Directors of Subsidiaries





As of December 31, 2022, the details of the Company's directors in its subsidiary were as the following:

Subsidiary	Name - Surname	Position in subsidiary
PSGC (Lao) Sole Company Limited	Mr. Van Hoang Dau	President
	Mr. David Van Dau	Vice President





## **Appendix 3**

# **Profiles of the Head of Internal Audit and Head of Compliance**



## Internal Auditor (from the external firm)

### Ms. Somjaree Kaewkormdee, Certified Professional Internal Audit of Thailand (CPIAT)

**Current Position:** Executive Director and Internal Audit Manager

#### Education:

- Bachelor's degree in Accounting, Burapha University

#### Work Experience

- Jun 2016 - present : Executive Director, Dharmniti Internal Audit Co.,Ltd.  
Internal Audit Manager
- 2011 - Jun 2016 : Asst. Manager, Dharmniti Internal Audit Co.,Ltd.
- 2009 - 2010 : Senior internal auditor, Dharmniti Internal Audit Co.,Ltd.
- 2006 - 2008 : Internal auditor, Dharmniti Internal Audit Co.,Ltd.

#### Training

- Internal Audit #Gen 1-2
- Risk Management
- COSO 2013: Theory and Practices
- Maintenance and Improvement of Internal Audit Quality
- Self-assessment of anti-corruption measures
- Guidelines of Investigation and Detection of Corruption
- International Standards for the Professional Practice of Internal Auditing
- Training for CIA Part II Test, Federation of Accounting Professions
- Training, Internal Audit Program: Prepared Course for Certified Internal Auditor (Pre-CIA), Chulalongkorn University
- Asian Confederation of Institutes of Internal Auditors Conference 2018 (Malaysia)
- Agile Auditing

#### Roles & Responsibilities of Internal Audit Head

1. Assign internal auditors to specific audit issues within the team.
2. Review and regulate the work standards of internal auditors to ensure compliance with established standards.
3. Develop and present an annual audit plan to the Audit Committee for approval.
4. Prepare necessary information for audit notifications, schedule appointments with auditees, and communicate other relevant information.
5. Review the Audit Programs for each audit issue in the annual plan to align with the audit objectives and organizational goals.
6. Evaluate the adequacy, credibility, accuracy, and timeliness of the Company's internal control system.
7. Review audit reports and track the implementation of recommended actions.
8. Prepare an audit report for review by senior executives and the Audit Committee.
9. Foster the professional development of internal auditors at all levels to enhance their knowledge and skills and evaluate their performance.
10. Provide consulting and guidance on the internal control system and risk management.



## Profile of Internal Audit Mr. Chaiyasak Naosuwan

**Current Position:** Senior Internal Auditor, Quality Management Asst. Representative

### Education:

- Bachelor's degree in Business Administration majoring in Finance and Banking, Ramkamhaeng University

### Work Experience

- 2018 - present : Senior Internal Auditor, Quality Management Asst. Representative
- 2017 - 2018 : Senior Warehouse Officer

### Training

- Requirement and Interpretation of ISO 9001:2015
- Internal Quality Audit ISO 9001:2015
- Quality Management System: Instructor and Consultant ISO9001:2015
- Interpretation Requirement ISO 9001:2015, IATF 16949:2016
- Interpretation Risk Assessment ISO 9001:2015, IATF 16949:2016
- Interpretation IQA and MRW ISO 9001:2015 & IATF 16949:2016
- Statistical Process Control (SPC)
- Failure Mode and Effects Analysis (FMEA)
- Product Part Approval Process (PPAP)
- Advance Product Quality Planning (APQP)
- Measurement System Analysis (MSA)



## Profile of Head of Compliance



### Miss Pathamakorn Buranasin

<b>Title</b>	Chief of CEO Office Company Secretary
<b>Date of appointment</b>	November 19, 2021
<b>Age</b>	42 years old
<b>Shareholding proportion (%)</b> (as of December 31, 2022)	0.04
<b>Family relationship between the director and the management</b>	-

#### Qualified according to the law on public limited companies and does not have prohibited characteristics

- Qualified -

#### Current position in other business which may have a conflict of interest with the Company

-None-

#### Education

##### Master's degree

- Master of Law (LLM) in International and Comparative law, The George Washington University, U.S.A.

##### Bachelor's degree

- Bachelor of Law (Second Class Honors), Chulalongkorn University

#### Training

- Institute of Legal Education of the Thai Bar
- Director Certification Program (DCP) # 220/2559, Thai Institute of Directors (IOD)
- Ultra Wealth Program #Gen 2 by Ultra Wealth Co., Ltd.
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#### Work Experience

##### Position in Other Listed Company

- 2015 - Nov 2021 Director, Member of Executive Committee
- Mar 2021 - Nov 2021 Managing Director
- 2015 - Mar 2021 Deputy Managing Director (Central Administration Division)
- 2016- Nov 2021 Company Secretary T Engineering Corporation Public Company Limited (The current name is "PSG Corporation Public Company Limited")

##### Position in Other Non-listed Company

- 2017 - 2018 Director T Asset Management Company Limited
- 2009 - 2015 Legal Advisor Weerawong, Chinnavat & Peangpanor Limited



## **Appendix 4**

# **Operating Assets and Details of Asset Appraisal**



## Operating Assets

### The Company's key assets

The Company and its subsidiary's core assets according to net book value as of December 31, 2022, are as the following:

(Unit: Million Baht)

	Consolidated Financial Statement		Separate Financial Statement	
	Cost price	Net value	Cost price	Net value
1. Land	12.2	12.2	12.2	12.2
2. Rental building and its renovation	7.6	3.8	7.0	3.2
3. Machinery and equipment	9.6	5.8	8.6	5.8
4. Decoration and office supplies	14.4	4.7	13.2	3.6
5. Vehicles	3.3	0.4	3.3	0.4
6. Right-of-use assets	62.8	51.5	50.5	40.6
<b>Total</b>	<b>109.9</b>	<b>78.4</b>	<b>95.8</b>	<b>65.8</b>

The Company and its subsidiary entered into a 1-4 year-asset lease agreement used for the Company and its subsidiary's operations, and the Company relocated its head office to AIA Sathorn Tower on South Sathorn Road in April 2022.

### Investment Property

The details of the Company and its subsidiary's investment property according to net book value as of December 31, 2022 are as follows:

(Unit: Million Baht)

	Consolidated Financial Statement	Separate Financial Statement
	Value	Value
Land	50.0	50.0
Re-valuated property	16.9	16.9
<b>Total</b>	<b>66.9</b>	<b>66.9</b>

Note: The Company re-estimated land valuation based on land appraisal price from independent property appraiser according to the asset appraisal report as of August 19, 2021.

### Investment policy on the Company's subsidiary and associate company

The Company has a policy to invest in its subsidiary by taking into account various factors to mainly encourage and enhance the businesses related to the Company's core businesses.

Nevertheless, the Company had no associate company as of December 2022.





## **Appendix 5**

# **Corporate Governance Policy, Practice Guideline, and Business Code of Conduct**





The Company has disclosed Corporate Governance Policy and Business Code of Conduct on the Company's website ([www.psgcorp.co.th](http://www.psgcorp.co.th)) under the heading "Corporate Governance"



The details of Corporate Governance Policy and Business Code of Conduct (full version)





## Appendix 6 Audit Committee Report



The Board of Directors has established an Audit Committee comprising four independent directors, each possessing a high level of expertise and experience in various aspects of the Company's operations. The Audit Committee members fully comply with the Stock Exchange of Thailand (SET) regulations. The committee members are as follows:

- |   |                                 |
|---|---------------------------------|
| 1. Pol. Gen. Chaiwat Getvorachai, Ph.D. | Chairman of the Audit Committee |
| 2. Mr. Prapas Vichakul                  | Member of the Audit Committee   |
| 3. Khammany Inthirath, Ph.D.            | Member of the Audit Committee   |
| 4. Darp Sukontasap, Ph.D.               | Member of the Audit Committee   |

Ms. Somruedee Halilamien, Chief Financial Officer, serves as the secretary of the Audit Committee. The committee operates independently and within the scope of its designated responsibilities to promote transparency, integrity, and fairness in the Company's operations. The committee upholds sound corporate governance principles and serves the best interests of shareholders.

In 2022, the Audit Committee held five meetings in which they met with internal auditors, external auditors, executives responsible for accounting and finance, and other relevant executives to exchange information, provide recommendations, and report on their performance to the Board of Directors quarterly. Regarding/Forthe attendance record of each Audit Committee member at these meetings, see below:

Name	Title	Number of times attended
1. Pol. Gen. Chaiwat Getvorachai, Ph.D.	Chairman of the Audit Committee	5/5
2. Mr. Prapas Vichakul	Member of the Audit Committee	5/5
3. Khammany Inthirath, Ph.D.	Member of the Audit Committee	5/5
4. Darp Sukontasap, Ph.D.	Member of the Audit Committee	5/5

## Summary of the Audit Committee's Performance

### Review of financial statements

The Audit Committee reviewed the Company's quarterly financial statements and the financial statements for 2022. The committee found the financial statements accurate and in compliance with legal requirements and financial reporting standards. Additionally, the notes in the financial statements were deemed complete, adequate, and timely, providing valuable information for shareholders and users. During the meeting with the auditor, all opinions were freely expressed. The committee performed its duties and responsibilities to ensure the Company's financial reporting was accurate and sufficiently disclosed.

### Reviewing the effectiveness of the internal control system

The Audit Committee reviewed and assessed the adequacy and appropriateness of the Company's internal control system by considering the audit report of the internal auditor. The committee found that the Company's internal control was sufficient and suitable for the business environment. The internal auditor's audit report for each quarter was used to assess financial reports' risk management and reliability and acknowledge inspection reports. The committee also followed up on improvements according to suggestions to ensure that the Company could solve problems in a timely manner. In addition, the committee provided valuable suggestions for enhancing the efficiency of the internal audit system and promoted the development and improvement of audit quality. The committee regularly followed up on the results of inspections.





### **Review of connected transactions**

The Audit Committee reviewed the Company's transactions with related parties and entities to address any potential conflicts of interest. The committee performed this to promote accurate, complete, and fair disclosure of information by considering the best interests of both the Company and its shareholders.

### **Evaluation of the Audit Committee**

The Audit Committee evaluates its performance annually using the assessment form recommended by the Stock Exchange of Thailand. The evaluation aims to improve the committee's performance and align it with the Company's business operations. The committee has effectively fulfilled its duties and responsibilities as outlined in its scope of authority and responsibilities.

### **Good Corporate Governance Review**

The Audit Committee reviewed the Company's compliance with the rules, regulations, code of conduct, and laws related to its business operations to maintain confidence among shareholders and stakeholders and to demonstrate the Board of Directors' commitment to sound corporate governance principles. The Company's business operations are regularly reviewed and improved to align with its objectives and to ensure efficiency and effectiveness. This review takes place at least once a year.

### **Approval of the appointment of an auditor**

The Audit Committee considered the selection of auditors and provided opinions to the Board of Directors for approval at the shareholders' meeting. The shareholders' meeting approved the appointment of EY Office Limited as the auditor for 2022. The committee considered the credibility, independence, knowledge, and experience in auditing and advising on accounting standards. The Company's auditor had no relationship or interest with the Company, subsidiaries, executives, major shareholders, or those related to such persons in any way. The auditor was independent in auditing and expressing opinions on the Company's financial statements.

### **Risk Management Review**

The Audit Committee oversaw the risk assessment of the business and followed up on the operations of the risk management team by assigning internal auditors to follow up. The committee presented risk information to the Board of Directors and the management so that the management could be aware of and could take appropriate measures.

### **Conclusions of the Audit Committee's opinions on the operations in various fields**

The Audit Committee followed up on the Company's operations according to the assigned scope of duties and responsibilities. The committee concluded that the Company's Board of Directors and the management were committed to performing their duties to achieve the set goals correctly. The Company gave great importance to efficient and effective operation, transparency, and accountability, including the accuracy of the Company's financial statements in all material respects according to generally accepted accounting principles. Information on connected transactions or transactions that might cause conflicts of interest was disclosed. The Company had an adequate internal control and risk management system that suited business conditions.

**Pol. Gen. Chaiwat Getvorachai, Ph.D.**  
Chairman of the Audit Committee



