

PSG Corporation Public Company Limited  
and its subsidiary  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2022

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of PSG Corporation Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of PSG Corporation Public Company Limited and its subsidiary as at 30 September 2022, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of PSG Corporation Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

## **Other Matter**

The statements of financial position of PSG Corporation Public Company Limited as at 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. The statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended of PSG Corporation Public Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under her report dated 12 November 2021, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting* with emphasis of matters on 2 litigations on these financial statements.

Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 9 November 2022

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 September 2022	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		546,849	411,348	1,061,092
Trade and other receivables	2, 3	136,305	136,297	6,516
Contract assets	4	261,644	261,644	11,740
Current tax assets		-	-	497
Other current financial assets	5	801,424	801,424	-
Other current assets		1,419	981	1,085
<b>Total current assets</b>		<b>1,747,641</b>	<b>1,611,694</b>	<b>1,080,930</b>
<b>Non-current assets</b>				
Restricted bank deposits		15,602	15,602	18,192
Other non-current financial assets	6	24,035	24,035	32,811
Investments in subsidiary	7	-	45,000	-
Investment properties		66,876	66,876	66,876
Property, plant and equipment	8	27,328	26,388	20,209
Right-of-use assets	10	56,290	43,786	2,346
Retention receivables	4	38,271	38,271	13,836
Intangible assets		819	800	1,450
Deferred tax assets		7,195	1,103	-
Other non-current assets		70,734	70,734	54,898
<b>Total non-current assets</b>		<b>307,150</b>	<b>332,595</b>	<b>210,618</b>
<b>Total assets</b>		<b>2,054,791</b>	<b>1,944,289</b>	<b>1,291,548</b>

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

PSG Corporation Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 September 2022	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	2, 9	206,528	166,186	26,270
Current portion of lease liabilities	10	13,509	10,418	733
Other short-term borrowing		12,236	12,236	12,236
Income tax payable		34,441	24,568	-
Retention payables		22,849	20,901	19,489
Provision for expected loss on construction contract		-	-	483
Provision for penalty arising from delay on construction contract		-	-	837
Other current provisions		801	801	772
Other current liabilities		11,564	11,433	10,596
<b>Total current liabilities</b>		<b>301,928</b>	<b>246,543</b>	<b>71,416</b>
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	10	35,422	30,191	1,676
Provision for decommissioning		4,603	4,603	-
Provision for long-term employee benefits		6,168	6,168	5,488
Deferred tax liabilities		-	-	5,024
Provisions for loss on litigations	14.2, 14.3	12,631	12,631	7,603
<b>Total non-current liabilities</b>		<b>58,824</b>	<b>53,593</b>	<b>19,791</b>
<b>Total liabilities</b>		<b>360,752</b>	<b>300,136</b>	<b>91,207</b>

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

**PSG Corporation Public Company Limited and its subsidiary**

**Statement of financial position (continued)**

**As at 30 September 2022**

(Unit: Thousand Baht)

	<b>Consolidated</b>		
	<b><u>financial statements</u></b>	<b><u>Separate financial statements</u></b>	
	<b><u>30 September 2022</u></b>	<b><u>30 September 2022</u></b>	<b><u>31 December 2021</u></b>
	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>			
Share capital			
Registered			
64,992,438,156 ordinary shares of Baht 1 each	<u>64,992,438</u>	<u>64,992,438</u>	<u>64,992,438</u>
Issued and fully paid			
64,992,438,156 ordinary shares of Baht 1 each	64,992,438	64,992,438	64,992,438
Share discount	-62,272,363	-62,272,363	-62,272,363
Expired warrant surplus	7,859	7,859	7,859
Retained earnings (Deficit)			
Appropriated - statutory reserve	5,527	5,527	5,527
Unappropriated (Deficit)	(1,057,307)	(1,096,149)	(1,546,748)
Other components of shareholders' equity	<u>17,885</u>	<u>6,841</u>	<u>13,628</u>
<b>Total shareholders' equity</b>	<u>1,694,039</u>	<u>1,644,153</u>	<u>1,200,341</u>
<b>Total liabilities and shareholders' equity</b>	<u>2,054,791</u>	<u>1,944,289</u>	<u>1,291,548</u>
	-	-	-

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

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 Directors  
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## PSG Corporation Public Company Limited and its subsidiary

## Statement of comprehensive income

For the three-month period ended 30 September 2022

(Unit: Thousand Baht except earnings (loss) per share expressed in Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from construction contracts	2	402,835	402,835	(423)
Other income		1,390	1,390	1,332
Exchange gains		21,951	29,861	-
<b>Total revenues</b>		<u>426,176</u>	<u>434,086</u>	<u>909</u>
<b>Expenses</b>				
Cost of construction contracts	2	108,413	142,155	482
Administrative expenses		37,076	33,175	21,002
<b>Total expenses</b>		<u>145,489</u>	<u>175,330</u>	<u>21,484</u>
<b>Operating profit (loss)</b>		280,687	258,756	(20,575)
Finance costs		(1,267)	(1,116)	(551)
<b>Profit (loss) before income tax expenses</b>		279,420	257,640	(21,126)
Income tax expenses		(39,062)	(37,945)	-
<b>Profit (loss) for the period</b>		<u>240,358</u>	<u>219,695</u>	<u>(21,126)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency		4,709	-	-
<i>Other comprehensive income not to be reclassified 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 - net of income tax		(1,091)	(1,091)	6,553
<b>Other comprehensive income for the period</b>		<u>3,618</u>	<u>(1,091)</u>	<u>6,553</u>
<b>Total comprehensive income for the period</b>		<u>243,976</u>	<u>218,604</u>	<u>(14,573)</u>
<b>Earnings (loss) per share</b>	11			
Basic earnings (loss) per share/Diluted earnings (loss) per share		<u>0.0037</u>	<u>0.0034</u>	<u>(0.0019)</u>

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

## PSG Corporation Public Company Limited and its subsidiary

## Statement of comprehensive income

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht except earnings (loss) per share expressed in Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2022	2022	2021
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from construction contracts	2	878,544	878,545	6,507
Other income		19,125	19,125	5,029
Exchange gains		24,694	34,917	-
<b>Total revenues</b>		<u>922,363</u>	<u>932,587</u>	<u>11,536</u>
<b>Expenses</b>				
Cost of construction contracts	2	255,146	312,792	7,458
Administrative expenses		96,178	91,220	55,318
<b>Total expenses</b>		<u>351,324</u>	<u>404,012</u>	<u>62,776</u>
<b>Operating profit (loss)</b>		571,039	528,575	(51,240)
Finance costs		(2,163)	(1,993)	(1,256)
<b>Profit (loss) before income tax expenses</b>		568,876	526,582	(52,496)
Income tax expenses		(79,854)	(76,402)	-
<b>Profit (loss) for the period</b>		<u>489,022</u>	<u>450,180</u>	<u>(52,496)</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency		11,044	-	-
<i>Other comprehensive income not to be reclassified 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 - net of income tax		(6,787)	(6,787)	18,362
Actuarial gain - net of income tax		419	419	-
<b>Other comprehensive income for the period</b>		<u>4,676</u>	<u>(6,368)</u>	<u>18,362</u>
<b>Total comprehensive income for the period</b>		<u>493,698</u>	<u>443,812</u>	<u>(34,134)</u>
<b>Earnings (loss) per share</b>	11			
Basic earnings (loss) per share/Diluted earnings (loss) per share		<u>0.0075</u>	<u>0.0069</u>	<u>(0.0048)</u>

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



(Unaudited but reviewed)

## PSG Corporation Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

Consolidated financial statements										
					Other components of shareholders' equity					
					Other comprehensive income					
					Gains (losses) on					
					Exchange differences	Gain on		Total other		Total
					on translation of	revaluation	investment in equity		of shareholders'	
					financial statements	of assets	at fair value through other		equity	
					in foreign currency	comprehensive income		equity		equity
Issued and		Expired		Retained earnings (Deficit)						
fully paid		warrant surplus		Appropriated -						
share capital	Share discount	-	-	statutory reserve	Unappropriated					
<b>Balance as at 1 January 2022</b>	64,992,438	(62,272,363)	7,859	5,527	(1,546,748)	-	14,793	(1,165)	13,628	1,200,341
Profit for the period	-	-	-	-	489,022	-	-	-	-	489,022
Other comprehensive income for the period	-	-	-	-	419	11,044	-	(6,787)	4,257	4,676
Total comprehensive income for the period	-	-	-	-	489,441	11,044	-	(6,787)	4,257	493,698
<b>Balance as at 30 September 2022</b>	<u>64,992,438</u>	<u>(62,272,363)</u>	<u>7,859</u>	<u>5,527</u>	<u>(1,057,307)</u>	<u>11,044</u>	<u>14,793</u>	<u>(7,952)</u>	<u>17,885</u>	<u>1,694,039</u>

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

(Unaudited but reviewed)

## PSG Corporation Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	Separate financial statements									
						Other components of shareholders' equity				
						Other comprehensive income			Total other components of shareholders' equity	Total shareholders' equity
						Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income				
Issued and fully paid share capital	Share discount	Expired warrant surplus	Retained earnings (Deficit)		Gain on revaluation of assets					
			Appropriated - statutory reserve	Unappropriated						
<b>Balance as at 1 January 2021</b>	10,948,438	(9,309,243)	7,859	5,527	(1,478,455)	15,217	(26,588)	(11,371)	162,755	
Loss for the period	-	-	-	-	(52,496)	-	-	-	(52,496)	
Transfer loss on changes in fair value of equity instruments sold to retained earnings	-	-	-	-	(6,126)	-	6,126	6,126	-	
Other comprehensive income for the period	-	-	-	-	-	-	18,362	18,362	18,362	
Total comprehensive income for the period	-	-	-	-	(58,622)	-	24,488	24,488	(34,134)	
<b>Balance as at 30 September 2021</b>	<u>10,948,438</u>	<u>(9,309,243)</u>	<u>7,859</u>	<u>5,527</u>	<u>(1,537,077)</u>	<u>15,217</u>	<u>(2,100)</u>	<u>13,117</u>	<u>128,621</u>	
<b>Balance as at 1 January 2022</b>	64,992,438	(62,272,363)	7,859	5,527	(1,546,748)	14,793	(1,165)	13,628	1,200,341	
Profit for the period	-	-	-	-	450,180	-	-	-	450,180	
Other comprehensive income for the period	-	-	-	-	419	-	(6,787)	(6,787)	(6,368)	
Total comprehensive income for the period	-	-	-	-	450,599	-	(6,787)	(6,787)	443,812	
<b>Balance as at 30 September 2022</b>	<u>64,992,438</u>	<u>(62,272,363)</u>	<u>7,859</u>	<u>5,527</u>	<u>(1,096,149)</u>	<u>14,793</u>	<u>(7,952)</u>	<u>6,841</u>	<u>1,644,153</u>	

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

(Unaudited but reviewed)

**PSG Corporation Public Company Limited and its subsidiary**

**Cash flow statement**

**For the nine-month period ended 30 September 2022**

(Unit: Thousand 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	568,876	526,582	(52,496)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	10,158	9,409	2,670
Allowance for impairment of loss on asset	108	108	-
Provision for long-term employee benefits	680	680	371
Reversal of trade and other payables	(119)	(119)	(906)
Other current provisions	83	83	8
Provision for expected loss on construction contract (reversal)	(483)	(483)	483
Provision for penalty arising from delay on construction contract (reversal)	(837)	(837)	837
Write-off of financial assets	-	-	61
Reversal of allowance for expected credit losses	-	-	(44)
Reversal of retention payables	(184)	(184)	(800)
Provisions for loss on litigations (reversal)	5,028	5,028	(10)
Loss (gain) on disposal of equipments	(6,197)	(6,197)	15
Unrealised gain on exchange	(5,180)	(5,180)	-
Gain on fair value adjustments of other current financial assets	(1,424)	(1,424)	-
Interest income	(316)	(316)	(43)
Bank fees	628	628	472
Interest expenses	1,535	1,365	784
Profit (loss) from operating activities before changes in operating assets and liabilities	572,356	529,143	(48,598)

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

(Unaudited but reviewed)

**PSG Corporation Public Company Limited and its subsidiary**

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 2022**

(Unit: Thousand 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	(125,197)	(125,189)	7,779
Costs to fulfil contracts with customer	-	-	(2,264)
Contract assets	(249,904)	(249,904)	1,655
Other current financial assets	(800,000)	(800,000)	4,466
Other current assets	(334)	104	2,676
Retention receivables	(23,042)	(23,042)	13,411
Other non-current assets	(15,339)	(15,339)	(71)
Operating liabilities increase (decrease)			
Trade and other payables	174,392	138,705	(14,972)
Retention payables	3,152	1,204	(5,601)
Other current provisions	(54)	(54)	(1,458)
Other current liabilities	968	837	(591)
Cash paid for long-term employee benefits	-	-	(274)
Cash flows used in operating activities	(463,002)	(543,535)	(43,842)
Interest received	326	326	75
Bank fees paid	(628)	(628)	(472)
Cash received for refund of withholding tax	-	-	25,721
Cash paid for income tax	(54,759)	(54,759)	(446)
<b>Net cash flows used in operating activities</b>	<b>(518,063)</b>	<b>(598,596)</b>	<b>(18,964)</b>

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

(Unaudited but reviewed)

**PSG Corporation Public Company Limited and its subsidiary**

**Cash flow statement (continued)**

**For the nine-month period ended 30 September 2022**

(Unit: Thousand 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	2,590	2,590	(3,229)
Cash received from sales of other non-current financial assets	-	-	14,865
Proceed from sales of equipments	10,138	10,138	-
Cash paid for acquisitions of building improvement and equipment	(13,812)	(12,867)	(1,836)
Cash paid for acquisitions of intangible assets	(19)	-	-
Cash paid for purchases of investment in subsidiary (Note 7)	-	(45,000)	-
<b>Net cash flows from (used in) investing activities</b>	<u>(1,103)</u>	<u>(45,139)</u>	<u>9,800</u>
<b>Cash flows from financing activities</b>			
Cash received from long-term borrowing from banks	-	-	30,000
Cash paid under lease liabilities	(8,767)	(4,780)	(538)
Interest paid	(1,399)	(1,229)	(784)
<b>Net cash flows from (used in) financing activities</b>	<u>(10,166)</u>	<u>(6,009)</u>	<u>28,678</u>
<b>Increase in translation adjustments</b>	<u>15,089</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(514,243)</u>	<u>(649,744)</u>	<u>19,514</u>
Cash and cash equivalents at the beginning of the period	<u>1,061,092</u>	<u>1,061,092</u>	<u>19,071</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>546,849</u></u>	<u><u>411,348</u></u>	<u><u>38,585</u></u>
	-	-	-
<b>Supplemental cash flow information:</b>			
Non-cash transactions			
Acquisitions of building improvement for which			
no cash has been paid	113	113	-
Increase in right-of-use assets from lease liabilities	55,289	42,980	-
Increase in right-of-use assets from provision for decommissioning	4,467	4,467	-

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

**PSG Corporation Public Company Limited and its subsidiary**

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 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 a plant and building construction and other related services.

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 30 September 2022, the Company had a deficit of Baht 1,096.15 million (31 December 2021: Baht 1,546.75 million), which decreased by Baht 450.60 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.

### **1.3 Coronavirus disease 2019 Pandemic (COVID-19)**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiary (“the Group”) operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

### **1.4 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

### **1.5 Basis of consolidation**

- a) The interim consolidated financial statements included the financial statements of PSG Corporation Public Company Limited and its subsidiary. During the period, 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 7 to the interim 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.

(Unaudited but reviewed)

- 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.

## 1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

## 2. Related party transactions

During the periods, 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: Thousand Baht)

	For the three-month periods ended 30 September			Transfer pricing policy
	Consolidated	Separate		
	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	-	127,923	-	Contract price
<b><u>Transactions with related parties</u></b>				
Revenues from construction contracts	402,835	402,835	-	Contract price
Subcontractor cost	130	130	-	Agreed price
Other expenses	611	502	-	Contract price or Agreed price



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate		Transfer pricing policy
	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	-	277,531	-	-	Contract price
<b><u>Transactions with related parties</u></b>					
Revenues from construction contracts	873,167	873,167	-	-	Contract price
Subcontractor cost	130	130	-	-	Agreed price
Other expenses	646	502	-	-	Contract price or Agreed price

The balances of the accounts as at 30 September 2022 and 31 December 2021 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2022	30 September 2022	31 December 2021
			(Audited)
<b><u>Trade and other receivables - related parties</u></b>			
<b><u>Trade receivables - related parties (Note 3)</u></b>			
Related parties (the Company's related persons)	129,914	129,914	-
Total trade receivables - related parties	129,914	129,914	-
<b><u>Other receivables - related parties (Note 3)</u></b>			
Subsidiary	-	7	-
Related parties (the Company's related persons)	102	102	-
Total other receivables - related parties	102	109	-
Total trade and other receivables - related parties	130,016	130,023	-
<b><u>Trade and other payables - related parties</u></b>			
<b><u>Trade payables - related parties (Note 9)</u></b>			
Subsidiary	-	136,229	-
Total Trade payables - related parties	-	136,229	-
<b><u>Other payables - related parties (Note 9)</u></b>			
Subsidiary	-	412	-
Related parties (the Company's related persons)	723	695	-
Total other payables - related parties	723	1,107	-
Total trade and other payables - related parties	723	137,336	-

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		
	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	6,251	4,919	2,022
Post-employment benefits	114	114	9
Directors remuneration	473	473	1,059
Total	<u>6,838</u>	<u>5,506</u>	<u>3,090</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September		
	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	14,933	13,188	7,199
Post-employment benefits	340	340	26
Directors remuneration	2,315	2,315	2,407
Total	<u>17,588</u>	<u>15,843</u>	<u>9,632</u>

(Unaudited but reviewed)

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		(Audited)
	financial statements	Separate financial statements	
	30 September 2022	30 September 2022	
<b><u>Trade receivables - related parties</u></b>			
Aged on the basis of due dates			
Not yet due	129,914	129,914	-
Total trade receivables - related parties	129,914	129,914	-
<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	129,914	129,914	-
<b><u>Other receivables - related parties</u></b>			
Other receivables	102	109	-
<b><u>Other receivables - unrelated parties</u></b>			
Other receivables	5,464	5,464	5,550
The Revenue Department receivable	2,204	2,204	2,985
Advance payments	-	-	178
Prepaid expenses	1,759	1,744	941
Advance payments for construction	2,276	2,276	2,276
Total other receivables - unrelated parties	11,703	11,688	11,930
Total other receivables	11,805	11,797	11,930
Less: Allowance for expected credit losses	(5,414)	(5,414)	(5,414)
Total other receivables, net	6,391	6,383	6,516
Total trade and other receivable, net	136,305	136,297	6,516

(Unaudited but reviewed)

**4. Contract assets / Retention receivables**

(Unit: Thousand Baht)

	Consolidated		
	financial statements		Separate financial statements
	30 September 2022	30 September 2022	31 December 2021
			(Audited)
<b><u>Contract assets</u></b>	299,962	299,962	50,058
Less: Allowance for expected credit losses	(38,318)	(38,318)	(38,318)
Contract assets, net	<u>261,644</u>	<u>261,644</u>	<u>11,740</u>
<b><u>Retention receivables</u></b>	86,307	86,307	61,872
Less: Allowance for expected credit losses	(48,036)	(48,036)	(48,036)
Retention receivables, net	<u>38,271</u>	<u>38,271</u>	<u>13,836</u>

**5. Other current financial assets**

Other current financial assets are investments in debt securities open-ended fund at FVTPL. The fair value of investments are determined from their net asset value at the last working day of the end of each reporting period which is the fair value measurement level 2 based on the fair value hierarchy.

**6. Other non-current financial assets**

Other non-current financial assets are investments in equity instruments at FVOCI. The fair value of investments are determined from last bidding price of the Stock Exchange of Thailand at the last working day of the end of each reporting period which is the fair value measurement level 1 based on the fair value hierarchy.

**7. Investments in a subsidiary**

Detail of investments in a subsidiary as presented in the separate financial statements is as follow:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
		(Audited)	(Percent)	(Percent)		(Audited)
PSGC (Lao) Sole Company Limited	45,000	-	100	-	45,000	-
Total					<u>45,000</u>	<u>-</u>

(Unaudited but reviewed)

PSGC (Lao) Sole Company Limited

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.

**8. Property, plant and equipment**

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 January 2022</b>	20,209	20,209
Acquisitions during the period - at cost	13,925	12,980
Disposal during the period - net book value	(3,941)	(3,941)
Depreciation for the period	(2,791)	(2,752)
Allowance for impairment loss	(108)	(108)
Translation adjustment	34	-
<b>Net book value as at 30 September 2022</b>	<u>27,328</u>	<u>26,388</u>

The Company has pledged land and buildings in net book value as at 30 September 2022 approximately Baht 13.58 million (31 December 2021: Baht 13.97 million), as collateral for the bail contract to suspend the execution under the judgment of the Appeal Court as described in Note 14.3 to the financial statements.

**9. Trade and other payables**

	(Unit: Thousand Baht)		
	Consolidated	Separate financial statements	
	<u>30 September</u>	<u>30 September</u>	<u>31 December</u>
	<u>2022</u>	<u>2022</u>	<u>2021</u>
			(Audited)
Trade payables - related parties	-	136,229	-
Trade payables - unrelated parties	188,419	11,464	16,202
Other payables - related parties	723	1,107	-
Other payables - unrelated parties	4,447	4,447	6,116
Accrued expenses	12,939	12,939	3,952
<b>Total</b>	<u>206,528</u>	<u>166,186</u>	<u>26,270</u>

**10. Leases****The Group as a lessee**

The Group has lease contracts for used in its operations. Leases generally have lease terms between 1 - 4 years.

**a) Right-of-use assets**

Movements of right-of-use assets for the nine-month period ended 30 September 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2022</b>	2,346	2,346
Increase during the period	59,756	47,447
Depreciation for the period	(6,717)	(6,007)
Translation adjustment	905	-
<b>Net book value as at 30 September 2022</b>	<u>56,290</u>	<u>43,786</u>

**b) Lease liabilities**

	(Unit: Thousand Baht)		
	Consolidated	Separate financial statements	
	financial statements	30 September	31 December
	30 September	2022	2021
	2022	2022	2021
			(Audited)
Lease payments	55,163	45,230	2,644
Less: Deferred interest expenses	(6,232)	(4,621)	(235)
Total	48,931	40,609	2,409
Less: Portion due within one year	(13,509)	(10,418)	(733)
Lease liabilities - net of current portion	<u>35,422</u>	<u>30,191</u>	<u>1,676</u>

**11. Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing earnings (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 September		
	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the period (Thousand Baht)	240,358	219,695	(21,126)
Weighted average number of ordinary shares (Thousand shares)	64,992,438	64,992,438	10,948,438
Basic earnings (loss) per share (Baht per share)	0.0037	0.0034	(0.0019)
	For the nine-month periods ended 30 September		
	Consolidated		
	financial statements	Separate financial statements	
	<u>2022</u>	<u>2022</u>	<u>2021</u>
Profit (loss) for the period (Thousand Baht)	489,022	450,180	(52,496)
Weighted average number of ordinary shares (Thousand shares)	64,992,438	64,992,438	10,948,438
Basic earnings (loss) per share (Baht per share)	0.0075	0.0069	(0.0048)

Diluted earnings (loss) per share is calculated by dividing earnings (loss) for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period 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 three-month and nine-month periods ended 30 September 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.

## **12. Segment information**

The Group is principally engaged in a plant and building construction. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets 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.

## **13. Commitments and contingent liabilities**

- 13.1 As at 30 September 2022, the Company had outstanding bank guarantees of approximately Baht 13.6 million issued by banks as required in the normal course of business.
- 13.2 As at 30 September 2022, future minimum lease payments of the Group required under short-term leases and leases of low-value assets contracts are totaling Baht 0.41 million (the Company only: Baht 1.05 million).
- 13.3 As at 30 September 2022, the Group has commitments totaling USD 8 million or Baht 316 million (the Company only: USD 17 million or Baht 659 million) in respect of project construction costs, which the Group had already entered into agreements.
- 13.4 As at 30 September 2022, the Company has commitments totaling Baht 70 million, in respect of consulting fees for a feasibility study on project development, which the Company had already entered into agreements.
- 13.5 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.
- 13.6 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 as described in Note 37.3 to the financial statements for the year 2021. Later, on 25 February 2022, the Company already redeemed the collateral.



## 14. Litigation

14.1 On 24 July 2012, the Company sued a company (the “Contractor”) for breach of the construction contract with computable monetary value claims of Baht 100.23 million and such company sued a counterclaim against the Company in the same lawsuit with computable monetary value claims of Baht 281.02 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 65.01 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.

14.2 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 14.10 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 11.39 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 0.99 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 11.39 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 5.91 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 8.07 million, and to return a letter of guarantee. Since the Company had previously recorded the provisions for loss on litigations of Baht 2.26 million and liabilities in the related accounts of Baht 2.40 million, the Company set aside additional provision of Baht 3.41 million in the profit or loss in the current period.

14.3 The Company was sued over a breach of contract relating to borrowings with claims of Baht 17.59 million. The case is currently under consideration of the Supreme Court. Meanwhile, the Company pledged land and buildings of the Company (Note 8) and cash of Baht 15.30 million as collateral to suspend the execution under the Appeal Court's judgment.

As at 30 September 2022, the Company recorded as provisions for losses on litigations amounting to Baht 6.96 million and liabilities in the related accounts of Baht 12.4 million. The Company has fully recorded the provision for such liabilities.

The Company recorded provisions for losses on 2 litigations totaling Baht 12.63 million (Notes 14.2 and 14.3).

## 15. 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 period'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

## 16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2022.