



**Management Discussion and Analysis (“MD&A”) for operating performance
for the three-month period ended 31 March 2022
of TRC Construction Public Company Limited and Its Subsidiaries**

Operating Results of the Company and its subsidiaries (Unit : Million Baht)	Q1	Q1	Change	
	2022	2021	Inc. / (Dec.)	%
Construction services income	833.87	1,151.67	(317.80)	(27.60%)
Cost of construction services	784.28	1,204.79	(420.51)	(34.90%)
Gross profit (loss) for construction services income	49.59	(53.12)	102.71	193.36%
Other service income	1.32	6.57	(5.25)	(79.93%)
Cost of other services	0.94	3.20	(2.26)	(70.68%)
Gross profit (loss) for other service income	0.38	3.36	(2.98)	(88.75%)
Sales income	1.60	0.23	1.37	581.03%
Cost of sales	1.22	0.13	1.09	831.88%
Gross profit (loss) for sales	0.38	0.10	0.27	264.03%
Interest and other income	3.92	8.16	(4.24)	(51.98%)
Administrative expenses	71.31	61.84	9.47	15.31%
Finance cost	9.80	7.45	2.35	31.46%
Share of profit (loss) from investment in joint ventures	(4.90)	(1.31)	3.59	274.11%
Income tax income (expenses)	(1.71)	1.60	(3.31)	(206.55%)
Profit (loss) attributable to non-controlling interests of the subsidiaries	0.44	0.44	(0.00)	(0.02%)
Profit (loss) attributable to equity holders of the Company	(33.00)	(110.05)	(77.05)	(70.01%)
Earnings per Share (Baht)	(0.0034)	(0.0114)	0.0080	

The 1st Quarter of 2022 Operating Performance Summary

1. **Construction services income** was Baht 833.87 million, representing a decrease of Baht 317.80 million or 27.60% from the same quarter of last year since some projects had not been constructed as planned due to the permission to enter into the construction sites from the relevant agencies had not been granted i.e. the Raw Water Pipeline System Klong Luang Reservoir- Chonburi Project and the Conversion of the Overhead Transmission Lines to Underground (Ratchadaphisek-Asoke) Project.

The construction services income contributed from the civil works and the piping works as same as the same quarter of last year for Baht 547.44 million and Baht 143.70 million respectively. Mainly from the Conversion of the Overhead Transmission Lines to Underground (Ratchadaphisek-Asoke) Project for Baht 235.83 million, the Fabrication and Installation of Fuel Tanks Projects in Phetchaburi province and Chachoengsao province for Baht 128.72 million and the Drainage System for the Eastern Railway-parallel Road Phase 1 Pattaya city Project for Baht 52.74 million.

2. **Gross Profit for construction services** was Baht 49.59 million, whereas the same quarter of last year had gross loss for construction services for Baht 53.12 million. The comparison gross profit for construction services between the 1st quarter of 2022 and 2021 increased of Baht 102.71 million or 193.36%.

3. **Administrative expenses** were Baht 71.31 million, representing an increase of Baht 9.47 million or 15.31% from the same quarter of last year. The significant increasing expenses were management and legal advisory fee of Baht 7.96 million.

4. **Finance cost** was Baht 9.80 million, representing an increase of Baht 2.35 million or 31.46% from the same quarter of last year, caused from the increase of bank overdrafts and short-term loans that was used as working capital. As of 31 March 2022, the outstanding balance of bank overdrafts and short-term loans was Baht 805.13 million or increased of Baht 8.51 million from last year.

5. **Loss attribute to equity holders of the Company** was Baht 33.00 million, representing Baht 0.0034 loss per share whereas loss attribute to equity holders of the Company for same period of last year was Baht 110.05 million, representing Baht 0.0114 loss per share.

Finance Position

Finance Position (Unit:MB)	31 Mar 22	31 Dec 21	Inc. / (Dec.)	%
Current assets	3,404.81	3,243.64	161.17	4.97%
Non-current assets	830.29	851.69	(21.41)	(2.51%)
Tptal assets	4,235.09	4,095.33	139.76	3.41%
Current liabilities	3,826.24	3,655.56	170.68	4.67%
Non-current liabilities	72.67	71.97	0.70	0.97%
Total liabilities	3,898.91	3,727.53	171.38	4.60%
Equity	336.18	367.80	(31.62)	(8.60%)

Total assets were Baht 4,235.09 million, representing an increase of Baht 139.76 million or 3.41%, caused from the increase of current assets Baht 161.17 million and the decrease of non-current assets Baht 21.41 million.

Significant changes of assets were as follow;

1. Assets from contract increased Baht 239.53 million as a result of the realized construction services income in accordance with the proportion of works completion which were unable to issue invoices prior to fulfill the conditions of the contract.
2. Trade and other current receivables decreases Baht 55.33 million or 13.54 due to decreasing of revenues.
3. Advance payment to subcontractor decreased Baht 31.61 million since subcontractor gradually delivered their works to the Company.

Total Liabilities were Baht 3,898.91 million, representing an increase of Baht 171.38 million or 4.6%, caused from the increase of current liabilities Baht 170.68 million and the increase of non-current liabilities Baht 0.70 million.

Significant changes of liabilities were as follow;

1. Unbilled payable increased Baht 201.68 million since the creditors, who provide construction services, were unable to issue the invoices prior to fulfill the conditions of the contract.
2. Trade and other current payables increased Baht 44.24 million since some construction sites were temporarily closed.



3. Contract Liabilities decreased by Baht 89.40 million due to the delivery of work resulting from a reduction in advance received from customer under construction project and unearned construction – revenue.

Equity was Baht 336.18 million, representing a decrease of Baht 31.62 million or 8.6%, resulting from loss of operating performance for three-month period.

Key Financial Ratios

Financial ratios	Q1/2022	Q1/2021	31 Mar 22	31 Dec 21
Net profit (loss) margin (%)	(3.93%)	(9.43%)		
Liquidity ratio (time)			0.89	0.89
Debt to Equity ratio (time)			11.60	10.13

Backlog on Hand

As of 31 March 2022, the Company and its subsidiaries had projects on hand with the remaining uncompleted works as follows.

Company	Number of the Projects	Uncompleted Work Value (MB)
TRC Construction Public Company Limited	13	989.75
Sahakarn Wisavakorn Co., Ltd.	16	5,140.95
Joint Venture Sahahydro Pattaya	1	267.48
Total	30	6,398.18

New Projects

Since 1 January 2022 to 31 March 2022, TRC has obtained 4 projects, total work value of Baht 333.69 million as follow;

TRC

- Gas Pipeline for Navanakorn Industrial Promotion Zone, Nakhonratchasima province from PTT Public Company Limited. The project work value is Baht 82.54 million with 450 days constructions period.
- New Gas Pipeline System for New EGCO Cogen in Rayong from EGCO Cogeneration Co., Ltd. The project work value is Baht 142.00 million with 540 days constructions period.

Sahakarn Wisavakorn Co., Ltd.

- Mueang Phitsanulok Community Development Phase 2 from Department of Public Works and Town & Country Planning. The project work value is Baht 91.59 million with 780 days constructions period.
- 5,000 cu.m. Clear Water Storage Tanks from Bangsaen Mahanakorn Co., Ltd. The project work value is Baht 17.56 million with 213 days constructions period.

(Mr. Pasit Leesakul)

Director and Chief Executive Officer

13 May 2022