

**Management Discussion and Analysis (“MD&A”) for operating performance for
the three-month and six-month period ended 30 June 2022
of TRC Construction Public Company Limited and Its Subsidiaries**

Operating Results of the Company and its subsidiaries (Unit : Million Baht)	Q2 2022	Q2 2021	YoY Inc./ (Dec.)	Q1 2021	QoQ Inc./ (Dec.)	6M 2022	6M 2021	YoY Inc./ (Dec.)
Construction services income	895.11	1,107.79	(212.69)	833.87	61.24	1,728.98	2,259.46	(530.49)
Cost of construction services	844.42	1,020.17	(175.76)	784.28	60.14	1,628.69	2,224.96	(596.27)
Gross profit (loss) for construction services income	50.69	87.62	(36.93)	49.59	1.10	100.28	34.50	65.78
Other service income	1.32	5.27	(3.95)	1.32	(0.00)	2.64	11.84	(9.20)
Cost of other services	0.81	3.90	(3.08)	0.94	(0.13)	1.75	7.10	(5.35)
Gross profit (loss) for other service income	0.51	1.38	(0.87)	0.38	0.13	0.89	4.74	(3.85)
Sales income	0.00	0.37	(0.37)	1.60	(1.60)	1.60	0.60	1.00
Cost of sales	0.00	0.27	(0.27)	1.22	(1.22)	1.22	0.40	0.82
Gross profit (loss) for sales	0.00	0.10	(0.10)	0.38	(0.38)	0.38	0.20	0.18
Interest and other income	15.34	17.63	(2.29)	3.91	11.43	19.26	25.79	(6.54)
Administrative expenses	62.12	61.95	0.16	71.31	(9.19)	133.43	123.79	9.64
Finance cost	10.31	8.79	1.52	9.80	0.51	20.11	16.24	3.87
Share of profit (loss) from investment in joint ventures	(3.72)	0.76	(4.48)	(4.90)	1.18	(8.62)	(0.55)	(8.07)
Income tax income (expenses)	(0.64)	(4.28)	3.64	(1.71)	1.07	(2.35)	(2.68)	0.33
Profit (loss) attributable to non-controlling interests the subsidiaries	0.25	(0.46)	0.72	(0.44)	0.70	(0.19)	(0.91)	0.72
Profit (loss) attributable to equity holders of the Company	(10.51)	32.92	(43.43)	(33.00)	22.49	(43.51)	(77.13)	33.62
Earnings per Share (Baht)	(0.0011)	0.0034	(0.0045)	(0.0034)	0.0023	(0.0045)	(0.0080)	0.0035

The 2nd Quarter of 2022 Operating Performance Summary

1. Construction services income was Baht 895.11 million, representing an decrease of Baht 212.69 million or 19.20% from the same period 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. Revenue structure came from civil work and pipeline work, in 2nd quarter of 2022, the revenue was recognized from civil work of Baht 547.44 million and pipeline work of Baht 143.40 million that came from the significant projects such as the Conversion of the Overhead Transmission Lines to Underground (Ratchadaphisek-Asoke) Project for Baht 230.64 million, the Highway Route No.41, Ban Mai-Siap-Phattalung Projects for Baht 89.84 million and the Na Ranong-overpass Projects for Baht 86.86 million.

2. Other service income was Baht 1.32 million decreased by Baht 3.95 million from the same quarter of last year. Revenue came from a subsidiary, the data analysis service and platform management through IoT system of Olive Technology Company Limited. The decreasing of income due to the change from subsidiary to an associate of TRC Utilities Company Limited.

3. Gross Profit for construction services was Baht 50.69 million, decreased by Baht 36.93 million from the same period of last year and was nearly Baht 49.59 million in the 1st quarter of 2022. Due to the decreasing of construction of service income.

4. Administrative expenses was Baht 62.12 million, nearly Baht 61.95 million in the same period of last year. The ratio of administration expenses were 6.81% and 5.48% respectively.

5. **Finance cost** was Baht 10.31 million, representing an increase of Baht 1.52 million or 17.33% from the same period of last year, caused from the increase of bank overdrafts and short-term loan that was used as working capital. As of 30 Jun 2022, the outstanding balance of bank overdrafts and short-term loan was Baht 858.45 million.

6. **Profit /Loss attribute to equity holders of the Company** was Baht -10.51 million whereas profit/loss attribute to equity holders of the Company for the 2nd quarter of 2021 and 1st quarter of 2022 was Baht 32.92 million and Baht -33.00 million, respectively. The loss increasing was due to the decreasing of construction service income.

The 6-Month of 2022 Operating Performance

The first half of 2022, TRC and its subsidiaries recorded the services income of Baht 1,728.98 million, representing an decrease of Baht 530.49 million or 23.48% from the same period of last year. The reason was the decrease of the construction service income of both quarters. However, net loss decreased by Baht 33.62 million from the same period of last year due to the loss from the record of provision for performance guarantee and liquidated damages in the 1st quarter of 2021 for Baht 58.46 million.

6-Month of 2022 and 2021, loss profit attribute to equity holders of the Company was Baht 43.51 million and Baht 77.13 million, representing Baht -0.0045 earnings per share and Baht -0.0080 earnings per share, respectively.

Finance Position

Finance Position (Unit : million)	30 Jun 2022	31 Dec 2021	Inc. / (Dec.)	%
Current Assets	3,572.09	3,243.64	328.45	10.13%
Non-current Assets	816.99	851.69	(34.70)	(4.07%)
Total assets	4,389.08	4,095.33	293.75	7.17%
Current Liabilities	3,990.70	3,655.56	335.14	9.17%
Non-Current Liabilities	74.76	71.97	2.79	3.87%
Total liabilities	4,065.46	3,727.53	337.93	9.07%
Equity	323.62	367.80	(44.18)	(12.01%)

Total assets was Baht 4,389.08 million, representing an increase of Baht 293.75 million or 7.17%, caused from the increase of current assets of Baht 328.45 million and the decrease of non-current assets of Baht 34.70 million. The increase of current assets was unbilled receivable of Baht 286.70 million

Total Liabilities was Baht 4,065.46 million, representing an increase of Baht 337.93 million or 9.07%, caused from the increase of current liabilities of Baht 335.14 million and the increase of non-current liabilities of Baht 2.79 million. The increase of current liabilities was unbilled payable by Baht 301.69 million

Equity was Baht 323.62 million, representing a decrease of Baht 44.18 million or 12.01%, resulting from loss of operating performance for six-month of Baht 43.70 million and other comprehensive income of Baht 0.48 million.

Key Financial Ratios

Financial Ratios	Q2/2022	Q1/2022	Q2/2021	1H/2022	1H/2021
Net Profit (loss) Margin (%)	(1.12%)	(3.98%)	(2.87%)	(2.49%)	(3.39%)

Financial Ratios	30 Jun 2021	31 Dec 2020
Current Ratio (Times)	0.90	0.89
Debt to Total Asset Ratio (Times)	0.93	0.91
Debt to Equity Ratio (Times)	11.36	9.33

Backlog on Hand

As of 30 June 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	755.80
Sahakarn Wisavakorn Co., Ltd.	18	4,514.20
Joint Venture Sahahydro Pattaya	1	226.98
Total	32	5,497.98

(Mr. Pasit Leesakul)

Director and Chief Executive Officer

10 August 2022