



**Management Discussion and Analysis (“MD&A”) for operating performance
for the three-month period ended 31 March 2023
of TRC Construction Public Company Limited and Its Subsidiaries**

Operating Results of the Company and its subsidiaries (Unit : Million Baht)	Q1	Q1	Change	
	2023	2022	Inc. / (Dec.)	%
Construction services income	633.10	833.87	(200.77)	(24.08%)
Cost of construction services	568.50	784.28	(215.78)	(27.51%)
Gross profit (loss) for construction services income	64.60	49.59	15.01	30.27%
Other service income	1.32	1.32	(0.00)	(0.00%)
Cost of other services	0.85	0.94	(0.09)	(9.57%)
Gross profit (loss) for other service income	0.47	0.38	0.09	23.68%
Sales income	-	1.60	(1.60)	(100.00%)
Cost of sales	-	1.22	(1.22)	(100.00%)
Gross profit (loss) for sales	-	0.38	(0.38)	(100.00%)
Interest and other income	2.47	3.92	(1.45)	(36.99%)
Administrative expenses	61.88	71.31	(9.43)	(13.22%)
Finance cost	13.22	9.80	3.42	34.90%
Share of profit (loss) from investment in joint ventures	(0.76)	(4.90)	4.14	84.49%
Income tax income (expenses)	(0.54)	(1.71)	1.17	68.42%
Profit (loss) attributable to non-controlling interests of the subsidiaries	-	0.44	0.44	100.00%
Profit (loss) attributable to equity holders of the Company	(8.85)	(33.00)	24.15	73.18%
Earnings per Share (Baht)	(0.0009)	(0.0034)	0.0025	
Total incomes	636.89	840.700	(203.82)	(24.24%)
Gross Margin	65.07	50.35	14.72	29.24%

The 1st Quarter of 2023 Operating Performance Summary

1. Construction services income was Baht 633.10 million, representing a decrease of Baht 200.77 million or 24.08% from the same quarter of last year since some projects were not constructed as planned due to encountering underground obstacles which is in the process of submitting a solution to the owner and related parties.

The construction services income contributed from the civil works and the piping works as same as the same quarter of last year for Baht 359.44 million and Baht 169.62 million respectively. Mainly from the Raw Water Pipeline System Klong Luang Reservoir-Chonburi Project for Baht 91.24 million, the Construction of Thabo Crown Prince Hospital at Nong Khai province for Baht 67.71 million and the Drainage System for the Eastern Railway-parallel Road Phase 1 Pattaya city Project for Baht 61.03 million.

2. Gross Profit for construction services was Baht 64.60 million, whereas the same quarter of last year gross profit for construction services was Baht 49.59 million. The comparison gross profit for construction services between the 1st quarter of 2023 and 2022 increased by Baht 15.01 million or 30.27% due to an additional work of the project which completed last year.

3. Administrative expenses were Baht 61.88 million, representing a decrease of Baht 9.43 million or 13.22% from the

same quarter of last year. The significant decreasing expenses were salary and employee benefits of Baht 7.83 million.

4. Finance cost was Baht 13.22 million, representing an increase of Baht 3.42 million or 34.90% from the same quarter of last year, caused from the increase of bank overdrafts and short-term loans from financial institution that was used as working capital and the increase of interest rate from financial institution according to current economic circumstances. As of 31 March 2023, the outstanding balance of bank overdrafts and short-term loans was Baht 962.86 million or increased by Baht 22.95 million from the end of last year.

5. Loss attribute to equity holders of the Company was Baht 8.85 million, representing Baht 0.0009 loss per share whereas loss attribute to equity holders of the Company for same period of last year was Baht 33.00 million, representing Baht 0.0034 loss per share.

Finance Position

Finance Position (Unit: MB)	31 Mar 23	31 Dec 22	Inc. / (Dec.)	%
Current assets	3,423.41	3,551.41	(128.00)	(3.60%)
Non-current assets	785.53	801.98	(16.45)	(2.05%)
Total assets	4,208.94	4,350.39	(144.45)	(3.32%)
Current liabilities	3,833.79	3,987.67	(153.88)	(3.86%)
Non-current liabilities	81.36	62.89	18.47	29.36%
Total liabilities	3,915.15	4,050.56	(135.42)	(3.34%)
Equity of the company	291.33	300.37	(9.04)	(3.01%)
Total Equity	293.79	302.83	(9.04)	(2.98%)

Total assets were Baht 4,208.94 million, representing a decrease of Baht 144.45 million or 3.32% from the end of last year, caused from the decrease of current assets of Baht 128.00 million and the decrease of non-current assets of Baht 16.45 million.

Significant changes of assets were as follow;

1. Trade and other current receivables decreased by Baht 64.46 million or 26.09% due to the decrease of revenues as mentioned above.
2. Withholding tax deducted at source decreased by Baht 31.20 million or 25.40% due to refunding from the Revenue Department.
3. Assets from contract decreased by Baht 27.75 million or 1.01% because the Company was able to issue invoices as the conditions of the contract.

Total Liabilities were Baht 3,915.15 million, representing a decrease of Baht 135.42 million or 3.34% from the end of last year, caused from the decrease of current liabilities of Baht 153.88 million and the increase of non-current liabilities of Baht 18.47 million.

Significant changes of liabilities were as follow;

1. Unbilled payable decreased by Baht 72.85 million or 6.20% since the creditors issued the invoices in fulfillment of the conditions of the contract.



2. Contract Liabilities decreased by Baht 71.94 million or 11.65% due to the delivery of work, resulting in the reduction of advance received from customer under construction contract and unearned construction revenue.
3. Trade and other current payables decreased by Baht 42.02 million or 5.33% due to the decrease of construction service income as mentioned above.

Equity was Baht 291.33 million, representing a decrease of Baht 9.04 million or 3.01%, resulting from loss of operating performance for three-month period.

Key Financial Ratios

Financial ratios	Q1/2023	Q1/2022	31 Mar 23	31 Dec 22
Net profit (loss) margin (%)	(1.39%)	(3.93%)		
Liquidity ratio (time)			0.89	0.89
Debt to Equity ratio (time)			13.33	13.38

Backlog on Hand

As of 31 March 2023, 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	569.22
Sahakarn Wisavakorn Co., Ltd.	17	3,262.07
Joint Venture Sahahydro Pattaya	1	63.67
Total	31	3,894.96

-Pasit Leesakul -

(Mr. Pasit Leesakul)

Director and Chief Executive Officer

12 May 2023